

Kris Putnam-Walkerly is one of the most influential philanthropic advisors and experts in the US on 'transformational giving'. For the last few years she has been one of the top 25 philanthropic speakers and is the author of multiple books, her latest book *Delusional Altruism*. I spoke with Kris at the end of May, in the midst of the COVID crisis. Before the death of George Floyd.

How delusional are you?

Summary: When you have a strategy, and therefore clarity you create longer term, sustainable change and effect. Learn from the COVID-19 crisis, see what is possible if you do something different like trusting grantees even more and speed your allocation processes up. Funders are more than their money. Leverage your network, use your business skills to support grantees. And her most important piece of advice, dare to invest in yourself.

You've been working in the philanthropic impact making world for the last twenty years. What drives you?

'My why is to help increase the clarity, impact and joy among philanthropists. Because there is a lot of potential for positive change and transformation that can occur with philanthropic dollars. When they have a sense of clarity they can use their money to create even more impact. And doing it while feeling joy.'

'I started at Stanford University where I evaluated youth and gang violence prevention programs in California. The multi year program was funded entirely by one foundation, they were new and tried to shift youth violence from a criminalisation focus to a public health focus. To do more about prevention instead of dealing with the problems when it was too late. They were allocating 10 million dollars for this ten years initiative, which is very long in this field. That was a big insight for me, to fund a program multiple years instead of donating once.'

'As one thing is certain, philanthropists have money to invest in society. When you have plenty to take care of yourself and your children, you can give it away. But, if you also apply your money in a smart way, take on-board researchers and advisers who can help you, you can really make a difference. That intrigued me to pursue philanthropy.'

Impact is a big concept. What does impact mean to you?

'I believe impact means achieving longer term sustainable change and effect. Sustainability is solving a problem so it doesn't exist anymore. Instead applying a band-aid, addressing the root causes. You don't only want to provide shelter for the homeless in order to just survive, you want to provide them with the things necessary to thrive. How you approach this as a funder can vary. You can address the mental health needs, provide a safe environment, arrange transportation to work, etc.'

Are there opportunities, e.g. COVID-19, to make lasting impact when providing emergency relief?

'It is absolutely necessary to provide relief in a crisis situation, and that by itself is very impactful. But there is an opportunity to take investing a step further. As with all situations there are different phases to aiding in a crisis. And every phase has its own opportunities. Take the brief moment between the emergency response and recovery phase. You are working with a broken system and get the chance to rebuild a new one. Are you going to follow the old rules or is there room for improvement? This is where change of the entire system becomes possible. As a funder, make

Auteur Rense Bos schrijft momenteel aan het inspiratie- & informatieboek *ZIE IMPACT*. Het dragende onderdeel van dit nieuwe Lenthe boek is een reeks interviews met experts en prominenten in het domein van private groot gevers. In deze *sneak preview* interviewt hij de in de VS werkende DDB-expert Kris Putnam.

Door Rense
Bos *



sure that you understand yourself in such a way that you can pick up the right role for you to make the kind of impact that suits you best, that optimizes your help to the fullest.'

'The CEO of Community Foundation Sonoma County in California did just that. They had massive wildfires in their county. First phase was to provide immediate relief to people who had lost their homes and businesses. During this phase they also reached out to other foundations with more experience with such emergency situations and quickly learned something very useful. In these situations there is an overwhelming need for psychological aid for survivors. And during emergencies like wildfires, people from outside the area are coming up to provide mental health assistance. But, those people from other areas are not going to be able to provide that service forever. It is just a temporary injection of aid. This sparked Sonoma County to create a structure to support healing the long-term effects of trauma. Sonoma County built a local framework to strengthen the capacity of local mental health care providers. In this way a local and durable connection is

created instead of drive-by therapy. Teach a man how to fish...'

'When a crisis hits people can change their process rapidly. We see it now during COVID-19. For example the allocation processes speeded up from months to days. That is amazing. However, I am concerned about funders going back to their old ways. I saw on the homepage of a foundation they were proudly proclaiming: We are back to our original guidelines! We are so desperate to return to normal. But, we need to be thoughtful where we are going back to. Do we want to go back to lengthy and cost intensive procedures? Are we acting delusional or is it time for a new philanthropic system?'

What is your favourite failure? How does it set you up for later success?

'When I was in college I studied in Ecuador for a full semester. I had always envisioned myself as a member of the Peace Corps, living in other countries. Plus, I was very passionate about foreign policy. But then I got really ill, which forced me to rethink my strategy. I was forced to slow down. This made me question

my beliefs and who I was in an impactful way. It raised that profound question of: Who am I? Any type of experience where you are questioning who you are provides a resilience of sorts. It creates a self-confidence that inspires to become even stronger. That experience shaped the person I am today and how I approach the world. And it shaped me to become the person I am today and why I work in this sector.'

What are the most important things that need to happen now in this sector to make even more impact?

'1. **Create a new strategy.** This goes for every organisation. Even if you had a strategy pre-COVID it needs to be updated, trust me. The world is a different place now. You don't have to have weeklong strategy sessions; it can be done in a day. It is important to just do it. See a strategy as a living framework, it is work in progress. A strategy will give you clarity to make choices and create progress.'

'2. **System- and policy change.** This crisis is uncovering areas where our public health systems and our education systems are

'Just because you are used to your old ways, it doesn't mean they are still useful'

failing. Take for example the digital divide in the US, where 14% of children - that's 9 million kids - don't have internet access at home. Even more lack a computer at home, so the only way to have access to the internet is through the phone of their parents. Yet, their parents are using that phone as well. You can see how that creates new challenges when suddenly they are being educated remotely. Funder can play a role here. Rethink the underlying systems and decide where to improve those systems.

'3. There has to be an equity-lens in grant making. We have to take into account the economic and racial disparities in our society. This COVID-19 crisis is impacting low income communities and communities of color hard. This equity mindset has to be implemented in strategies, as well in policies of foundations and other organizations.'

'4. Having an abundance mindset. Recognise that as a funder, you have to build your philanthropist muscle. Try to be the best philanthropist you can be. Ask yourself: What knowledge, resources, coaching do you need to do that? It is important to give yourself permission to obtain it, don't feel guilty. Don't be afraid to invest in yourself. And, train yourself to trust the leaders of the organizations you are funding. Make sure they have what they need to succeed. I see a lot of cases where funders treat their non-profits different from their for-profit companies. For a lasting impact, we need to take our business mindset, with all the SMARTS and KPI's to our philanthropic endeavors. For example, if you hire a director, make sure he/she has time to do the strategic work instead of only answering phone calls, ordering lunch for the board meeting and making copies, etc. Think ahead.'

How do you see an even better integration between governments and foundations to work on system change?

'In the US there is a lot of willingness to work together with governments. It has to be a partnership where you trust each other. To

know and trust that what the other party brings is worthwhile. And for system change you have to have a long term perspective.'

'Foundations have globally billions in assets. The default option is to invest and use the interest and/or dividend to give grants. What are options to make even more impact?

The options are to increase the percentage of their assets they are willing to give away. In the US, a private foundation is obligated to give away 5% of their assets. They have massive influence to choose impact investing or regular investing with the other 95% of their assets. The question that is becoming more and more relevant these days: Can you deploy your assets for good?'

'But, there is a trade off. Regardless of how much money you are generating on interest or profit from your investment, with every expense you diminish your financial wealth. In other words: you can only spend your money once. And that is fine. This does however ask you to be conscious about your decision of not only how, but also when your money is best spent. It comes down to the question:

A great deal of philanthropists have a background in business. Why is it that the majority is not using their business skills, like setting up social enterprises and/or re-invest money multiple times?

'Funders don't realise enough that they are more than just their money. They possess deep knowledge and vast networks that they can deploy in order to open doors for people. The quest is now how to make them realise this and to feel motivated to cultivate this type of help as well as donating.'

'The world of social loans and impact investing is growing, but slowly. Because of the lack of knowledge of the funders and wealth managers. There has been a shift but there is still fear like: What is our return going to be? It is a very important subject and at the same time a lot of philanthropic organizations are small, so there is not a lot of expertise about impact investing. Luckily for philanthropists these social loans provide a great way of exploring

impact investing further. Giving away social loans, with no interest is a great way to utilize your assets. There is no downside.'

What final advice do you want to give to funders, learning from this COVID period?

'What I see is that funders are making common mistakes in times of crisis. Some people are just overwhelmed and fearful, like a deer caught in headlights. They don't know what to do because they don't have a strategy, and don't have the help of good advisors in place. We don't hear about them in the media because they are not being interviewed. Funders and organizations need communities or trusted advisors, coaches, or however you want to call them, to turn to when it gets difficult. I would advise funders to start looking for a trusted advisor and a community with peers. This will provide you with more clarity on the vast majority of options that are actually out there and motivate you to make the right decision for you personally. I want you to know that you're not alone. Create a group of people around you to turn to in times of crisis, now and in the future. Learn from past mistakes, rebuild your own system, have even more impact with your investment. Don't be delusional in your altruism.'



* Rense Bos is expert op het gebied van social impact. De laatste vijftien jaar heeft hij als sociaal ondernemer, investeerder en vrijwilliger de wereld van impact maken doorleefd. Samen met individuen, families en bedrijven simplificeert hij impact.

'The worst case scenario is that you can't get the money back, then you call it a grant'