5 tips to get greater impact from your giving

By Perpetual Private Insights

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Stanford PACS and its Co-Director, Paul Brest, are world-leading exponents of ‘strategic philanthropy’ - philanthropy which uses strategy and clearly defined measurements and outcomes to improve impact.

While strategic philanthropy is not a new concept, it has surged in popularity this century. This has been driven by a demands for greater accountability and effectiveness in a philanthropic sector which is growing rapidly. Over the last 20 years, Paul Brest and other experts have been refining their practices and sharing their ideas on how to create maximum impact.

Here are the tips which we think are most useful for Australian philanthropists.

1. **Cooperate with like-minded organisations**

   According to Brest and other commentators, too many philanthropists work in silos. They fail to identify other parties (charities, other philanthropists, social enterprises), working towards similar goals and so miss out on the possible benefits of collaboration. Working together, philanthropists can achieve greater impact by reducing duplication, increasing available resources and ameliorating any deficiencies in strategy or capability.

2. **Balance quantitative and qualitative measurement**

   Numbers have an enticing simplicity. They make it easy to see whether you are making progress - or not. Unfortunately, while some things can be easily measured with numbers, others, like societal attitudes or long-range social impact, cannot. Experts advise that a blend of statistical, numerical indicators with qualitative factors is often the best way to achieve a more comprehensive and holistic view of philanthropic impact. Depending on the change you are trying to create, these qualitative factors could be things like expert feedback or analysis, interviews with people in your target market, surveys or independent reviews.

3. **Don't put the strategy in a drawer**

   Too many people develop a strategy and think – 'job done'. Because of the way the grant process works, many philanthropists and foundations develop a strategy, award a grant, then move on. This misses out two very important parts of strategic philanthropy. The first is the all-important measurement. Without this, it's impossible to know whether you are achieving the desired result. The second is refining your strategy based on ongoing measurement and evaluation. Both of these factors are critical to maximising overall impact.

4. **Collaborate on strategy**

   Some critics say that strategic philanthropy can be overly prescriptive. When a grantee is told *exactly* how to use the money they're awarded, it's unlikely to get the best outcome. The most successful strategies tend to be where grantees and philanthropists work

together. Patricia Patrizi and Elizabeth Thompson have many years' experience working with foundations and grantees on strategy and advise:

"Grantees need to be treated as the central partners that they ultimately are in the strategy process. They are not only the main executors of strategy, but have the on-the-ground knowledge and experience essential to sort the wheat from chaff in strategic thinking[1]."

5. **Develop a theory of change**

Paul Brest particularly emphasises the importance of a well thought through 'theory of change'. He says this is: " a serious study of the system you intend to change... You must understand the forces acting upon those systems (social, economic, technological, legal, and so forth), and the motivations of those who control the outcomes[2]." According to Brest, this is a fundamental first step which the rest of your strategy is based on. It allows you to map the causal path, create appropriate outcomes, measure results and, most importantly – have the best chance of maximising your impact and creating the change you desire.

If you are a NFP, Foundation or philanthropist and would like to enhance your knowledge about strategic philanthropy, please talk to your Perpetual Adviser or contact our Philanthropy team on 1800 501 227 or email us at philanthropy@perpetual.com.au

1. Patrizi, P. and Thompson, E., 2011, "Beyond the Veneer of Strategic Philanthropy," *Foundation Review*, vol. 2, issue 3

2. Brest, P. and Harvey, H., 16 July, 2018, "Clear Strategy Could Make This The "Century Of Philanthropy" - If It's Money Well Spent.", *Forbes.com*

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