

## Imagining Possible Futures 2030 When Driving Forces Interact



# SCENARIO A STORY CONTRIBUTION BY CONVERSATION 2012 PARTICIPANT



This work is licensed under the Creative Commons Attribution-NoDerivs 3.0 Unported License.

To view a copy of this license, visit <http://creativecommons.org/licenses/by-nd/3.0/>  
or send a letter to Creative Commons, 444 Castro Street, Suite 900, Mountain View, California, 94041, USA.



planning ▲ strategy ▲ philanthropy ▲ coaching

P.O. Box 510257 ▲ Milwaukee WI 53203 ▲ 414-962-6696 ▲ [www.garyhubbellconsulting.com](http://www.garyhubbellconsulting.com)

# THE EVE OF CONSTRUCTION

*Jeff Anderson*

# Gary Hubbell Consulting *Conversation* 2012



## PARTICIPANT BIO

### **Jeff Anderson**

Executive VP and Chief Operating Officer,  
The Oregon Community Foundation

Jeff Anderson is Executive Vice President and Chief Operating Officer at The Oregon Community Foundation (OCF). He's a native of Massachusetts but also spent much of his childhood in Tennessee, where his family moved in the mid-1960s. He's lived in Oregon since 1977.

Jeff previously served OCF as Senior Program Officer, where he managed the statewide Community Grants program and other activities of the foundation. Prior to joining OCF in 1998, Jeff was associate vice-president for development at Lewis & Clark College, where he coordinated a major comprehensive campaign from 1991 to 1997. From 1987 to 1991 Jeff was the Northwest field representative for the Youth Project, a national foundation providing grants and technical assistance to grassroots community organizations. He worked as a community organizer with Oregon Fair Share in the late 1970s and early 1980s. Prior to that, he worked in development at Vanderbilt University, his alma mater, where he received his B.A. in 1975.

Jeff has served on volunteer committees for Ronald McDonald House Charities of Oregon, KBOO community radio, Entrepreneur's Foundation of the NW, Grant High School Foundation, and the Black United Fund. He is currently President of the board of directors for Grantmakers of Oregon and SW Washington (comprising some 90 private, corporate, and community foundations, as well as government funders).

Jeff and his wife Joan have two children ages 23 and 21. They enjoy traveling in search of the kids and sunshine (which has worked nicely since the children chose colleges in southern California). He generally relaxes through listening to music, playing acoustic guitar, writing, reading, hiking, skiing and snowshoeing, and following the Red Sox (the latter not being very relaxing).

This is Jeff's first *GHC Conversation*.

## The Eve of Construction

(An Op-Ed)

by Jeff Anderson

*The puzzled ones, the Americans, go through their lives  
Buying what they are told to buy,  
Pursuing their love affairs with the automobile,*

*Baseball and football, romance and beauty,  
Enthusiastic as trained seals, going into debt, struggling—  
True believers in liberty, and also security...*

*...we do try  
To keep smiling, for when we're smiling, the whole world  
Smiles with us, but we feel we've lost*

*That loving feeling. Clouds ride by above us,  
Rivers flow, toilets work, traffic lights work, barring floods, fires  
And earthquakes, houses and streets appear stable*

*So what is it, this moon-shaped blankness?  
What the hell is it? America is perplexed.  
We would fix it if we knew what was broken.*

—Alicia Suskin Ostriker (from "Fix," 2005)

*...when human respect is disintegratin',  
this whole crazy world is just too frustratin',  
and you tell me over and over and over again my friend,  
ah, you don't believe we're on the eve of destruction.*

—P.F. Sloan, 1965

*"Now we are engaged in a great civil war, testing whether that nation, or any  
nation so conceived and so dedicated, can long endure." —Abraham  
Lincoln, 1863*

It might seem a stretch to invoke Abraham Lincoln's address at Gettysburg in describing America at the dawn of the 21st century, but if the violence of the country's divisions and problems were beyond compare to that of this century, the threat to the very idea of democracy was not. And many would argue that even the context of violence resonated with our time—except that it was a less visible and more insidious violence rooted in

decades of institutional decline and neglect. It wasn't a conflagration. But like rust, its effect was highly corrosive.

By the time the millennium rolled around, Americans concerned about such disparate issues as recession, taxation, war, greed, poverty, terrorism, inequity, the environment, and the cost of health care had been subjected to three decades of a basic, insistent, and expertly framed political message: "Government is The Problem. Above all, Distrust Government!" The campaign was fostered at its inception by conservative foundations that made sustained and highly strategic investments in think tanks that taught a new conservative movement to frame issues drawing on a few core American values: rugged individualism, hard work, and American exceptionalism; and on fears and myths about race, class, and religion. Those who held the view that government could help to remedy our ills had no persuasive response, and by 2011 those on the political left had their own reasons for disenchantment with government: e.g., restricted civil liberties following the 9/11 terrorist attacks; bailouts of the banks that had done so much to cause the collapse of the economy in 2007; and a Supreme Court that had delivered the White House to George W. Bush and then acted to do the same for corporations via its Citizens United decision. The two major parties were so polarized that a considerable ideological gap existed even between the Democrats farthest to their party's right and Republicans farthest to their party's left. Government was effectively paralyzed.

Americans' standard of living was also dropping. Households' net worth had dropped by \$5.5 trillion in the recession of 2007-2009, according to the Federal Reserve. The trillion dollar public debt was numbing. So-called "tax revolts" at the state level had resulted over time in bankrupt cities and counties and failing schools. High school graduation rates were abysmal at just the time that education became critical to success in a highly competitive job market. Studies indicated that for the first time in American history, children were likely to have a lower standard of living as adults than their parents. Resources for basic public services were scarce. The United States had the highest documented incarceration rate in the world; one of every ten young African-Americans was in prison. The income gap between the wealthiest Americans and the average American household was unprecedented; the ratio of compensation between the highest paid and lowest paid employees in many companies had skyrocketed to 500:1 from historic ratios generally a tenth that large.

Public trust of government and big business was at rock bottom. In 1958, 73 percent of the American people reported that they trusted the government in Washington to do what was right "most of the time" or "just about always." By mid-2009, even at a time when a new president enjoyed 60 percent approval ratings, only 20 percent said they trusted the government.

One sector stood apart, at least to an extent. Nonprofits and foundations were burgeoning in number: in the first ten years of this century, the number of nonprofits grew 60 percent—to 1.1 million public charities. The number of foundations grew in that time by 50 percent to about 76,000 grantmaking foundations distributing nearly \$46 billion to nonprofit and public agencies. Working to address myriad problems in local communities, this sector was not exempt from criticism, or free from abuses of 501(c)(3) tax status, but it had retained significant public confidence that its work was in the best interests of the community—in a national poll in 2010, seven in ten Americans reported that they trusted nonprofit organizations more than they trusted the government or businesses to solve society's problems.

As social and economic problems grew and government revenues shrank, some political leaders saw nonprofits as fair game for new taxation. For example, city governments experimented with PILOT (“voluntary” Payments In Lieu Of Taxes) programs to generate revenue from colleges and hospitals that owned valuable property that was normally exempt from property tax; at the national level, federal legislators were urged to adopt changes in the tax code that would inhibit charitable giving, such as caps on income tax deductions, to generate more tax dollars. But in an example of greater collaborations to come, foundations and nonprofit organizations organized effective opposition at the grassroots, and foundation boards in particular used their networking influence with policy makers and opinion leaders to blunt the tax increases on charitable groups.

Other political leaders looked at the nonprofit and philanthropic sectors more creatively. One consequence of the conservative drive to shrink government in the 1980s had been to increase the number of public services being provided through contracts with private nonprofit organizations, ostensibly more efficient than public sector agencies. Though its ultimate impact was hard to measure, President George H.W. Bush in 1989 had used his inaugural address to encourage philanthropy in place of public programs:

I have spoken of a thousand points of light, of all the community organizations that are spread like stars throughout the Nation, doing good. We will work hand in hand, encouraging, sometimes leading... We will work on this in the White House, in the Cabinet agencies. ...The old ideas are new again because they are not old, they are timeless: duty, sacrifice, commitment, and a patriotism that finds its expression in taking part and pitching in.

In the dark economic times of 2009, President Barack Obama went further, putting money where his mouth was, creating federal grant programs designed specifically to spread innovative, research-based nonprofit solutions to community problems, with community foundations and other groups serving as sponsoring partners.

All this while, a historic transfer of wealth between the “greatest generation” that came of age in WWII and their progeny the “baby boomers” was underway. Estimated in the mid-1990s to be potentially as great as \$41 trillion over the first 50 years of the 21st century (though shrunk by two recessions in the century's first decade), the transfer still represented a significant expansion of resources in the hands of an activist generation.

By 2012, a growing number of those who had acquired their own wealth—often pragmatically minded entrepreneurs—were also concerned about the rigid ideologies dominating the political arena, and started a variety of philanthropic and community-minded efforts. The \$33 billion Gates Foundation took on grand national and international challenges such as disease eradication, education reform, and economic development; Social Venture Partners facilitated donors’ twin commitments to give and to serve; B-corporations redefined business investment dividends to include social and environmental benefits; The Giving Pledge attracted high-end donors willing to make a public promise to distribute personal wealth for public benefit. These donors and business people displayed a communitarian spirit typical of many in the baby boomer generation.

The stage had been set for something new.

\*\*\*

“The way forward must include such paradoxes as rigorous values, poignant data, strategic intuition, irrational insight, deliberate improvisation, soulful strategy, rational exuberance, and immeasurable outcomes.” —Paul Connolly, *Chronicle of Philanthropy*, July 2011

As expanded resources began to serve multi-generational idealism, hands-on attitude about community engagement and a willingness to take greater risks in philanthropy, change became noticeable. Seeing opportunity in a convergence of disparate factors such as compelling research on child development, a public education system searching for answers to declining graduation rates, rapidly increasing ethnic diversity, and an alarming income gap, mainstream foundations, including both private funders and community foundations, were motivated to search out new partnerships that might have the clout to influence public discourse and public investment. Business leaders concerned about developing a pipeline of workers able to fill modern jobs were ready to answer the call. Political leaders were inclined to piggyback on the favorable public opinion toward philanthropy.

In 2003, for example, five foundations came together to found Foundations for a Better Oregon (FBO). These partners, including a community foundation, three private foundations, and a corporate foundation, agreed that public education in Oregon was at a crisis point that required an extraordinary effort by philanthropy. FBO created The Chalkboard Project to promote accountability, stability and quality in the state's K-12 public education system. Over a 10-year period, Chalkboard moved toward a focus on teacher

quality and created a project that engaged teachers and administrators together in local districts to define supportive professional development plans that would lead to student success, with the valuable byproducts of improved teacher retention and compensation. The effort was embraced by grassroots organizations such as Stand for Children. The model earned multi-million dollar financial support from the state legislature for replication and began to spread rapidly. Eventually even teachers' unions became proponents. Some of the FBO partners also began independently to advocate for systemic change. The Oregon Community Foundation took advantage of its public charity status to endorse legislation and deploy its staff and board members into key advisory roles in state government, becoming full partners in development of a comprehensive, streamlined “birth to career” public education system.

In another Northwest example, Neighborhood Partnerships, a nonprofit organization spearheading a statewide affordable housing advocacy coalition, received support from the Northwest Area Foundation in 2010 to bring staff of Demos, a New York-based policy research group, to Oregon to conduct training for public agency employees and nonprofit organizations in how to frame issues more effectively, including how to frame debates about the positive role of government in solving economic and social problems.

Urged on by nonprofit organizations and using collaborative strategies, funders pressed successfully for tax policies favoring private giving, including more liberal rules permitting IRA rollovers for advised funds at community foundations. Funders encouraged their grantees to engage in grassroots lobbying via operating support grants. More grants focused on capacity building and leveraging public dollars. Foundations took a variety of new approaches toward support of local communities through their allocation of assets, program related investments, and loans in addition to grants. And—very importantly—leading foundations resisted what had been a trend toward employing quantitative measurements of “outcomes,” opting instead for more flexible measurements of change and a willingness to learn through trial and error. They insisted that failure WAS an option if something new could be learned from it, and that innovation without trial and error was impossible.

Other factors not exclusive to philanthropy and nonprofit work helped to sustain the momentum of emerging alignments. Early in the 21st century, technology had brought immediacy to nonprofit causes and the potential of change (indeed, regime-toppling revolutions in Africa and elsewhere) directly to the general public; web sites and social networks mobilized donors to pool resources; nonprofits' books were available online, assuring transparency. However, donor fatigue set in as cause-related marketing saturated the Web. The fragmentation of giving led to reinvigorated institutional, place-based giving as donors came to miss their more personal connection to the efforts taking place with their funds, and concluded that their donations could have little plausible long-term impact on international problems. Technology and social media grew into useful tools for local donors

to identify causes and manage pooled resources. Community foundations became able to serve larger geographic areas more effectively while retaining a personal touch.

By 2020, this type of effort was multiplying across the country. Where once the organizations that researcher Robert Putnam termed “mediating institutions” — the local Rotary, Elks, Odd Fellows, churches, and even bowling leagues — served to knit communities together, now service and advocacy organizations, teamed with foundation, business and government partners — attracted ever larger numbers of volunteers interested in making change. The combination of resources was powerful, as foundations wielded financial resources and powerful connections, while the universe of nonprofits brought local knowledge, volunteer power, and grassroots legitimacy to change-oriented efforts. Philanthropy, once a mysterious and relatively closed sector, was gaining an entirely new place in American life.

A ripple effect of foundations' assuming the “intermediary” role was to begin restoring luster to the idea of participatory democracy, and public structures as necessary and valued. Government was never likely to return to the mid-20th century role of a large centralized agent of change and entitlement a la The Great Society; but it could be the collaborative partner that had by far the greatest financial resources, the potential to replicate successful strategies broadly, and the most formal public accountability. It was no longer “the problem” but a necessary and vital part of the solution. Its partnerships with the philanthropic and nonprofit sectors also gave sanction to dramatically increased public investment in such long-term solutions to poverty as early childhood education, as traditional pork-barrel approaches and agency-centric public budgets gave way to outcomes-based budgets. For the first time in American history, elections hinged on the question of what was best for the future of the nation's children.

\*\*\*

“Make no small plans. They have no magic to stir men's blood.” — attributed to Daniel Burnham

A corollary impact of the old drumbeat that “government is the problem” had been to shrink the ambitions of our public institutions. Lacking revenue and visionary leadership in elected roles, our largest common enterprise, government, had been reduced to tinkering with nearly moribund systems. The public's sights were seldom raised to genuinely visionary goals. Even protests on the left seemed to lack direction. The “Occupy” movement beginning in 2011 had focused on economic injustice, but not on the vision of what a just system could provide. Philanthropy, however, brought into its partnership with government a unique combination of strengths—a history of support for “big thinking,” and the capacity to use private resources for experiments serving the broad public interest without the scrutiny necessary when public funds were allocated.

Now, as we enter the fourth decade of the 21st century, we as a people are regaining an essential sense of optimism. Philanthropy's role as the venture capital for new ideas has reignited public faith that significant change is possible. The "innovation slowdown" that had characterized the past half century—in which change was rampant but real progress was negligible (iPhones notwithstanding)—is being replaced by spectacular advances in energy conservation, solar energy production, regional food systems, water purification, genetics-based treatment of disease, and many other fields. Electric cars, powered by solar cell stations, are the norm. The solar technology in windows of large commercial buildings generates enough power to heat the buildings. These and other technologies have been fostered from the research stage to mass production by partnerships among foundations, universities, government and individual donors. We have learned enough to know that unqualified faith in science and technology (suggested by the mid-20th century corporate slogan "Better Living Through Chemistry") does not serve us well. But neither does rampant cynicism. It's encouraging that the kind of philanthropy that resulted in Carnegie's libraries, spurred the eradication of smallpox, and underwrote the civil rights movement is resurgent again.

Obviously we are not yet out of the woods. The global environment has been polluted significantly; standards of living based on intense use of energy resources are still promoted in industrializing countries; poor people the world over want and deserve equal opportunities to enjoy healthy and rewarding lives. The investment and real estate markets are volatile, though long term trend lines have regained an upward slant. The future of capitalism that requires ever more consumption is uneasy, and we are still a mercantile nation in which those with money have disproportionate political influence. Income inequality is still severe. But recent studies indicate that Americans are happier than they have been for nearly seventy years—and the U.S. has moved from its 23rd place position in 2006 in the "Satisfaction with Life" index to the top ten.

We seem to know better how to navigate through our challenges. And it may be that America's one real claim to exceptionalism—its citizens' obdurate "do it yourself" attitude—is the rudder that has turned our ship of state toward safer waters since the first decade of the 2000s. Despite all, we are still able to flex our civic muscles, like the young country observed by de Tocqueville in the 1820s, with its astonishing propensity for "voluntary associations" to get vitally important work done. It's our nation's philanthropists and its visionaries, its civic volunteers and community organizers, its non-ideological leadership, its ecumenical partnerships with business, government, labor and faith communities, and its resolute commitment to a vital public sector with deeply engaged citizens, that is the new bedrock of an America "of, by, and for the people." And like the Union in the days following the sacrifices at Gettysburg, we're all the better for being motivated by hope.