

# Inside Philanthropy

## Philanthropy's Greatest Hits, 2014

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Where and how did philanthropy have a major impact in 2014?

That's a question worth asking as we look back on a year filled with big news: Ebola, ISIS, Ferguson, implementation of Obamacare, a GOP electoral sweep, and much more. If you want to understand how philanthropy shapes the world in which we live, you need to connect up over \$300 billion in annual U.S. charitable donations to what's happening around us.

Of course, gauging philanthropy's impact is famously hard given the difficulties of isolating the drivers of any kind of change. Top foundations can spend a fortune evaluating whether their money made a difference and still end up with murky answers. Also, it may be years before the dividends of a given investment become apparent.

So we're under no illusions that we can make conclusive judgments about the impact of philanthropy over the preceding 12 months. What we can do, though, is point to areas where funders *seemed* to achieve key goals or make a difference. And we can spotlight where philanthropy's fingerprints are all over a given development, even if we can't say that it was funders who moved the needle.

With those caveats, let's jump into IP's annual list of where and how philanthropy had an impact in 2014.

### 1. Rescuing Detroit

Nearly a dozen U.S. foundations [pledged](#) hundreds of millions of dollars to help orchestrate a "grand bargain" that rescued Detroit from bankruptcy. Ford put up \$125 million; Kresge chipped in \$100 million; Knight was good for \$30 million, and other foundations pledged lesser amounts to help Detroit meet its obligations to pensioners, avoid liquidating its art holdings, and make a speedy exit from bankruptcy.

### 2. Making Obamacare Work

Even though implementation of the Affordable Care Act got off to a disastrous start in late 2013 with the failure of Healthcare.gov, the Obama Administration exceeded its enrollment goals in 2014. One reason is that private funders spent a fortune to help people sign up for coverage. The Robert Wood Johnson Foundation donated at least [\\$23 million](#) to Enroll America in 2013 and

2014, while the California Endowment [spent over \\$200 million](#) to ensure the ACA's success in the nation's largest state.

### **3. Ushering in Marriage Equality**

This year saw a sweeping triumph in the push to legalize same-sex marriage as the Supreme Court effectively paved the way for marriage equality in a majority of states. Philanthropy played a key role in moving this issue from the fringes of American life to the political mainstream, starting in 2000. A few months ago, we [looked at the nine funders](#) who can claim the most credit for helping achieve this sea change.

### **4. Shaping the 2014 Election**

One reason that Democrats suffered a major defeat in November is that a well-financed conservative network of policy shops has relentlessly pounded the Obama administration for its every misstep in recent years, cast doubt on the president's key policies, raised major questions about the effectiveness of government, and ceaselessly argued that the economic glass is half empty, no matter what the latest numbers show. That network is financed by [hundreds of millions of dollars](#) in annual philanthropic contributions.

### **5. Elevating the Discussion of Race**

While the police killings of Michael Brown and Eric Gardner put race on the national agenda this year, earlier philanthropic investments paved the way for a more robust discussion of racial equity than might otherwise have occurred. Well before the killings, ten top foundations had partnered with the White House in February to address the challenges facing young men of color. Similar foundation efforts were under way before that. All these investments helped prime advocates to advance a powerful racial equity critique this year.

### **6. Legalizing Marijuana**

Pot was legalized in Alaska and Oregon by voters this fall, as well as in the District of Columbia—on top of legalization in Colorado and Washington last year. Marijuana's big moment was nearly two decades in the making, and the late philanthropist Peter Lewis, along with George Soros, played pivotal roles in shifting the direction of U.S. drug policy, investing millions in this area.

### **7. Containing Ebola**

With new Ebola cases declining in West Africa, it looks like the epidemic has been contained. And while it's hard to isolate the role of private money in this success, a major and rapid philanthropic response greatly bolstered front-line responders, including gifts of [\\$100 million](#) from Paul Allen, \$50 million from Gates, [\\$25 million](#) from Mark Zuckerberg; [\\$15 million](#) from Google's Larry Page; and smaller donations from assorted foundations like Helmsley and Hewlett.

## **8. Weakening Teacher Tenure**

In June, a California judge ruled that California's teacher tenure law was unconstitutional because it deprived students in the state of a quality education. The ruling came as the result of a lawsuit brought by Students Matter, a group founded and largely financed by [David Welch](#), a wealthy tech entrepreneur. Later in the year, a [similar suit](#) was filed in New York by a group started by Campbell Brown and financed by anonymous donors. More suits are likely in other states as part of this powerful funder-backed attack on teacher tenure.

## **9. Advancing an Alzheimer's Cure**

This fall, the *New York Times* reported on its front page that researchers had, for the very first time, grown Alzheimer's cells in a Petri dish. Which means that researchers can start testing different therapies to shrink and eliminate those cells, a major step in the fight against a disease that afflicts one-third of Americans over 85 and costs over \$200 billion to treat. This research was heavily funded by a dynamic philanthropic outfit, Cure for Alzheimer's, that we wrote about [here](#).

## **10. Rolling Back "Zero Tolerance" Policies**

A number of states and municipalities moved this year to temper harsh discipline practices in U.S. schools which are said to create a "schools-to-prison pipeline." The Obama Administration also called this year for changes in such policies. These advances partly reflect years of advocacy by nonprofits [heavily backed](#) by Atlantic Philanthropies and other funders.

## **11. Finding a Treatment to Tuberculosis**

TB kills over a million people annually, so it was a big deal when scientists financed by the Gates Foundation announced this year that they had found an effective treatment regimen. "If this new treatment regimen pans out," Bill Gates [wrote recently](#), "it could dramatically reduce the time it takes to cure drug-resistant TB and save poor countries billions of dollars in health-care costs."

## **12. Protecting a Big Chunk of the Amazon**

A [historic deal](#) was brokered this spring to protect a 150 million-acre chunk of the Brazilian Amazon rainforest, at a cost of over \$215 million. The World Wildlife Fund was at the center of that deal and so was the philanthropist and former [Goldman Sachs partner Larry Linden](#), who deployed both his money and financial savvy to advance the effort.

## **13. Raising New Constitutional Doubts About Obamacare**

In November, the U.S. Supreme Court announced it would hear a new challenge to the Affordable Care Act—this one about the constitutionality of providing tax credits for subsidized insurance policies. The suit, which could finally torpedo the new healthcare law, is [based on arguments](#) advanced by Michael Cannon of the Cato Institute, a think tank financed by the Koch

brothers and other funders. Also, a network of well-financed conservative legal groups have helped advance this and previous court challenges to Obamacare.

#### **14. Enacting Paid Sick Leave in Massachusetts**

Massachusetts became the third state this year to require employers to pay workers when they take a sick day. Among other things, this was a victory for the Ford Foundation, which has [poured \\$11 million](#) since 2009 into Family Values @ Work, a group which has helped lead the charge for paid leave at the state level. But other funders and nonprofits have also been behind this effort.

#### **15. Slowing the Push for Common Core**

Over the past year, efforts to implement the Common Core State Standards have run into major resistance, mainly from conservatives. This rebellion has been generously fueled by a number of deep-pocketed funders on the right, as we [reported](#) back in February, who see Common Core as another example of federal overreach and have underwritten the anti-Core efforts of think tanks and advocacy groups like the Heartland Institute.

#### **16. Deepening Understanding of Autism**

The Simons Foundation enjoyed a major impact moment this year when a researcher it funded [discovered](#) a key difference—what could turn out to be *the* key difference—between autistic brains and nonautistic brains. The foundation, which is among the top funders of autism research, believes this breakthrough will allow scientists to narrow the possible causes of autism and advance efforts to find treatments.

#### **17. Bringing Same-Day Voter Registration to Illinois**

Advocates of reducing barriers to voting scored a big victory recently when Illinois enacted same-day registration, one of the largest states to do so. The drive to expand SDR to new states has been backed by a number of democracy funders over the years who have bankrolled the work of Demos and other organizations fighting for this reform, which particularly helps boost turnout among young voters.

#### **18. Enabling Unaccompanied Immigrant Minors to Fight Deportation**

This fall, funders put serious money on the table to ensure legal counsel for thousands of unaccompanied immigrant minors facing deportation. We [wrote about](#) how several foundations, led by the California Endowment, took the lead in this area on the West Coast and also [how funders](#) in New York, including Robin Hood and the New York Community Trust, teamed up with government agencies to provide counsel.

#### **19. Providing Relief for Syrian Refugees**

The displacement of millions of Syrians from their homes has created one of the worst humanitarian crises in decades—one which many funders have [shamefully ignored](#). But this year, more funders rose to the challenge, most notably the Ikea Foundation which [donated](#) 150,000 mattresses and other bedding to make refugees more comfortable. Yogurt tycoon Hamdi Ulukaya also [came through](#) with \$2 million in aid.

## **20. Breaking Through on Climate Change**

Maybe we're imagining things, but 2014 felt like a breakthrough year on climate change. The business case for curbing climate change crystallized in a new way thanks to the release of a major report in June backed by [three prominent philanthropists](#) from the business world. Climate surfaced in a national election as never before. And the U.S. and China struck a historic pact. All this progress partly reflects huge investments by funders over many years.

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Okay, that's what we have on philanthropy's impact for 2014. If we've missed a biggie, please chime in below, in the comments section.

Of course, this list doesn't include the myriad ways that charitable dollars impact people's lives every single day across the United States—by keeping low-income people fed and sheltered, underwriting the college costs of students through scholarships, sustaining arts organizations, and much more.

Nor does the list recognize the many lives that philanthropic dollars have surely saved in 2014 in poor countries, thanks to efforts to curb diseases and improve access to food and water.

And critical funder-backed achievements surely occurred this year which will only become clear in retrospect, perhaps years from now.

Looking back at the list, we can see that a number of funding strategies achieved results. Most striking is how funders rapidly moved big money to the front lines of key challenges this year. Foundations saved Obamacare from disaster by directly underwriting efforts to sign people up for coverage. Funders helped contain Ebola by pumping money into efforts in the field to respond to the epidemic. The Detroit rescue is an even more dramatic example of hands-on interventions by funders.

In other words, some of the most notable successes of philanthropy in 2014 did not involve traditional grantmaking. Funders should take heed of that fact and get more used to whipping out the checkbook in the face of urgent crises, even if it means ignoring carefully crafted annual grant budgets.

But more familiar legal and advocacy funding strategies also bore fruit in 2014. The success of David Welch in dealing a major blow to teacher tenure is a striking example of how a small philanthropic player can leverage funds through litigation to achieve a big result. The advocacy

efforts to change policy on marijuana, same-sex marriage, and school discipline were far more costly and time consuming, but also underscore the potency of investments like this.

Meanwhile, the medical breakthroughs that funders can claim credit for in 2014 show the enduring value of investing in research. Such investments by private funders are becoming more important as public dollars for research decline due to federal budget cuts.

One question that this article doesn't address: Did philanthropy have anywhere near the impact in 2014 that might have been the case if funders had pursued different strategies? Our hunch is *definitely not*, but sorting through all the missed opportunities and wasted efforts of the past year would be another huge project, and not exactly in the holiday spirit. So we'll take a pass.

Inside Philanthropy will be back at the end of 2015 with another list just like this one. Between now and then, we'll be looking every day for signs that philanthropic dollars are changing lives and, in some cases, the trajectory of human history.