



6 Mistakes **Philanthropists** **Make During A Crisis** **(And What They Can Do Instead)**

By Kris Putnam-Walkerly

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Crises bring massive social, health and economic uncertainties, along with challenges and hardships. They also unleash unprecedented philanthropic leadership and opportunities for transformational social change.

As a global philanthropy advisor for over 20 years, I see the unique position my clients are in to help their communities achieve transformational social change. Being an effective philanthropist requires letting go of what I call “delusional altruism”—all those ways of thinking and behaving that get in the way of forward momentum. Unfortunately, during times of uncertainty, many of these pitfalls become our defaults. So, regardless of what we are facing—a pandemic, natural disaster, cybersecurity attack, or something else—here are six common mistakes philanthropists make during a crisis, and what they can do differently.

Mistake #1: You Want To Step Back

During times of crisis we naturally want to hunker down and isolate ourselves. We are fearful, so we hold back. The problem with isolating is it prevents us from making a difference. Let’s look at a small but telling example of how this plays out. During the COVID-19 pandemic, I called two different foundation CEOs. With the first call I got this recorded message: “We’re all working from home. Leave a message in the general mailbox and one of us will get back to you.” Yep, the funder *disabled* their phone system, asking their grantees, partners and collaborators to essentially whistle into the wind if they wanted to reach them. On the second call, the phone system worked as normal and I got the CEO’s recently updated voicemail. It said “We’re all working from home. However, I’d like to hear from you. Please feel free to call my cell phone.” When I called the number, *she answered*. Which of these funders is engaging and building trusting relationships? Which gives confidence that the funder is there for its community and taking a leadership role?

What To Do Instead: Engage

For philanthropists, this tendency to hunker down can get in the way of effectively making change even during the best of times. Of course, it’s natural for you to fear exposure. You have resources and, especially during a crisis, you risk opening yourself to all manner of questions, requests and distractions. But if you let fear take over, and hide behind a firewall, you exist in a separate reality without the necessary knowledge, connections and relationships to be an effective leader. What should you do instead? Reach out. Reduce uncertainty and preempt inquiries by communicating early and often. Pick up the phone and call your collaborators and grantees to learn more about their concerns and needs. This step will require patience to truly build trust and move beyond the funder-grantee power dynamics. And don’t be afraid to share challenges either. Nobody expects you to have all the answers. When you operate with a “we’re all in this together” mentality, you get a whole ecosystem of people working collaboratively. In addition to alleviating stress and pressure, it’s an approach that yields amazing results.

Mistake #2: You Decide To “Wait and See”

When things go wrong, who doesn't want to hit pause? The problem with this approach is that a crisis and the uncertainty that follows can persist for months or even years. If you wait until it's all over, you've missed your greatest opportunity to be of most help. The reasoning goes like this: once everything shakes out, we'll have a better understanding of the situation and can better respond. Here's how this unfolds in one real-life scenario. A foundation board decides to adopt a “let's wait and see what happens” approach to COVID-19. Their timeline to reconnect? *Six months later*, during their scheduled board retreat. Not only that, but the organization's strategic plan is out of date, so while they wait staff members don't have a strategy to execute on.

In addition, several board members' term limits are set to expire prior to the board retreat, leaving it up to new board members unfamiliar with the organization to address the crisis and set the new agenda. This will inevitably lead to a learning lag time for action and it will be another several months before anything happens. While there will still be ways to help at that late date, they miss out on nearly a year of change-making opportunities. On top of that, they will have wasted resources. While staff will keep themselves busy during that year, they won't be executing an agreed-upon strategy. Waiting on the sidelines is a luxury none of us can afford.

What To Do Instead: Clarify, Prioritize, and Implement

The best way to navigate and lead through a crisis is to identify what you want to accomplish and the best way to accomplish it, ideally as quickly as possible! This is your strategy. It's as simple as that. Keep in mind that while your mission should remain the same (it's the reason your philanthropy exists) your strategy can adjust year to year. Even if you don't have a strategy, you can rapidly create one - in as little as a day and by working remotely! Once you have clarity on what you are trying to accomplish, focus everyone's efforts on what's most important. Determine your top priorities for implementing your strategy. Identify people who will be accountable for achieving each priority (I call these “priority champions”) and hold their feet to the fire. Make sure they prioritize time on their calendar and provide them resources they need to achieve results.

In the case of the funder above, they could have refreshed and clarified their strategy by collaborating remotely, and then quickly moved on to prioritizing and implementing. They would know the most important things to work on during the next quarter and year. They would be set on a course to rapidly execute, maintain momentum, and increase their impact.

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Mistake #3: You Stop Building Your Philanthropic Muscle

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To have the greatest impact, you need to be the greatest philanthropist you can be. This involves understanding yourself, understanding the communities you want to help, and building your philanthropic muscle and know-how. It means investing in yourself - your talent, learning, strategy development, operations, and technology, and relationships. Too often, however, donors feel they need to withhold investment in themselves and allow all resources to help others. This is what I call a scarcity mentality and it's a way of thinking that gets magnified during times of trouble.

While the intent is noble, this scarcity mind-set is part of the spell of delusional altruism. When funders start believing that they don't deserve to strengthen their own talent, knowledge and capacity during a crisis, they begin to slash their budgets of professional development, travel and technology that supports collaboration, or outside assistance such as executive coaching, strategic planning consulting, or board training. Unfortunately, this prevents them from achieving the impact they seek. During a crisis, the philanthropists who have and continue to invest in disaster preparedness, technology, and strategy development, and those who have taken the time to understand community needs and build trusting relationships, will hit the ground running. Those who embrace a scarcity mindset will hold back investment in themselves and hamstring their impact.

What To Do Instead: Invest In Making Yourself Stronger

Funders can embrace an abundance mind-set. This is the belief that investment in yourself is important, and the more you put into your philanthropy - and yourself - the greater the return on the causes and communities you care about. An abundance mind-set also has a way of snowballing into impressive gains in both leadership and impact. For example, in 2017, the Community Foundation Sonoma County had already committed to investing in its own growth and agility as a funder by revising its business model. That's when disaster struck. Fires ravaged their community. The foundation, and its visionary CEO Beth Brown, quickly adapted how they gave and how they operated. First, they established a fund specifically designed to address the community's mid- to long-term recovery needs. When they recognized inequities in the recovery process, they added an equity lens to all their disaster recovery grant-making. Even before the business model was complete, they'd already stepped into their new leadership role! The moral of the story? Put on your own oxygen mask first, before assisting others. While it might not feel like it, a crisis is an important time to identify weaknesses and innovate. You can learn from and address adversity so that you don't just bounce back, you bounce forward.

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Mistake #4: You Want To Maintain Control

For the same reasons that you might want to step back and hide out (see #1) during a crisis, it's also tempting to want to hang onto a sense of normalcy and control. This might translate into a continuation of cumbersome grant requirements and rigid deadlines, or the rule that you fund projects but not nonprofit overhead, or continuing to ask grantees to put all other work on hold to spend hours compiling lengthy reports so you can better understand what they do.

Many of these practices hamstring grantees even when there's no crisis in sight. In troubled times, these requirements can become downright impossible. They might not have access to their office or the files they need. They might be appropriately focused on the health and safety of employees and clients. At this point in time, what they really need is support in addressing immediate challenges, instead of struggling through the funder-inflicted drama of inflexible funding.

What To Do Instead: Be Responsive and Flexible

Sometimes philanthropists forget that they create almost all of their internal policies and protocols. That means they also have the power to change them. You can choose to extend deadlines for all grant timelines and reporting. You can trust your grantees to make good decisions by giving grants for general operating support and removing restrictions on existing grants. You can identify your grantees working directly on the front lines of the crisis and provide rapid response funding. The Moses Taylor Foundation in Pennsylvania did this. At the start of the COVID-19 pandemic, they issued additional, general operating support grants to select nonprofits that were meeting basic needs in Northeast Pennsylvania, such as the local food bank.

Nonprofits didn't even need to apply. They were simply told to come by and pick up their checks! Unfortunately, most nonprofits have minimal financial reserves to weather a crisis. At the same time, they're expected to play the outsized role of providing society's safety net. Many people rely on your grantees to be there for them, especially during a crisis. That's why it's essential to remove barriers and allow your funding to strengthen the organizations who bring your mission and vision to life. It's also an approach that, when extended into normal times, can dramatically increase your impact.

Mistake #5: You Want To Divert All Your Resources To The Crisis

This is called overreacting and it's hard not to do when faced with a disaster. Sometimes funders get so caught up in responding to the needs of the moment, they drop all other priorities. There can be times when this makes sense in the very immediate term, like if you are living through a wildfire that is still burning, or your community has just been devastated by an earthquake. In those instances, making sure people have access to food, water, shelter, and medical attention, finding survivors, etc. is of paramount importance. But, before you switch your entire grantmaking strategy to infectious disease prevention during a pandemic, take a deep breath.

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What To Do Instead: Be Consistent

While it's important to be responsive to changing circumstances, overreacting makes us lose sight of all the level-headed thinking and decision-making that came before. Let's say you're focused on increasing equity in education.

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Regardless of the difficult situation of today, that need will still exist tomorrow. If you're clear on your purpose and strategy, your current work is vital to changing the status quo. In addition, in many cases, you can continue to advance your strategy by reprioritizing or diverting some funds to provide immediate relief to those you already serve who are impacted by the crisis—like the college-bound youth whose parents lost their jobs during the pandemic. That's called adapting, versus a total about-face. Offering this kind of support while at the same time showing consistency in word and deed can go a long way toward alleviating the rising anxiety levels of grantees on the ground and maintaining the forward momentum of your important work.

Mistake #6: You Only Respond To Immediate Needs

In addition to overreacting, we humans tend to be short sighted especially during times of stress and uncertainty. We're a lot better at responding to what's directly in front of us than we are at planning a long and sustained response. At the same time, while disasters don't discriminate, recovery does. Those who were struggling prior to sudden disasters like fires, wars, flooding or a

pandemic, all have a much steeper and longer road to recovery. People with resources have social and economic safety nets. They can recover faster, while others are left behind. Research shows that natural disasters increase income inequality by race. When funders just respond to immediate needs, those longer-term and very pressing equity needs go unmet.

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What To Do Instead: Take A Longer And More Comprehensive View

It helps to remember that there are multiple phases in any disaster: response, recovery, reform and resilience. If philanthropists put all their resources and energy into immediate response, they're only addressing the first phase and then are not positioned to support the critical long-haul work of the following phases that will strengthen communities. While natural disasters strike in what seems like an instant, the work of recovery, reform and resilience (bouncing back even stronger than before the disaster) goes on for years.

Unfortunately, this is the period when most givers have moved on. It's also a time when sustained gifts can make a huge and lasting difference — rebuilding homes and schools, replacing weathered infrastructure, repairing environmental damage, and helping communities to emerge better than before. Careful long-term planning and strategy can help your philanthropy have an impact that lasts for generations to come.

The bottom line? During times of extreme stress, it's human nature to feel fearful, retreat and overreact. In addition, in philanthropy, there aren't a lot of mechanisms for accountability aside from what you put in place yourself. Combining those factors, it's no surprise many philanthropists struggle to find an effective way forward.

In times of crisis we need philanthropic leaders just like you to be visible, consistent, strong and responsive. As you make headway and flex those strategic and level-headed muscles now, you'll increase your capacity to effectively respond as new issues emerge and become the philanthropist you want to be.

Kris Putnam-Walkerly is a trusted advisor to the world's leading philanthropists. For over 20 years, ultra-high net worth donors, foundations, Fortune 500 companies, celebrity activists and wealth advisors have sought her advice to transform their giving and catapult their impact.

As a philanthropy advisor, speaker, and award-winning author, she's helped hundreds of philanthropists strategically allocate over half a billion dollars in grants and gifts.

Kris's clients include the Robert Wood Johnson Foundation, J.M. Smucker Company, Charles and Helen Schwab Foundation, Heising Simons-Foundation, Annie E. Casey Foundation, David and Lucile Packard Foundation, Walton Family Foundations, National Center for Family Philanthropy, Blue Shield of California, and Avery Dennison Foundation, among many others.

A thought leader in transformational giving®, Kris has been named one of America's Top 20 Philanthropy Speakers three years in a row. She is the author of *Delusional Altruism: Why Philanthropists Fail To Achieve Change* and *What They Can Do To Transform Giving and Confident Giving: Sage Advice for Funders*, a Forbes.com contributor on philanthropy; a global philanthropy content partner to Alliance Magazine; and the US philanthropy expert to the leading Dutch philanthropy media outlet De Dikke Blauwe.

Kris is also a frequent contributor in publications of leading philanthropy organizations and has provided expert commentary about philanthropy to the Wall Street Journal, Bloomberg, Washington Post, Entrepreneur, NPR's Marketplace Morning Report, Philanthropy News Digest, and The Chronicle of Philanthropy.



Prior to forming Putnam Consulting Group, Inc., Kris was a grantmaker at the David and Lucile Packard Foundation and an evaluator at the highly esteemed Stanford University School of Medicine. She holds a master's degree in social work from San Francisco State University and a bachelor's degree from Indiana University. She and her husband have five children and reside near Cleveland, Ohio.

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Or email me at kris@putnam-consulting.com so we can discuss your needs and see how I can help.



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