

# Setting the Table: Reimagining Wealth & Capitalism

Philanthropy Network Greater Philadelphia / Grantmakers for Effective Organizations

(VIDEO RECORDING [HERE](#))

October 7, 2020

1:00 - 2:00 PM

## CHAT TRANSCRIPT

- 13:09:02 From Marcus Walton (He/Him/His) : Hi All! Please feel free to use the chat to list your comments, questions or insights.
- 13:17:40 From Marcus Walton (He/Him/His) : ABFE = The Association of Black Foundation Executives
- 13:18:48 From Marcus Walton (He/Him/His) : Racial Equity = An approach to conducting analysis nad grantmaking that identifies disparities and prioritizes gap-closing measures.
- 13:19:04 From Marcus Walton (He/Him/His) : \*and\*
- 13:23:02 From Marcus Walton (He/Him/His) : Observation: Investment teams and finance teams tend to operate in silos. What are the implications of this within our grantmaking institutions?
- 13:27:48 From Marcus Walton (He/Him/His) : Focus on policy and its impact = "Equity-focused" work
- 13:30:46 From Adam Liebling (he/him), RWJF : For private foundations in perpetuity, the harm caused by investments can be 20 times greater than the good caused by grantmaking. So foundations can't consider their societal impact without taking into account any negative (or positive) impact of their investment decisions.
- 13:33:47 From Duane Perry : Is there a study that documents the 20 times?
- 13:36:24 From Adam Liebling (he/him), RWJF : @Duane, if a foundation only grants out 5% of their assets, that means 95% is kept in the endowment, which is typically invested. So essentially every dollar that is spent via grant is \$20 invested in some way. (Or thereabouts, I'm not very good at math)
- 13:36:33 From Marcus Walton (He/Him/His) : BIPOC = Black, Indigenous and People of Color
- 13:37:02 From Adam Liebling (he/him), RWJF : So investing for social good can be 20 times more powerful than actual grantmaking!
- 13:38:29 From Elizabeth Killough : Here's a 2007 expose on the Gates Foundation, which raises the issue that when you look at the bottom line, most foundations are causing more harm than good: <https://www.latimes.com/news/la-na-gatesx07jan07-story.html> Adam's math above makes this point.
- 13:40:24 From Marcus Walton (He/Him/His) : @Adam and Duane: Regardless of the specific percentage, the contrast in strategies is at the heart of what we encourage for exploration of racial equity analysis. To defer to one practice without consideration of alternatives is the behavior that has not served us.
- 13:41:33 From shawnmooring : Edgar Villanueva's book Decolonizing Wealth also offers a good analysis of this very question in terms of harm vs good of philanthropy.
- 13:42:39 From Marcus Walton (He/Him/His) : Winners Take All: <https://www.amazon.com/Winners-Take-All-Charade-Changing/dp/0451493249>
- 13:43:53 From Marcus Walton (He/Him/His) : Quote: "Status quo is pretty risky... Systems seek to preserve themselves."
- 13:44:53 From Marcus Walton (He/Him/His) : All, please prepare your questions. We will follow Rodney's response with ~ 10 minutes of Q&A.
- 13:47:23 From Elizabeth Killough : Great conversation! To Erika's point, yes, it's so crazy that the stock and bond market is considered "low risk" while investing in local institutions that we know is

somehow considered "high risk." When the stock market has hick-ups and worse, foundations are somehow surprised and shocked.

13:50:27 From Adam Liebling (he/him), RWJF : Has anyone had success in raising these issues to their investment teams? Foundation endowments have been sacrosanct for so long

13:50:52 From Adam Liebling (he/him), RWJF : I would say my question out loud but I can't pronounce "sacrosanct"

13:51:39 From scott : @Elizabeth Foundations are comfortable with trusting in the stock market but struggle with trusting local institutions because they need to also be taught to lean more into trust based philanthropy

13:53:30 From Alexandra : Investment teams tend to be resistant to MAI. If you get pushback you may want to find an investment advisor who is open to the concept. There are people out there.

13:53:55 From Marcus Walton (He/Him/His) : +1 - Scott: We trust who we know. More cause for foundations to engage communities as partners to inform decision making.

13:54:02 From Eriks Dunens (he/him/his) : Early on the discussion touched on that philanthropy has few, if any, structures of accountability beyond minimal IRS requirements which contribute to the issue. I'm curious about approaches funders have taken to make themselves accountable to the organizations/communities they fund as one step in this direction?

13:54:55 From Mindy Aldridge : Can you put those resources in the chat. I didn't get them all. Thank you.

13:55:36 From Erika Seth Davies : National Association of Securities Professionals, National Association of Investment Companies, New America Alliance

13:55:50 From Marcus Walton (He/Him/His) : Thank you for your questions. Please add any final requests for information for follow up offline.

13:56:17 From Adam Liebling (he/him), RWJF : Another thought - I wonder how membership groups can help promote best practices around this (GEO, PEAK, CEP, etc). That can help drive change and shift mindsets around optimizing financial ROI vs. societal ROI, or balancing financial performance with social impact

13:56:49 From Adam Liebling (he/him), RWJF : (I guess this conversation and knowledge sharing is an example of how this can be promoted!)

13:56:58 From Marcus Walton (He/Him/His) : @ADAM: Yes!

13:57:27 From Cathy Fong : @Adam, going to add Mission Investors Exchange (MIE) to that list

13:57:50 From Cathy Fong : [we'll post the chat with the video recording]

13:57:59 From Diana Doherty : We have noted that BIPOC (especially women) are underrepresented in the financial planning/investment sector so for funders whose boards are more comfortable with a grant-focused approach to addressing "who is at the table" in this discussion, we might consider grants for scholarships/fellowships that attract and support BIPOC students who are looking to go into financial planning/investment management.

13:59:02 From Adam Liebling (he/him), RWJF : @Cathy - thanks and great point!

13:59:26 From shawnmooring : This has been great! Thank you!

13:59:32 From Adam Liebling (he/him), RWJF : My email is aliebling@rwjf.org if anyone wants to chat on this topic! I'm really interested in it

13:59:51 From Mindy Aldridge : Great conversation and thought provoking. Thank you.

13:59:58 From Andrea Bretting : Thank you so much for this session.

14:00:28 From Vanessa : Please share the chat contents. I was listening, not reading. Hope to see the links, questions and ideas shared in this forum. Thanks, Vanessa Lowe

14:00:47 From Lucy : thanks so much

14:00:59 From Alexandra : Thank you

14:01:06 From Chantias Ford : Thank you- very informative conversation!

14:01:42 From scott : Thank you everyone

14:01:58 From Eriks Dunens (he/him/his) : Thank you!