



**integrated philanthropy**<sup>®</sup>

*PROMOTING PEOPLE-CENTERED PHILANTHROPY*

The Integrated Philanthropy Initiative is a partnership of pioneering nonprofit and philanthropic organizations seeking to maximize the effectiveness of philanthropy by promoting people-centered programs.

Coalition Partners  
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The Integrated Philanthropy Initiative is supported by the  
Foundation for Excellence in Philanthropy.  
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Version July 2017

Philanthropy is a beautiful word. It originates from the Greek, *φιλία* (*philia*) which means brotherly love, and *άνθρωποι* (*anthropoi*) which means people. Philanthropy literally means “the love of people”. This root meaning invites us to a deeper and more demanding expression of generosity. We believe that the love of people should be the source and culmination of philanthropy.

The first and most important test of philanthropy is also the most difficult, because it is a test of the heart. Does our generosity flow from a love for others? Or does our motivation have roots in other, more self-oriented, sources such as our personal quest for significance or fulfillment? Our motive and mindset will invariably impact the work.

*We believe that the love of people should be the source and culmination of philanthropy.*

The “love of people” (philanthropy) requires listening well to those one wishes to serve. They are not only stakeholders in philanthropic work, they are the ultimate owners of any lasting positive change. True philanthropy sees people, not as objects of benevolence, but for their strengths, dignity and agency. Such a view leads us to *integrate* their participation and influence in philanthropic programs - Integrated Philanthropy.

Integrated Philanthropy is people-centered because it systematically includes participation and influence of the “beneficiaries” (a term used reluctantly in this booklet) as agents and owners of their own growth. Although the concepts of participation, listening and feedback have gained attention, they have not yet become widely adopted in practice. We aim to change that.

## FLOURISHING



Philanthropy aspires to help others experience some aspect of well-being, or flourishing, in life. Flourishing may include physical, social, intellectual, cultural, economic, environmental or spiritual dimensions of life. Flourishing may also be expressed in terms of freedom, agency and growth.

*“I came that they might have life, and have it abundantly.”*  
Jesus (John 10:10)

Of course, a flourishing life is not just the hope of the economically disadvantaged. It is the hope for all of us. Even the act of philanthropy, the expression of compassion and generosity, is part of the flourishing life. Ideally, the act of philanthropy nourishes abundant, flourishing life in all of us – givers and receivers. The offering of resources by one person for the benefit of another is beautiful, but creates challenges.

## CHALLENGES

In the next decade, roughly *five trillion dollars* will be spent with the intent to help people experience a better life. Tragically, without reform, a high percentage of that capital will be wasted and may even harm the people it aims to help.

### Questions we face:

- Will the gift create a lasting positive impact?*
- Where is the greatest need?*
- Which programs are redundant?*
- Is the non-profit organization efficient?*
- Will the gift enable dependency?*
- Will it squash or duplicate local initiative?*

The challenge to know whether philanthropy is “effective” is a persistent problem. It is rooted in ambiguity about outcomes, inherent difficulty of measuring human transformation and the disconnect between the “customer” (beneficiary) experience and donor satisfaction. It is possible to have a satisfied donor and yet the “beneficiary” is further from a flourishing life.

There are many sad examples of well-intended efforts creating dependency, reinforcing “victim” mindsets, or undermining local efforts to solve a problem. Delivering truly helpful (effective) programs with efficiency, in a locally owned and sustainable way, is hard.

The difficulty of measuring social impact produces tension and mistrust between donors and nonprofits. Inadequate measures also undermine performance management and learning-innovation cycles in philanthropic programs.

## MEASUREMENT

Philanthropy seeks to benefit people, to deliver value. Educational services, counseling, poverty alleviation... all philanthropic efforts are aimed at serving people. But how does one know if “value” is being delivered? In short, is philanthropy working?

Many nonprofits do not measure impact, or outcomes. If they measure anything, it is likely to be outputs or activities. For those that do measure, the most common approach is “Monitoring and Evaluation” (M&E). M&E methods are rooted in sociological paradigms that treat the beneficiary population as the subject of an intervention. M&E studies tend to be complex, relatively expensive and somewhat onerous to implement. Not surprisingly, nonprofit organizations often lack the financial and human resources needed to conduct M&E studies with rigor and, understandably, the unreliable data tends not to have much influence on nonprofit management decisions. Instead, such data often produces debates about causality and an appetite for further evidence. This process can become a tortuous quest for “proof” or self-justification. Or, worse, the bastion of cynics. Ideally, M&E feeds a learning and innovation cycle.

M&E efforts generally seek to assess whether positive change can be objectively observed and causally associated with the intervention. In short, we *study* them.

In business, companies often assess performance on the basis of Customer Experience. Value is judged by the customer. If the customer is happy, profit follows. Companies use simple feedback methods to capture perceived value. In short, we *ask* them.

What if we applied the methods of Customer Experience to the nonprofit sector? What if “beneficiary experience” provided a key measure of “effectiveness”?

## PEOPLE FOCUS

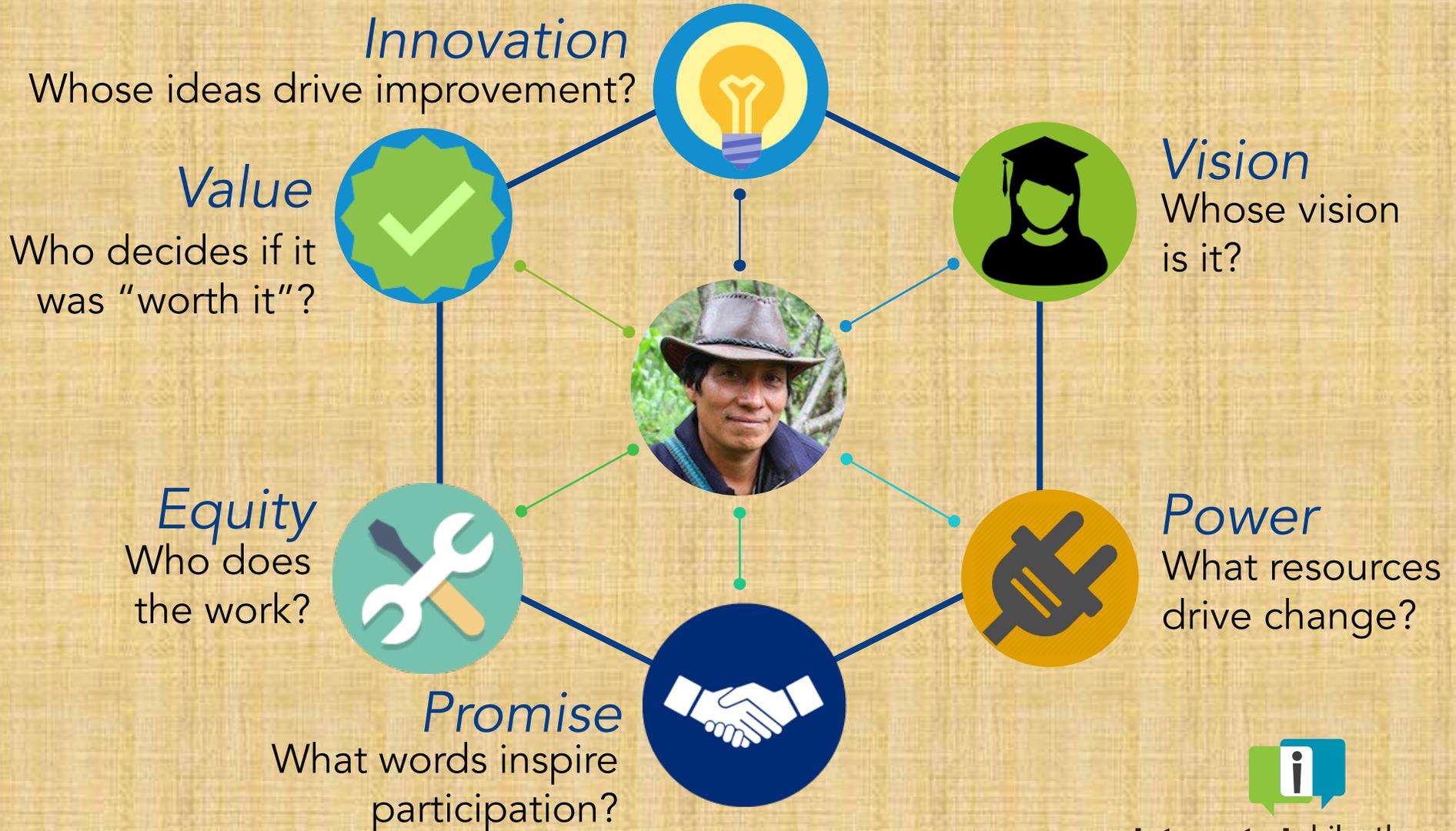


### WE BELIEVE

- People must be agents of their own growth and development.
- People are far more likely to achieve goals that they set for themselves.
- People who dedicate their own resources toward a goal, will be more resilient and innovative in reaching it.
- The philanthropist’s role is a catalytic, leveraged investment to create protection or opportunity.
- Philanthropy ought to strengthen the capacities, freedoms and agency of those we aim to serve.
- The effectiveness of philanthropic efforts must be measured for learning and continuous improvement.
- “Beneficiary” perspective and feedback offers a key measure of effectiveness.

# Integrated Philanthropy

*Six qualities of people-centered design*



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## VISION

*The beneficiary's idea of a better future defines the destination.*



Every philanthropic effort has a goal. Often more than one. Many nonprofits struggle simply because that goal is not crystal clear and therefore fails to drive behaviors of the organization or its partners. The question is, whose goal is it?

People must be agents of their own growth and they are far more likely to reach goals that they set for themselves. The people-centered approach to goal development accepts the risks of empowering local partners. It explores the dynamics of trust and control while recognizing that the nonprofit can only serve goals that fit its mission. These practices honor the principles of participatory development but the process can fail at either of two extremes.

At one extreme are controlling organizations who impose goals and wield power, typically money, to create compliance to an implementation plan. At the other extreme, organizations abdicate responsibility and claim to be “empowering” when they are merely hiding from their own lack of value production.

Integrated Philanthropy promotes a people-centered process of goal creation and seeks an honest answer to the question, “Whose vision is it?”

But what if they can't see how good the future could be? They lack vision!

SKEPTIC

## POWER

*Beneficiary agency and local resources are leveraged for change.*



The resources marshalled to create change are presumed to have power. It is the unique assembly of ideas, labor, skills, facilities, technology, money and other assets that unleashes potential. Our mindset toward power strongly influences our assumptions about what resources are needed to achieve the vision. Donors may be inclined to view money as a primary power for change, while others may see relationships or mindsets as holding that power.



There are multiple reasons to begin with a people-centered understanding of resources. Asking beneficiaries for their perspective of resources, including their own capabilities, is an asset-based or strengths-based approach. It honors the principles of appreciative enquiry as an inherently developmental activity. It can also provide a market analysis to know who is doing what. It is also humble.

If beneficiary engagement begins with the their need, their insufficiency, or their lack of ability, then the program is unlikely to succeed in building their agency and confidence to solve problems. If, however, that engagement begins with appreciation of their strengths and capabilities, and helps them discover and build upon their assets, then the program has a better chance of producing sustained change.

But they lack the resources! That's why they need us.

SKEPTIC

## PROMISE

*The invitation to contribute honors the beneficiary.*

The invitation to participate in a philanthropic work always involves a promise. A story of a better future, but that future is conditional. It is a story of what will happen if... If a hero takes action.

Many nonprofit marketing messages feature a promise as, "If you give, she will be rescued". The problem with this approach is that the beneficiary is cast as

a needy victim and the donor is cast as the hero of their story. This narrative marginalizes the beneficiary as a dignified, capable and powerful source of solutions. If philanthropy is "the love of people", then the promise should honor them.

Integrated Philanthropy takes a venture capital approach. Ventures invest in high-risk, entrepreneurial efforts to unleash the productive power of new ideas. The venture is not just a business proposition, it is a group of people who can create new value. In Integrated Philanthropy the beneficiary *is* the venture. The promise is harbored in the dignity and potential of the beneficiary. This is part of why we are reluctant to use the term "beneficiary".

It would be inconsistent, if not wrong, to engage beneficiaries with an asset-based approach and then feature them as victims in marketing materials.

SKEPTIC

*Sounds idealistic. People give money for concrete actions, not "potential". And donors are heroes.*

## EQUITY

*The beneficiary has substantive and increasing ownership in the work.*

The term "equity" is often used financially to refer to the investment in an asset resulting in a degree of ownership in that asset. Equity may also include non-financial investment. For example, Habitat for Humanity engages the labor of future homeowners in the construction of their homes and refers to that labor as "sweat equity". The deployment of

any resource (power) toward the goal, creates equity in the goal for the one who deployed the resource.

Beneficiary equity, their contribution toward the goal, is the best evidence of ownership and is absolutely critical to long term success. If the goal or vision is truly theirs, then they will certainly invest in reaching it. Equity is not a static factor. There is often a maturation process through which beneficiaries grow in participation and equity.

Beneficiary equity is also prerequisite to their assessment of value. The value question, "Was it worth it?", is quality tied to cost. Without equity (cost), the beneficiary might provide positive views of perceived value simply because it was free. But a client who sacrificed in the course of the work is much more likely to provide reliable feedback and perspective on value.

*How can you ask poor people to pay when they don't have any money?*

SKEPTIC

## VALUE

*The beneficiary decides if it was "worth it".*

Organizations often struggle to reliably assess whether their efforts are "working". Effectiveness is a major challenge for philanthropy. Phrases such as "evidence-based", or "outcome-driven" are often

conceptual ideals that fail to translate into routine practice. There is an alternative approach to assessing effectiveness. Instead of seeking "proof" and causality, philanthropists (lovers of people) can simply ask people about their experience.

It may sound simplistic to "simply ask" but thousands of businesses base their performance management on this approach. Frequent, simple customer feedback is a key indicator of company performance. The client can tell us whether we are contributing value. Feedback Labs is pioneering such feedback systems for philanthropy.

Integrated Philanthropy promotes systematic listening to the beneficiary through rapid and frequent feedback. We believe that progress toward the (beneficiary's) goal is best assessed by the beneficiaries themselves.

Asking, "How are you?" is a powerful tool for assessing whether the beneficiary is moving toward his/her envisioned future and, indirectly, whether we are achieving our mission to help them flourish.

SKEPTIC

*If you ask beneficiaries for this stuff they're just going to tell you what you want to hear.*

## INNOVATION

*Beneficiary and front line ideas are influential in creating change.*

Systematic listening to the beneficiary is of limited value if it does not produce influence for program change. In fact, listening without a process to act in response to what is learned, can cause more harm than good. It devalues the listening process and is disingenuous. A common failure of listening methods is that they are not connected to learning and innovation cycles.

Integrated Philanthropy promotes practices that link beneficiary ideas to meaningful influence on the Program.

## CONCLUSION

An organization that holds itself accountable to its "beneficiaries" will be driven simultaneously by its own mission and by the forces that create great businesses. Programs that systematically integrate the participation, voice and influence of the people will achieve greater impact. Integrated Philanthropy promotes and supports such work.

BELIEVER

*visit [IntegratedPhilanthropy.org](http://IntegratedPhilanthropy.org) (skeptics welcome!)*

*I'll believe it when I see it.*

SKEPTIC



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