

Philanthropy 3.0

Restoring the American Dream

Steve Goldberg

stevegoldb@gmail.com

781.248.8586

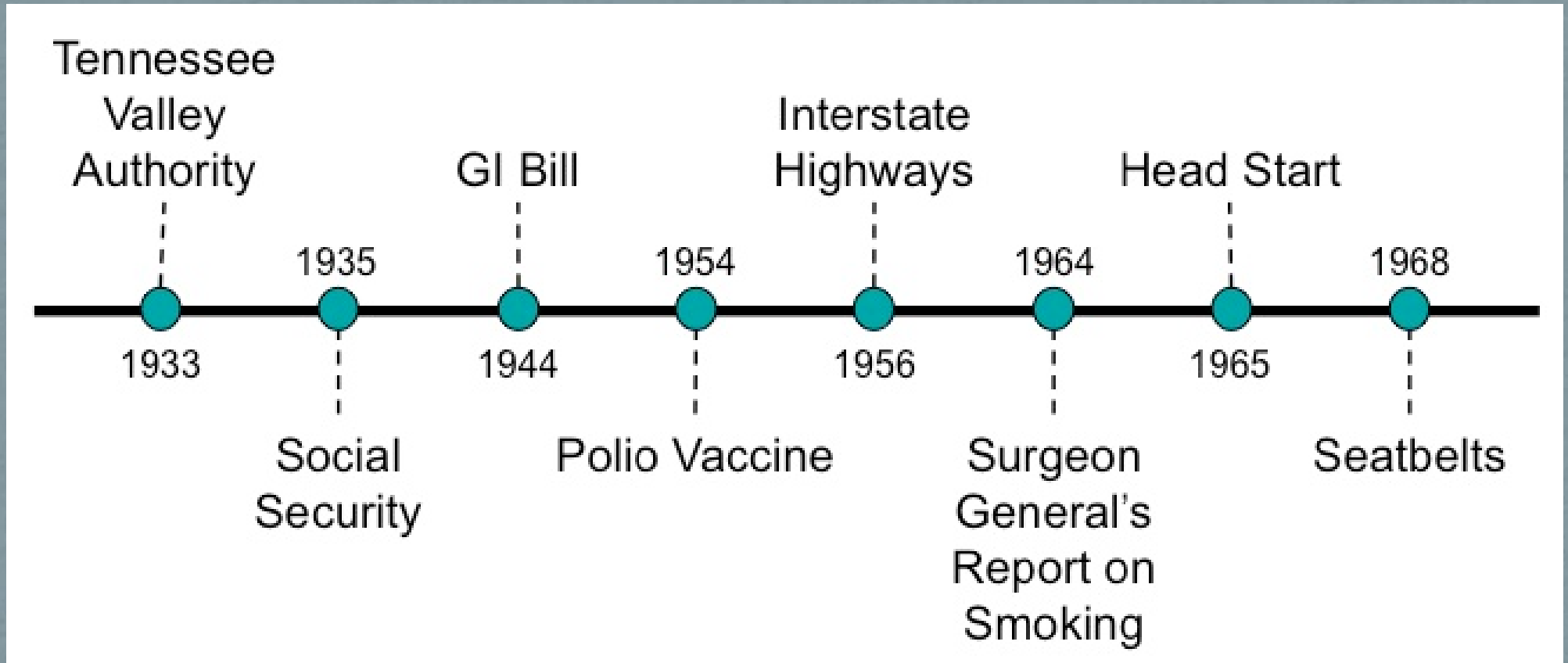
Three Stages of Social Enterprise

1.0 Innovation

2.0 Growth

3.0 Systemic Change

The American Dream



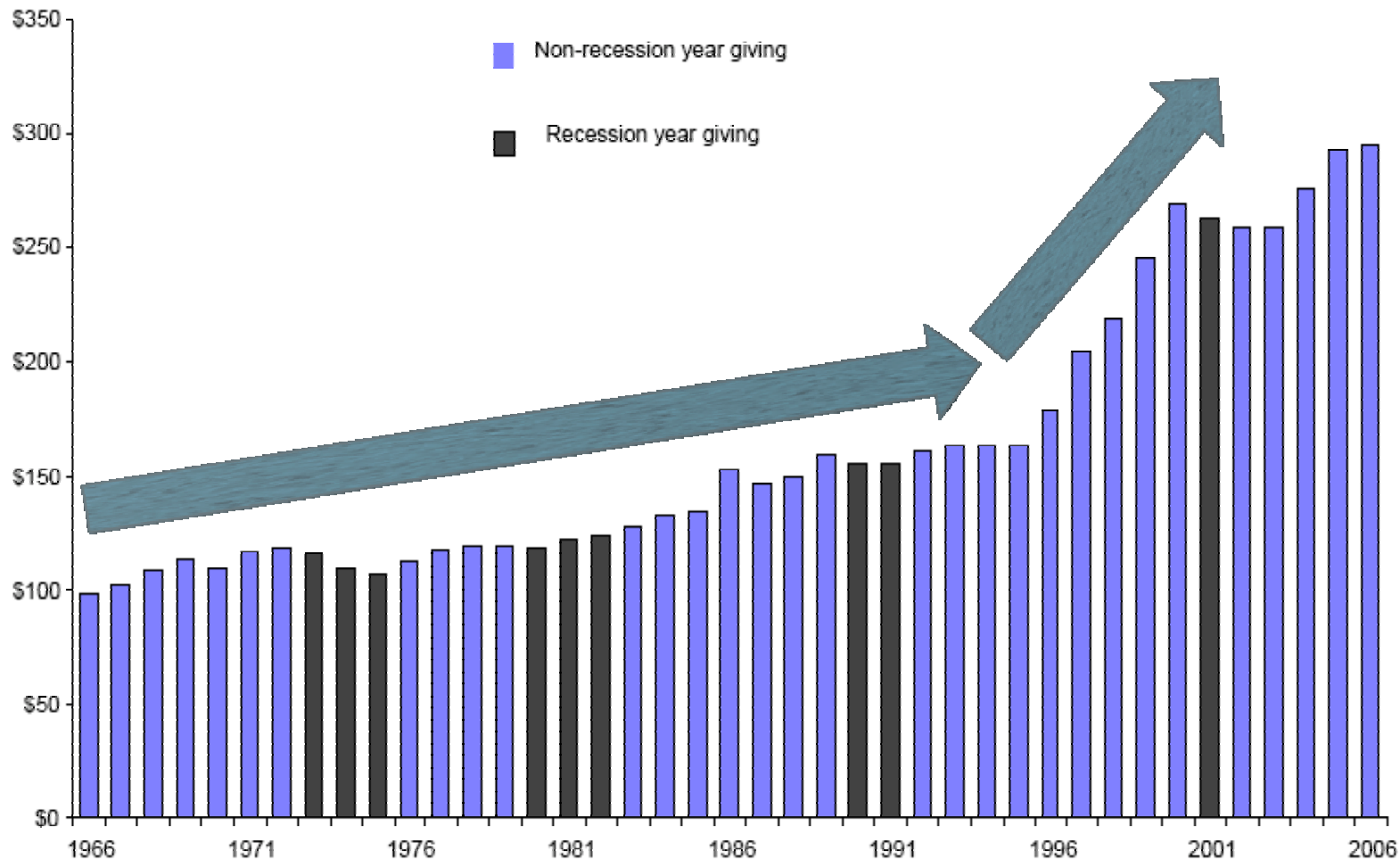
American Dream Scorecard, 1970-2003

BETTER	WORSE
<ul style="list-style-type: none"> • Family income • Home ownership • Income gap by race • Access to college • Infant mortality • Life expectancy • Smoking rate 	<ul style="list-style-type: none"> • Overall poverty rate • Child poverty rate • Wealth distribution • Ave. of net assets • Graduation rates from public schools • Standardized achievement test scores • Math & science skills • College completion • College matriculation • Health insurance • Children living with two parents • Asthma rates • Obesity rates • Prison population • Violent crime
SAME	
<ul style="list-style-type: none"> • Illicit drug use • Teen parenting rates 	
MIXED	
<ul style="list-style-type: none"> • Academic skills 	

Source: Eric Schwarz, "Realizing the American Dream"

“Golden Age of Philanthropy”

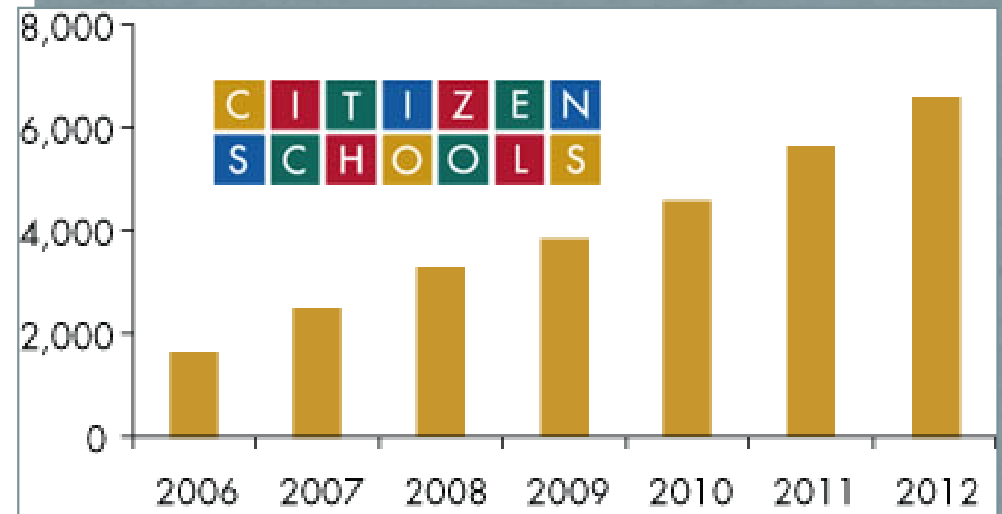
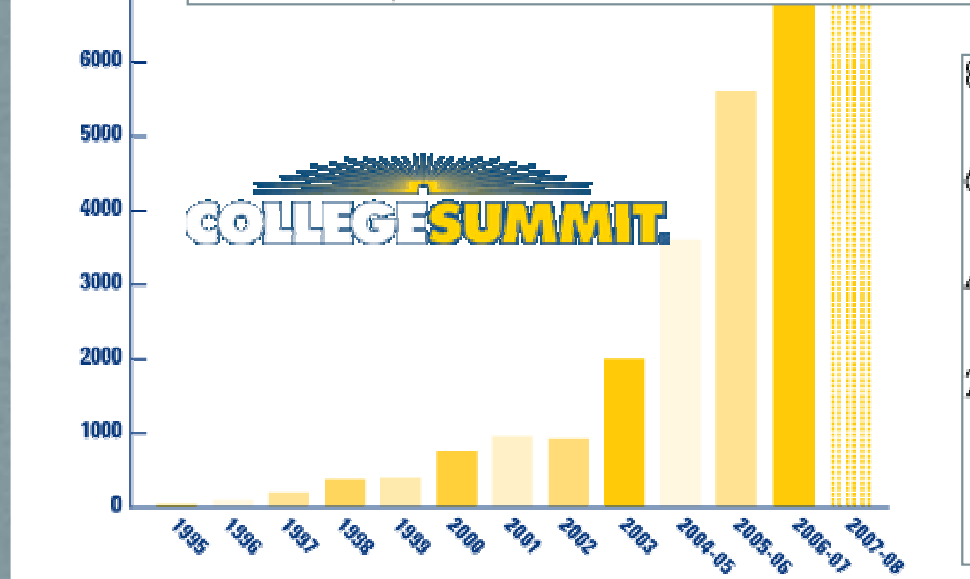
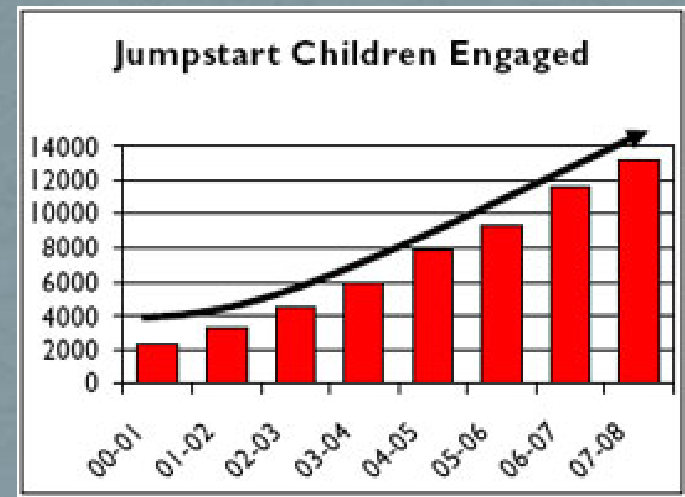
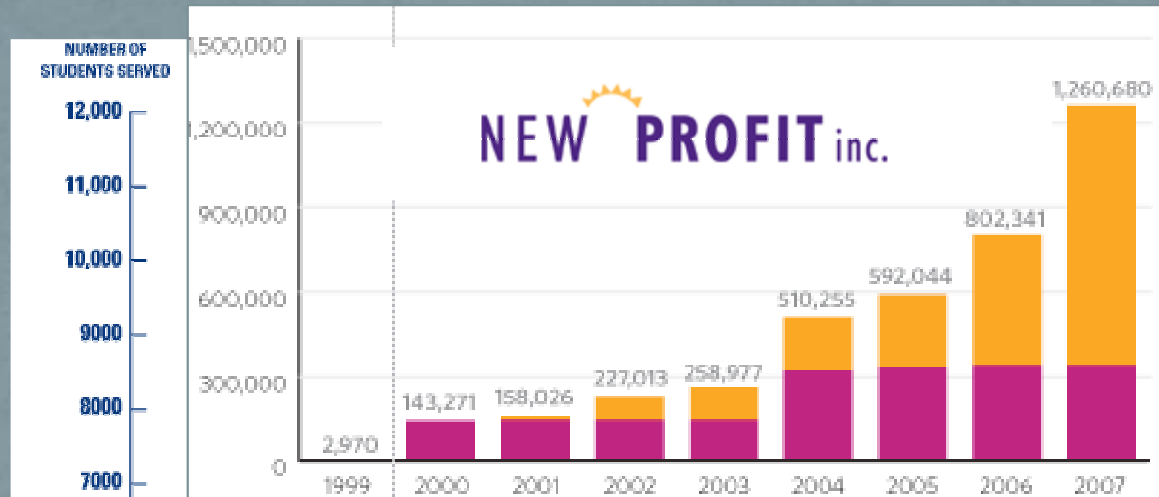
Total Giving, adjusted for inflation, 1966-2006
Billions of dollars



Source: Giving USA Foundation

Source: Boston College Center on Wealth & Philanthropy

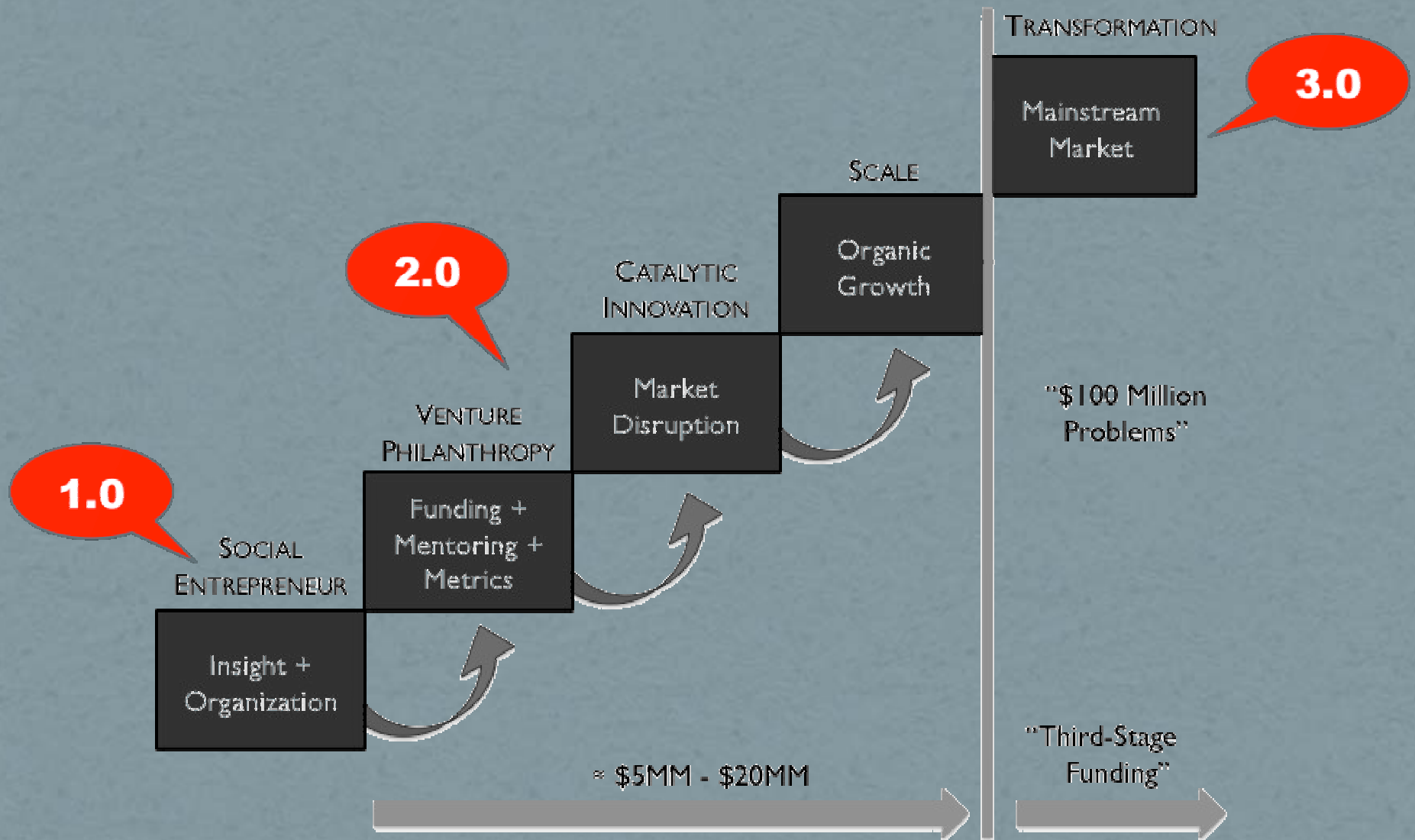
±30% Annual Growth



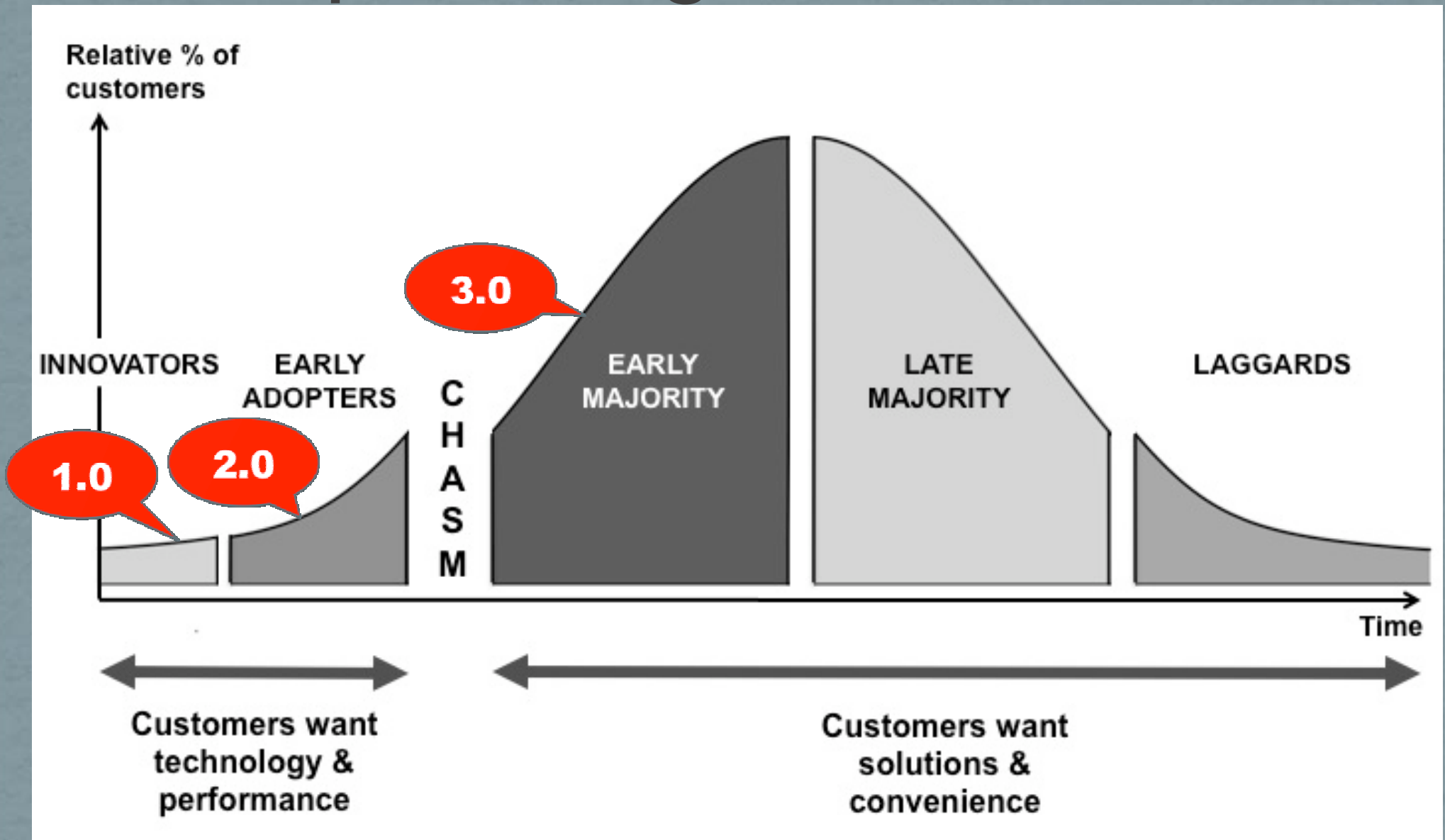
Drops in the Bucket

ORGANIZATION	FOCUS	SERVED PER YEAR	TOTAL NEED (MM)	% OF NEED
BELL	Out-of-school time	8,000	10.8	0.07%
College Summit	College access	1,300	0.2	0.65%
Jumpstart	School readiness	13,000	3.3	0.39%
Raising a Reader	Infants to 5-year olds	200,000	10.1	1.98%
Teach For America	“Educational inequity”	425,000	13.0	3.30%
Year Up	“Disconnected youth”	350	3.8	0.09%

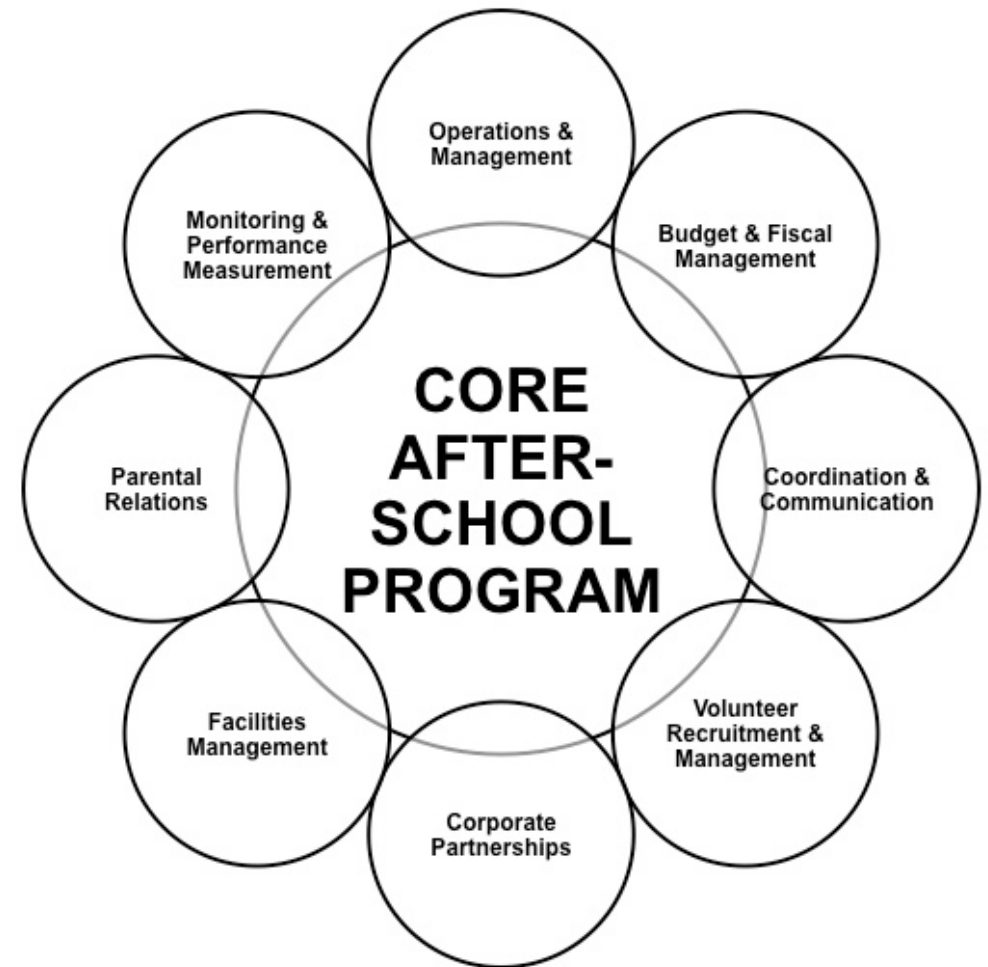
How Social Innovation Grows ... and Why It Stops



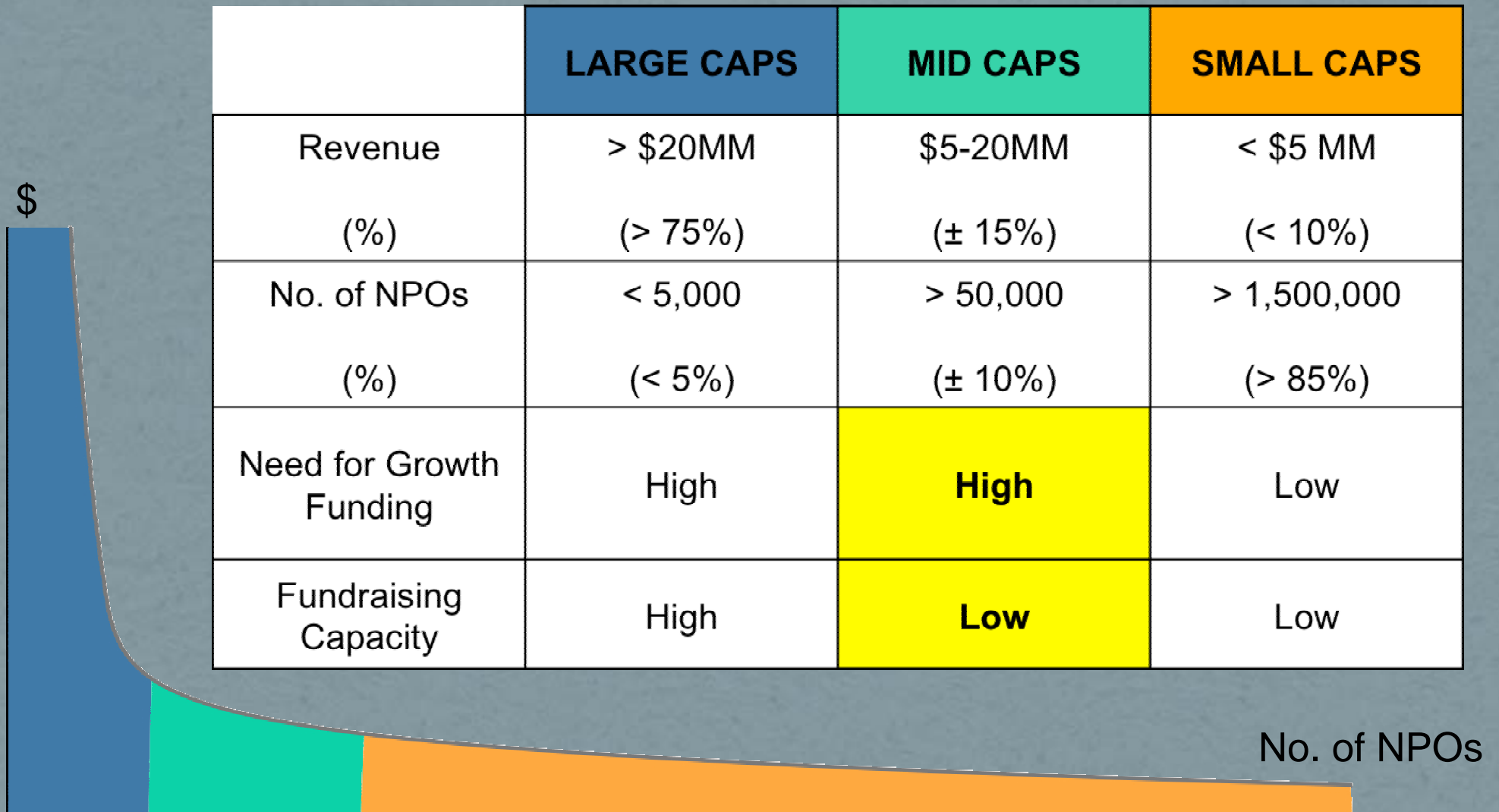
Spreading Innovation



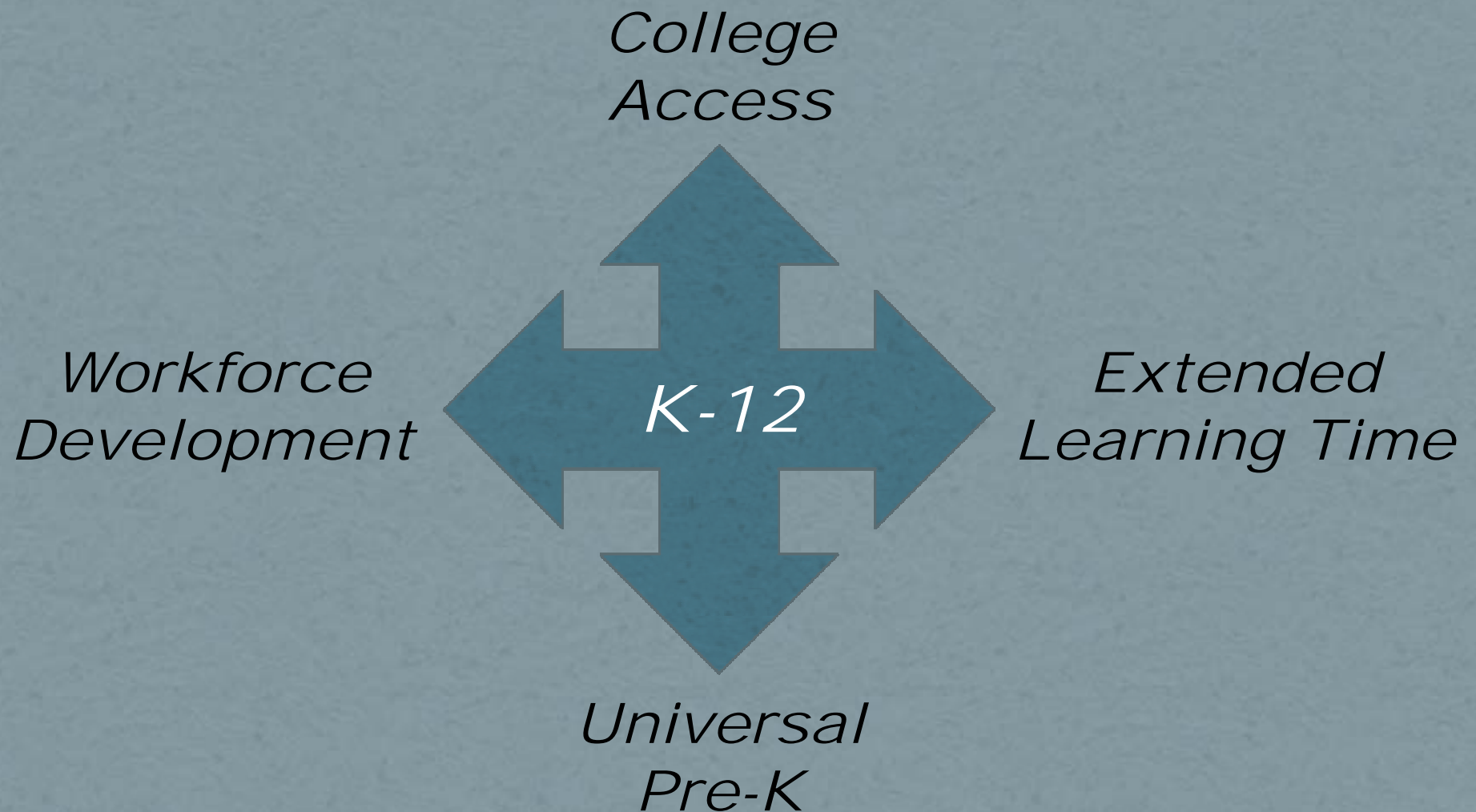
“Whole Product Solutions”



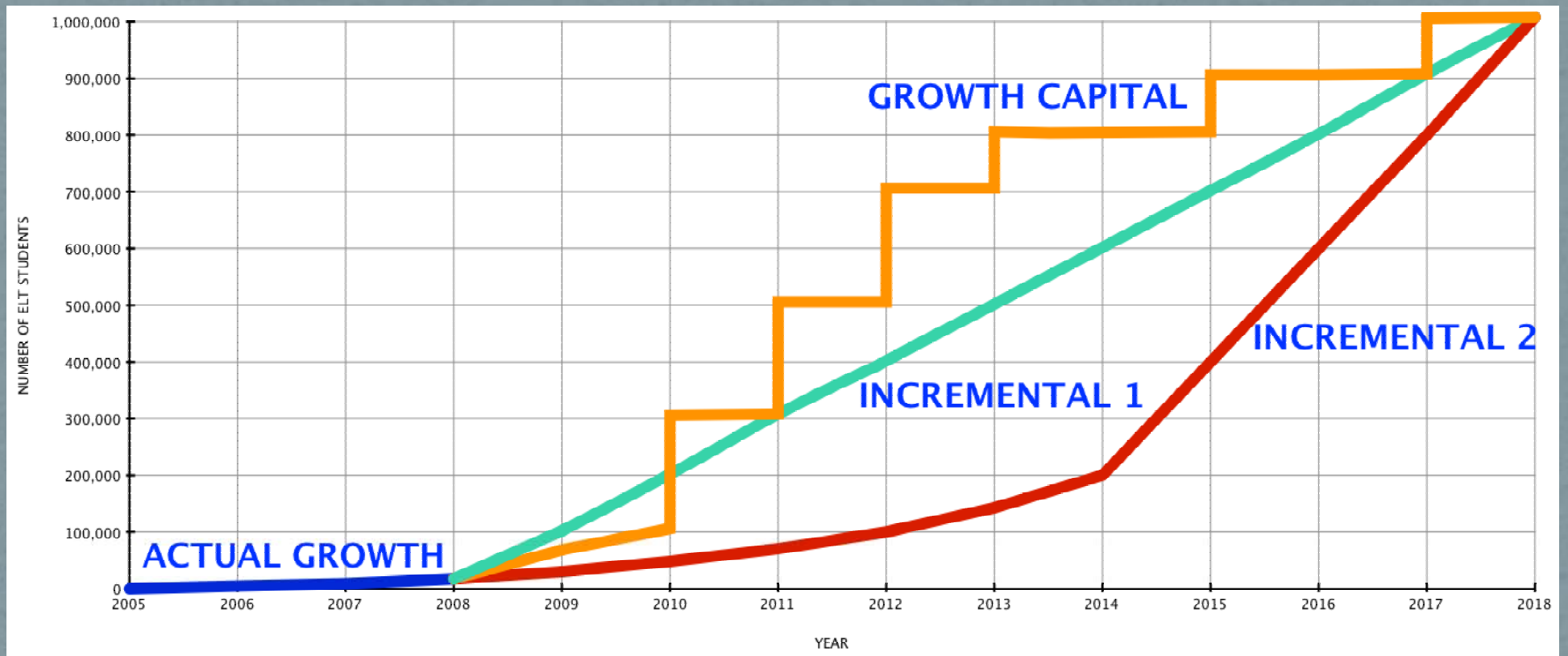
Capital Fragmentation Produces Drops in Buckets



Systemic Change Example: 21st Century Schools



Extended Learning Time



Growth-Ready Mid-Caps

1. The organization addresses a critical need.
2. The organization has strong leadership.
3. The organization has strategic clarity.
4. The organization's programs are cost-effective.
5. The organization has grown successfully.
6. The organization has a sustainable funding model.

A Performance-Based Funding Market

- Social progress cannot advance until effective nonprofits receive more funding & ineffective nonprofits receive less.
- We need a financing system that helps highly-engaged social impact investors find and fund the best mid-cap social entrepreneurs, instead of one that forces those nonprofits to spend so much time chasing more drops to fill more buckets.

Questions?

Thanks!

Steve Goldberg
stevegolddb@gmail.com
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