



The Social Sector and Philanthropy in 2030

FOUR SCENARIOS
(DISTILLATION AND SUMMARY)

Co-Created by Participants in
GHC Conversation 2012
hosted by
Gary Hubbell Consulting



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THE SOCIAL SECTOR AND PHILANTHROPY IN 2030: FOUR SCENARIOS

A DISTILLATION OF GHC CONVERSATION 2012

“ If we are to influence the future for the better, we need to have some idea of where we may be headed. We need to know how much maneuvering room we have. What are our options? What are the consequences of our choices? Who benefits and who loses? If the future were really predictable and inevitable, then human choice and freedom would be an illusion. Uncertainty and freedom go together. The indeterminacy of the future means that our choices actually might mean something. What we believe can happen influences what we do, and what we do actually influences the outcome of events. ”

(James A. Ogilvy, *Creating Better Futures: Scenario Planning as a Tool for a Better Tomorrow*, 2002)

Scenario thinking is not new. Shell Oil, Global Business Network, Institute for Alternative Futures, the United Nations, and hosts of others in every sector have long used this tool. Yet, its practice is less common in the social sector.

Peter Schwartz reminds us to avoid thinking about scenarios as if they are predictions. “Rather, scenarios are vehicles for helping people learn. Unlike traditional business forecasting or market research, they present alternative images of the future; they do not merely extrapolate the trends of the present.”¹

From March 28-31, 2012, 16 leaders from organizations in the U.S. and Canada convened in Hilton Head, South Carolina, to explore what they might learn from the future through a scenario planning exercise. The focus:

What will the social sector ecology in North America be like in 2030 and will philanthropy be innovative and sufficiently responsive to propel real and lasting change for all?

¹ Schwartz (1996). *The Art of the Long View: Planning for the Future in an Uncertain World*, Doubleday, New York

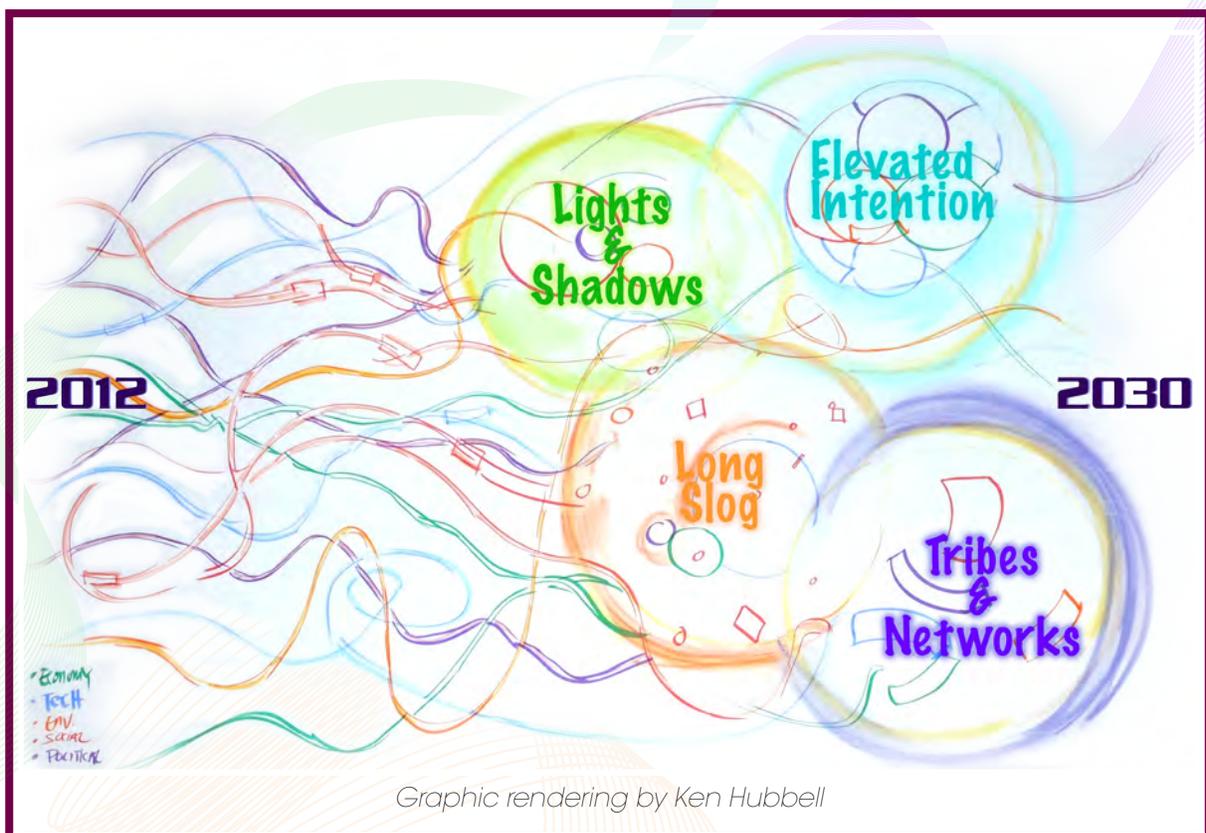
Our Approach

Prior to meeting, we selected two signals as simultaneously the most critical to shaping the social sector and philanthropy and also the most uncertain. These became our driving forces of the future (2030):

- **Approaches to pressing public social issues and mandates** (education, health, retirement, employment, immigration, hunger, borders, justice). [Driver 1]
- **Society's orientation to philanthropy** (institutions or informal networks and incentives or tight limits) [Driver 2]

We recognized that each force could have an optimal and a limited condition, which could be shown on a continuum representing the ways that people and institutions respond. By showing their convergence on twin axes, we constructed four structurally different and possible future scenario stories. This convergence created the possible dynamics and “plot lines” for our scenario thinking.

Our Scenarios



SCENARIO A: ELEVATED INTENTIONS

In this scenario, we envision a strong, robust future with deep, systemic, long-term responses to pressing social issues. Expansive opportunities for innovative philanthropy leverage strong incentives for networking and collaboration.

Near universal access to technology enhances awareness, promulgates engagement, and “levels the playing field.” What’s been kept out of sight no longer remains invisible. More people have access to more knowledge; consequently, change occurs more quickly. A widely-enhanced consciousness and broad psychological kinship act as catalysts for change. Levels of institutional trust are high. Government is an equal partner with the public and private sectors, resulting in significant and lasting responses to a wide range of social issues. Boomers pass the torch to millennials, who have been groomed for leadership. Family continues to be redefined, reflected in extended “families of choice.” At a macro level, great emerging promise creates a groundswell of hope. Growing numbers of stakeholders are at the table and engaged in collective problem solving around social issues; collective impact is widely embraced.

Philanthropy is alive and well—though not in the traditional form of the rich giving to the poor. Shared accountability is increasingly the norm. People offer and are valued for contributing what they can, where they can, and how they can in



Graphic rendering by Ken Hubbell

the form of time, money, expertise, etc. Money is less concentrated, and “currency” takes different forms (with bartering an increasingly common medium of exchange). A shift in power relationships results in more true and equal partnerships—which yield far more effective and lasting results. Band-Aid solutions and responses, though still applied, are a far less common expression of philanthropic spirit.

Some danger signs remain. Disaffected groups include hackers, gangs, cartels, and other exclusive communities. Those who are deeply resistant to change and/or who are the most disenfranchised reap fewer benefits from the collective advances.

Elevated Intentions — 2030

Scenario Highlights and Milestones

- A consciousness transformation occurs, possibly advanced by an economic disaster or pandemic
- Near universal access to technology enhances awareness, promulgates engagement, and levels the playing field
- Move toward more engaged civil discourse and away from a “me” and “now” mentality to “we” and “long term” thinking
- Public/private/social sector partnerships are pervasive
- Multiple X-Prize offerings

Snapshot of Philanthropy

- New” philanthropy is alive and well – highly individual, personal, and engaged
- Shared accountability and understanding drive engagement
- Intention and attention aligned
- “Compassionate investing” replaces “giving away money”
- “Consciousness” is cultivated (rather than assets)
- “Currency” redefined without erosion of generous spirit
- Grantmakers become equal partners

SCENARIO B: LIGHTS AND SHADOWS

This scenario is an environment of limited, disjointed, shallow, gap-filling, Band-Aid approaches to social issues amid expansive opportunities for innovative philanthropy with strong incentives for collaboration and networks.

The landscape features a largely unperceived and widely undesired distancing between the “beacons” (organizations and individuals that attract the philanthropic spotlight) and the rest—resembling North America of today. Most in the spotlight believe that someone will “figure it out”—and consequently continue to reinforce the view that they (the “spotlights”) will lead everyone else out of the wilderness.

One signal of the underlying problem is right-sounding messages and seemingly inclusive action by the spotlights—including convened gatherings of grassroots people and organizations that appear to bridge divides. The minority see the unequal yoking—leading to tension between real and perceived partnerships. Well-intentioned words and actions ultimately encourage a hidden but growing dependency across many sectors and geographies.

Due in large part to the increasing social service needs of aging boom generation, economic malaise persists until 2017. It is followed by an overall rebound—but a shrinking of the middle class. People band together to create their own economies as bartering becomes increasingly prevalent among the new middle class. Those in the spotlight are challenged to focus energy



Graphic rendering by Ken Hubbell

and resources in more obvious places as increasing numbers of the economically disadvantaged demand a response. Hard choices of where to focus resources result in heavily-supported, compliant populations and communities with completely neglected sectors and geographies (those that are often the most difficult to reach and work with). Changes in tax provisions for charitable contributions compound the problem—sometimes pitting government against charitable organizations in competition over who has greater impact for the dollar.

As in all the scenarios, technology plays a huge role. Here there is great appeal for every “bright, shiny object.” The majority seeks to maintain the status quo and control outcomes. Some value the path of least resistance, seeking the paternal leader to make tough decisions. The allure of widely-adopted “best

practices” continues (only deflecting real responsibility). The decades leading to 2030 cause many people to grow comfortably numb. Hence, they delude themselves into thinking they’re doing the most relevant and important work because they’re pursuing “best practices” — a view which is intrinsically past rather than future leaning.

Grassroots giving increases, fueled in part by accessible mobile technology and generational lifestyle choices. Peer-driven, largely unstructured impulses for targeted fundraising become common. Government support rewards the beacons at the expense of also-rans. “Spotlight” organizations continue to evoke constituent loyalty. Small donors and shadow organizations generate interest but little loyalty — embracing the attitude that, “It’s the result that matters, not the entry point.”

Lights and Shadows — 2030

Scenario Highlights and Milestones

- Akin to a frog in slow-boiling water
- Economic malaise persists until 2017, followed by an overall rebound but a shrinking middle class
- The “science” of best practice metrics evokes blinding adherence among followers
- Social solutions, despite their notoriety, provide little fundamental or systemic change
- Grassroots and youth-led vanguard organizations emerge in the shadows

Snapshot of Philanthropy

- Two-tier philanthropy platform emerges at odds: (a) Large, traditional organizations with constituent loyalty; and (b) Grassroots with smaller, newer donors
- Active, large donors remain directive, demand high touch
- Shift of resources into private hands generates new wealth, players, leadership
- Newer philanthropists question traditional practices, exhibit peer-driven, impulse-based giving
- Younger donors see philanthropy as giving other than money

SCENARIO C: LONG SLOG

This scenario is characterized by limited, disjointed, shallow, gap-filling, Band-Aid approaches to social issues, while tight limits, siloed, and traditional approaches to philanthropy continue to dominate.

A singular economic tsunami or a series of smaller economic disturbances (war, Avian flu, Citizens United Pt. 2) keep the U.S. and much of North America in a weakened state until the mid-2020s. For many, a widely-shared malaise and anxiety (perhaps encompassing an entire generation born into an era of uncertainty and high anxiety) extends the need for human services to unprecedented levels. However, governments reduce funding for human services; organizations dependent on such funding become more fragile. Some previously high-profile and large social sector institutions fail to adapt and disappear. This is the long slog, with many hunkering down for survival and/or fearing total collapse. Rampant loss of trust and a short-term view foster a frightened myopia, resulting in an environment conducive to unethical but charismatic leaders and Tea Party-like movements.

The dominant value of competitive consumerism thrives at the expense of environmental protection. Despite pervasive promotion of all things green and environmentally friendly, the majority values the environment only to the extent that it poses no personal conflicts, thereby compounding increasingly problematic issues and challenges.



Graphic rendering by Ken Hubbell

There is a continued acceleration and broad dispersion of communication technology at comparatively affordable prices. Ironically, however, value continues to be placed on personal, real-time connection with people. Personal privacy is significantly compromised, due to the fact that all our online data footprints are stored and potentially searchable by others. Higher education experiences major reinvention, with technology democratizing instruction at a time when economic compression calls for alternatives to traditional public and private colleges.

Mega-regions and larger cities grow. People with access to affordable health care live longer. Otherwise, many have shorter life expectancies. Boomers continue to play leadership roles, but in

part-time, advisory, less authoritative ways. Gen Xers and millennials remain self-absorbed and me-focused, leaving elder boomers to face the reality that they must be self- and co-dependent.

In general, society drifts further from mainline churches and organized religion, yet individuals increasingly search for the spiritual dimension of life. A few radical religious groups increase the social threat. Public trust in mainstream media disappears, replaced by infinite “channels/outlets” that align with personal points of view. Civil discourse to solve problems is replaced by polarization and mean-spirited behavior. People are more willing to challenge organizations/institutions, adding to the pressure on individuals and organizations to be perpetually authentic.

Philanthropy largely reacts to economic limits and disturbance—forcing the collapse of each sector to “the few” most efficient organizations. The resulting clash reduces trust in charitable organizations. A tax revolt threatens and limits charitable tax-exempt status. Business decisions that result in the creation/combination of non-profit mega-organizations unintentionally erode the case for big organization philanthropy. While overall donation amounts remain stable, the local, personally known, smaller NGOs benefit from redistributed giving. Grass roots giving increases, largely responding to a pervasive sense of urgency and Band-Aid approaches. Individual fundraising professionals constantly battle donor fatigue.

Long Slog — 2030

Scenario Highlights and Milestones

- Long, sustained economic slowness and lack of traction throughout the 2010s and into the early 2020s
- Scarcity thinking prevalent
- Increasingly shrill civic discourse paralyzes governments
- Quiet, slow gains by women; political leadership growth by women in mid-2020s in U.S., Canada, and Mexico (first U.S. woman president in 2024)
- Boomers gradually transition out of leadership; many reduce giving due to resource exhaustion
- An economic and cultural “reset” begins to emerge in the mid-2020s

Snapshot of Philanthropy

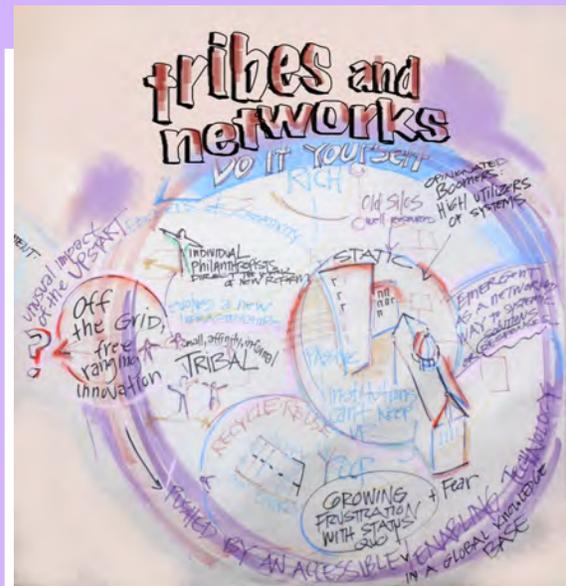
- Philanthropy in a state of flux
- Traditional visionaries are short-sighted; new visionaries try to re-invent the field
- Lack of meaningful change in the sector increases donor fatigue
- Volunteers—who desire roles with heart, expression, expertise—are offered “empty” Board seats instead
- Larger organizations remain stable during generational wealth transfer, attract and retain top talent and support; small organizations struggle
- Grassroots philanthropy grows but fails to solve societal problems
- Collective philanthropy is episodic, fragile
- Loss of trust in charitable organizations
- Campaigns are lengthy, saturate the “market”
- Grantmaker numbers decline

SCENARIO D: TRIBES AND NETWORKS

In this scenario, we envision a strong, robust future with deep, systemic, long-term responses to pressing social issues—yet with tight limits, siloed, and traditional approaches to philanthropy continuing to dominate.

By 2030, a growing movement of non-traditional, individual, community-based efforts offers efficient and effective responses to challenges. The previous two decades have been turbulent. European debt and Asian markets and competition contribute to continued economic volatility. While major wars are averted, several natural catastrophes stunt economic growth. Emerging industrial countries resist environmental regulation, opting to improve quality of life at the expense of the environment. U.S. politics remain paralyzed by polarization, except in immigration and health care policy, where pragmatic approaches prevail (including mass amnesty for illegal aliens). Aging baby boomers have largely retired, driving increased demand for health care and other services. More women enter the workplace.

U.S. education reform is driven by local and state government, and aided by business (which depends upon an educated workforce). Education is increasingly segmented, with multiple alternatives to public education—including home schooling, on-line education, charter schools, and combinations thereof. Large corporations establish their own systems (beginning with preschool) to develop a more skilled workforce. Students who remain in public education systems face increasing challenges and have fewer



Graphic rendering by Ken Hubbell

resources—increasing the gap between haves and have-nots.

The response to turbulence is a new kind of local initiative—“tribalism” in the best sense—not narrow, self-interested defensiveness, but a positive mobilization of local talents informed by international sources of knowledge, with technology as the fulcrum. This tribalism becomes the source of the most creative, long-term solutions, a way to drive responses to social challenges. It is embodied by local, sustainable food economies; local policies and technologies reducing demand on nonrenewable energy sources; and multiple creative avenues for access to education, finance and best practices serving local needs.

Pressing social and economic needs are met by emerging local and personal strategies—which are advanced by technology and

new models of social benefit organizations. Optimism and hope in philanthropy stem from an increasing number of very wealthy people signing onto Warren Buffett's pledge. Multi-billionaires are increasingly coming together to solve huge challenges using such informal, "off the grid" means as giving circles, personal (rather than institutional) philanthropy, and/or advised funds at community foundations and financial services companies. Individual philanthropists, not institutions, drive change. Nonprofit organizations are conduits, rather than knowledge sources and drivers of what to do and how.

Even people with modest resources feel empowered, because technology gives them access to networks of like-minded people who pool their resources to create impact. The millennial generation follows in the footsteps of baby boomers, embracing an approach to philanthropy marked by advocacy and activism. While some use traditional structures to advance personal philanthropic aims, there is a prevailing distrust of institutions, including government, corporations, and large nonprofits that remain siloed and slow to change.

Tribes and Networks — 2030

Scenario Highlights and Milestones

- Social and economic turbulence continues
- Polarity and well-resourced silos breed passivity and frustration with the status quo
- A new sense of "tribalism" brings innovation and effective solutions
- Traditional institutions can't keep pace with market changes
- Millennials follow the example of baby boomers in philanthropy and advocacy

Snapshot of Philanthropy

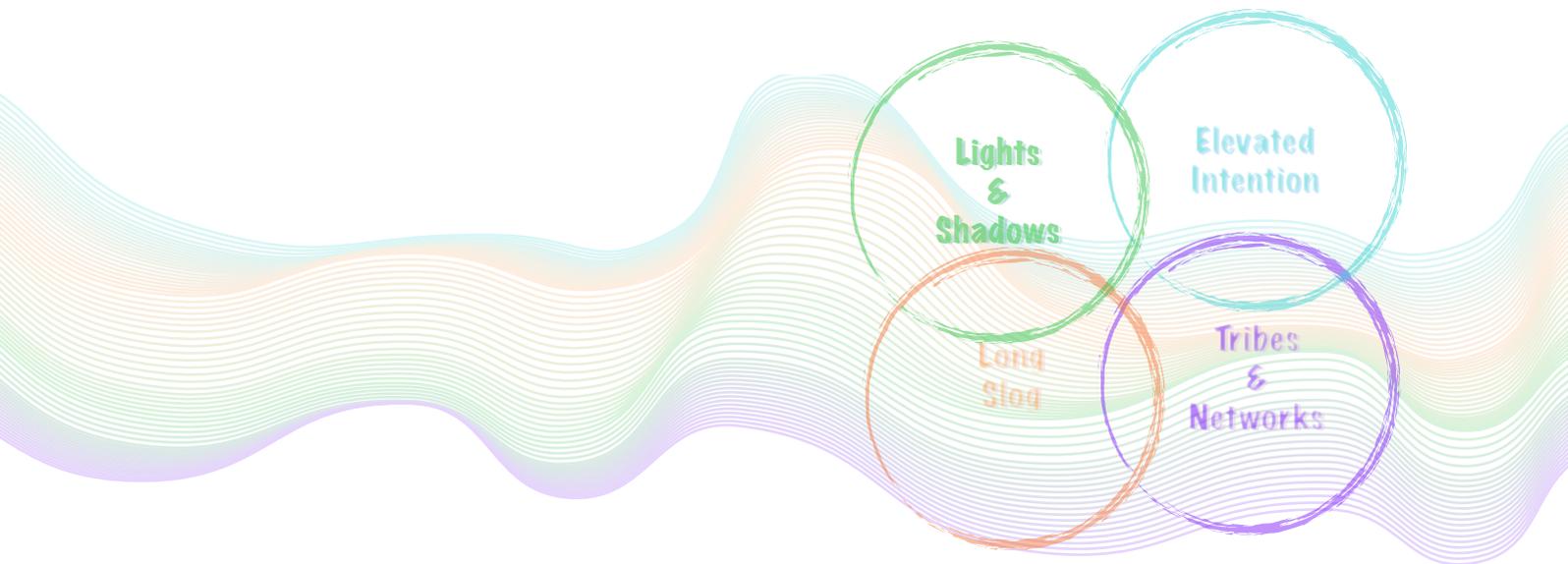
- Individual philanthropists are the focus of change
- Active philanthropy and advocacy are the norm
- NPO's become conduits for knowledge, change
- Small groups and networks foster change, while large, slow organizations cut programs, staff
- Money is raised globally for initiatives at home
- Donors are innovative and networked, creating an environment of strategic implementers that compete for resources
- Supports comes with increased donor initiative and responsibility

Using Scenarios to Guide Decision Making

Scenario work is complex. Such an approach to the examination of innovation and congruence has no shortcut. Scenario thinking requires the discipline and commitment of leaders who are willing to go deep. It demands a willingness to relinquish the myth of control long enough to live into the ambiguity and paradox of multiple possibilities. It is not for the impatient. Those who seek to plant their flag on a precise horizon—their “preferred future”—inevitably risk disappointment (or worse!).

For the creative and courageous, however, scenario thinking can be liberating—opening entirely new strategy conversations. Kees Van Der Heijden reminds us of the power of scenarios to shape such compelling conversations:

“(S)cenarios are a set of reasonably plausible, but structurally different futures. These are conceived through a process of causal, rather than probabilistic thinking, reflecting different interpretations of the phenomena that drive the underlying structure of the business environment. Scenarios are used as a means of thinking through strategy against a number of structurally quite different, but plausible future models of the world. Once the set of scenarios has been decided upon they will be treated as equally likely. All must be given equal weight whenever strategic decisions are being made” (emphasis added).²



2. Kees Van Der Heijden (1996). *Scenarios: The Art of Strategic Conversation*, John Wiley & Sons, Inc., West Sussex, England, p. 29

There is nothing formulaic about using scenarios to discern organizational direction and strategy or business model construction. However, no matter what potential scenarios organizations might consider, the following set of reflection and application questions are a good starting point for strategic conversation:

1. Is the organization equipped to survive and flourish in this scenario?
2. What's taking shape here? What are we sensing among contrasting scenarios? What's in the center of all our discerning?
3. Are existing business strategies viable, considering the environment we might encounter?
4. Who will we be serving in the future and what will they expect?
5. What will our core competencies need to be in order to thrive in any/all of these scenarios?
6. What kind of language, knowledge, data, resources, and leadership training will make the most sense?
7. What are the greatest challenges in these futures? What do I need to do today to get ahead of (or simply respond to) the possibilities and challenges of tomorrow?
8. What will we do to feed our vision in each scenario?
9. What will we do to accelerate our vision?
10. How do I feed my own purpose and protect my heart in each of the scenarios?

Note that the real value of such reflective questions is not simply in the occasional futuring exercise or planning retreat. Scenario work on the social sector and philanthropy can become a lens through which to examine your business model, key processes and systems, strategy reviews, human resource posture, communications, governance model, board composition, brand positioning, and financial modeling.

Implications for Contemporary Leaders

Intentionally trying to imagine and learn from so distant a future as 2030 is both exhilarating and daunting. Certainly, each of the four scenarios we produced contains elements already at play in the world of 2012. Yet, one cannot participate in this type of experience without feeling at least a bit disturbed—pushed beyond the comfortable and the familiar. There is considerable value to be gained by the challenge. But the scenarios themselves are not primary; rather, participants benefit most by the engaged discernment and dialogue about what to do in any number of possible situations—and what might happen as a consequence.

Once one has ventured down such a path, it's hard to approach “planning” in the same old way.

If anything becomes painfully obvious through scenario planning, it is this: In every imaginable scenario, there are clear winners and losers. Even in the most optimistic scenario (which, ironically, proved the most difficult for us to envision), the fates of some individuals and organizations remain stark.

Clearly, those who benefit in every scenario are the educated, nimble, adaptable, and technologically-savvy. And it logically follows that the uneducated, inflexible, and those wedded to the past and unwilling to embrace technology stand to lose or be left behind. Those who seek to monopolize anything—wealth, information, access, control—also put themselves at risk.

What might these understandings entail for today's leaders? If they aspire to continued relevance and effectiveness, contemporary leaders would do well to cultivate within themselves the qualities of compassion, collegiality, open-mindedness, humility, and a willingness/ability to ask good questions and explore them in depth—with teams that include not only their own subordinates, but “outsiders” who can help them see beyond their own mission and scope. The problems and challenges of the future are best addressed and solved collectively. Consequently, the most effective leaders will seek connection and collaboration—both inside and outside their respective organizations—and embrace a sense of shared responsibility for the future. Wealth—whether it takes the form of resources or ideas—is something that, paradoxically, will increase (both for individuals and society) only when shared.

If anything could be collectively affirmed by the 16 of us at the conclusion of Conversation 2012, it is that embracing the mantle of leadership requires us to lead in these new ways. One approach—whatever the setting—is hinted at in this concluding piece—which is a collection of participant observations harvested over the course of our four days together, and given poetic form by Tom Soma.

Leading forward

Scenario planning into the future

(A poetic crystallization of *GHC Conversation 2012*)

From *every* vantage,
the sands are shifting.

Spotlights illumine promise—
but they also cast shadows
and sometimes blind...

From so many possibilities
(both hopeful and unsettling),
how do we discern
a best path?

*

If we were to unplug ourselves—
come out from behind our walls
and welcome things
we've yet to see or imagine
with curiosity
with delight,
with gratitude—

what might we discover?

*

To *distill*,
we must *be* still.

Our fundamental task,
like that of the Master Carver,
is "Spirit work."

How do we open
to the working of spirit
within us?

This, at least, we know:

The best leaders
begin by cultivating
their own consciousness.

Comfortable with ambiguity,
they're willing to see
both from and toward
a different place
(externally and *internally*).

Likewise,
they're willing to ask,
What if...?
What then...?
What might be...?

*

Elusive, perhaps, in the immediate,
Spirit is ultimately
irrepressible.

We can change the world
by how we observe it.

We can move the world
by how we meet it.

We can bring the future into view
through attention,
intention,
and imagination.

If we ask good questions,
embrace our differences,
and embody compassion and respect—
we can create a world
where *anything* is possible.

Will you join us?

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A more comprehensive monograph of *Conversation 2012* can be found at:
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SOCIAL SECTOR AND PHILANTHROPY 2030 — SCENARIO SET SUMMARY ©

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