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**Abstract:** The article announces the appointment of chief executive officers (CEO) at foundations in the U.S., including Susan Desmond-Hellmann at the Bill & Melinda Gates Foundation, Darren Walker at the Ford Foundation, and Bruce Reed at the Eli and Edythe Broad Foundation.

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### **New Breed of CEOs Is Poised to Reshape Philanthropy in 2014**

#### GIVING

A DOZEN of the nation's 30 wealthiest foundations--including Gates, Ford, and Kellogg--are making way for new leaders in what may be the most significant leadership change in philanthropy in decades.

The changes may soon reshape what kinds of groups get priority in the race for money and transform how philanthropy works.

The new executives are very different from the people who held these elite jobs even a decade ago: They are much more likely to be black, gay, or female and to come from modest backgrounds. What's more, several of them come from the foundation world itself, rather than from outside it.

"There is a changing of the guard at some of the bellweather foundations," says Emmett Carson, chief executive of the Silicon Valley Community Foundation. "It represents a sea change."

Already the new leaders are showing signs they want to get more involved in influencing public policy. Darren Walker, who was appointed head of the Ford Foundation last summer, has said he wants to mobilize foundations to join him in making a public push to curb inequality, and Larry Kramer, who took over as head of the Hewlett Foundation in 2012, recently signaled that his first big new grant-making effort will be to help end the polarization now afflicting American politics.

Among the leaders appointed in recent months are:

\* Susan Desmond-Hellmann, who was named last month to head the Bill & Melinda Gates Foundation. The appointment makes a break from the past: As the third CEO in Gates's history, she is the first to come from outside Microsoft. She spent a good part of her career working in the corporate world to develop cancer drugs and now heads the University of California at San Francisco. She grew up in Reno, Nev., the daughter of a pharmacist and an English teacher. (See article on Page 20)

\* Darren Walker took over the Ford Foundation's top job this fall from Luis Ubiñas, a McKinsey and Company consultant who abruptly resigned in March after six years in office. Mr. Walker held senior jobs at Ford and Rockefeller before landing the CEO role. He is the first openly gay leader of Ford and a black man who grew up in a middle-income family in Texas.

\* La June Montgomery Tabron was appointed to head the W.K. Kellogg Foundation in October after working at the fund for 26 years. Ms. Tabron, who replaced Sterling Speirn, a former head of the Peninsula Community Foundation, is the first black woman to head the grant maker and was one of 10 children raised by an inner-city Detroit family.

\* The Eli and Edythe Broad Foundation hired Bruce Reed, a White House veteran, in December to apply the skills he mastered as chief of staff for Vice President Joe Biden and chief domestic-policy adviser for President Clinton. (See article on Page 34.)

Other foundations that have named new chief executives within the past two years include Bloomberg Philanthropies, the Leona M. and Harry B. Helmsley Charitable Trust, and the Barr; William and Flora Hewlett; and Andrew W. Mellon foundations.

More new leaders are on the way at foundations worth a billion dollars or more. Among the philanthropies with vacancies are the Heinz Endowments, and the James Irvine and William Penn foundations.

### **Spreading Diversity**

The growing number of women and minorities in top jobs could lead to greater diversity in executive positions, boards, and staffs across foundations and nonprofits of all sizes, says Mr. Carson of the Silicon Valley fund.

Mr. Carson, who is black and started his career in philanthropy at Ford, says he thinks such a shift might help ensure that more money goes to groups that help minorities. He says the change is long overdue.

"I would say philanthropy continues as a whole to lag the nation in issues of diversity, particularly on boards and staff," he says.

Perhaps most notable is that two of the men taking leadership jobs of the biggest funds are openly gay.

James Canales, who is leaving the top job at the Irvine Foundation in San Francisco to lead the Barr Foundation in Boston, drew attention to his partner, Jim McCann, in a statement announcing his plans to leave for a fund now worth \$1.4-billion and expected to grow in the short term. And Mr. Walker's relationship is mentioned in his biography on the Ford Foundation's website: "He lives in Manhattan with his partner, David Beitzel, a contemporary-art dealer in Chelsea, and their English bulldog, Mary Lou."

But that is not the only kind of diversity that is notable about the new class of big foundation leaders, say nonprofit experts. The new leaders represent a broader diversity of socioeconomic status and professional background, and several grew up and built their careers in parts of the country not traditionally represented among foundation leaders.

Mr. Canales, for example, has spent his entire life on the West Coast, which some say could bring new insight to Barr's New England focus.

"Bringing that California mentality in grant making to the Northeast is welcomed," says Aaron Dorfman, executive director of the National Committee for Responsive Philanthropy.

Such expansive cultural, geographic, and professional experiences among foundation staffs should result in more grants to groups that work with people who don't get a lot of attention in philanthropy, such as Native Americans, Mr. Carson says.

### **Nonprofit Experience**

Many foundation experts are happy to see that new executives increasingly come from nonprofit backgrounds.

The Gates, Ford, Kellogg, Hewlett, Mellon, and Barr foundations, which all appointed leaders over the last two years, chose people who worked at foundations or at colleges.

Brad Smith, president of the Foundation Center, said boards recognized the value in hiring executives with nonprofit experience after looking to other kinds of people for ideas to "shake things up."

"We went through a wave of getting people from outside the field," Mr. Smith says. "There's a recognition that philanthropy is an industry and that working in a foundation is a profession. That's something that is quite notable."

Stanley Katz, who studies philanthropy at Princeton University, said boards at billion-dollar-plus institutions are struggling with whom to pick as chief executives to further their interest in focusing on a few specific causes and driving the nonprofit and public-policy agenda.

"Ford's board was looking for someone who represented the new strategic outlook on philanthropy, and they struck out," Mr. Katz says. "Now they're going back to the old model."

He said he was pleased to see that Gates had made a choice of an expert in fighting disease. He said choosing someone with "content knowledge of the business of their foundation" is a welcome sign about the next era of grant making at Gates.

### **'Grinding Inequality'**

People who work with the new leaders say they expect to see foundations work closely together to call public attention to the impact of foundations and to issues that affect their grantees

Vikki Spruill, chief executive of the Council on Foundations, an association of grant makers, says Mr. Walker and Mr. Canales have told her they want to take a more active role to convince Congress not to alter tax policy in ways that could hamper foundations' efforts.

"There's an opportunity to lift up the sector" by speaking with "a more unified voice around the impact of philanthropy," Ms. Spruill says.

But it's not just issues of self-interest about preserving donations that are important to the new leaders.

Mr. Walker of Ford said in a recent interview that "it's important for foundations to speak out about the sort of grinding inequality we're seeing in the world and in the U.S."

Mr. Walker also told the interviewer, Michael Selzer, a former Ford Foundation official who now teaches at Baruch College, that he expected Ford to give nonprofits a greater role in shaping the fund's grant-making decisions.

"We have arrived at an interesting place in which we really defer to the local voice in our grant making--meaning local leadership, minimizing New York-initiated programs or grants in a region without consultation. That's an important paradigm shift for us," Mr. Walker told Mr. Seltzer in an interview whose excerpts were posted on the Foundation Center's website.

### **New Approaches**

Some of the new executives with more time on the job than Mr. Walker have already begun putting in place new approaches.

Larry Kramer, who took over as Hewlett's chief executive when Paul Brest left in September 2012, is exploring a new program to improve democratic institutions in the United States. It's a move that could also put him in a national leadership role in an uncomfortable way.

In a recent video on Hewlett's website, Mr. Kramer acknowledged the foundation may have to "engage in some slightly more aggressive kinds of advocacy than we're comfortable with" to try to fix the polarized political system.

And the Mellon Foundation staff has been working for nine months developing new "strategic directions" that will be unveiled in early 2014, said Earl Lewis, who became Mellon's first African-American chief executive in March.

"We're not ready for prime time," Mr. Lewis says. "Certainly by the end of the [second] quarter, we'll be ready to begin to announce to the world what we're going to do."

#### **Twitter and Facebook**

Foundation observers expect the new leaders to be more transparent about the causes and nonprofits their foundations support, especially if they intend to try to sway public policy by highlighting their investments in social causes.

"Wouldn't it be great if foundations made it clear to the world what their goals were and how they think they would achieve them?" says Mr. Brest. "I would like to see much more transparency."

Part of that greater transparency may come by way of Twitter and Facebook, as new leaders use social media to share their success stories and build relationships with a more diverse range of people.

"Part of what we are going to begin to see with changes in leadership is an understanding about social media, the power of communication, tools to engage, to listen," Mr. Canales said.

Such tools are redefining who is counted as "thought leaders," Mr. Lewis said.

But he cautioned that over-reliance on new social-media technologies can pressure organizations to make decisions before they have had time to process the rapid flow of new information.

"We can either lead recognizing that pace, or we can let ourselves be led by that pace," he said. "Sometimes you need to pause long enough to understand."

One practical result of the ever-increasing speed of information and consensus gathering, Mr. Lewis said: "You may have three to five years of grant making rather than five to 10 years."

Ultimately, he added, the new foundation executives "will not be judged by the change itself but what we accomplish during our time."

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By Doug Donovan

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