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KATZ, Stanley N.**Abstract:** The article discusses the methodology of the Bill & Melinda Gates Foundation in its charitable expenditures in higher education reform in the U.S. Other foundations such as the Kresge Foundation and the Ford Foundation are also commented on. The author looks at criticism about how the Gates Foundation funds and tackles the solving of problems in higher education according to professor Stanley N. Katz, the foundation's work with state systems and groups such as College Complete America according to Daniel Greenstein, who oversees the foundation's higher education giving, and professor Elaine P. Maimon's work with foundations to create a stronger process for Governors State University to take in transfer students.**Full Text Word Count:** 2009**ISSN:** 0009-5982**Accession Number:** 89333691**Database:** Academic Search Complete

## Strategic Philanthropy Comes to Higher Education

The Gates foundation is notable not only for its size but also for its approach: Define strategic goals, work closely with grantees, and expect measurable results.

Governors State U.

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The Bill & Melinda Gates Foundation, with \$36-billion in assets, is the country's largest philanthropy, but it is not the first one to spend large sums on higher-education reform. The Rockefeller Foundation gave \$45-million in the 1920s to improve medical-school education. The Ford Foundation helped create the discipline of area studies with \$270-million in grants it made during the 1950s and 60s. And the Carnegie Corporation of New York sponsored dozens of academic studies in the 1960s and 70s through the Carnegie Commission on the Future of Higher Education.

So what is Gates doing differently? The foundation is notable not only for its size but also for its approach: Define strategic goals from the outset, work closely with grantees, and expect measurable results from investments. The foundation also embraces advocacy, both as a way to influence policies that further its own goals and to leverage its grant-making budget by tapping into the much-larger spending by state and federal governments. Gates also works closely with like-minded foundations, including the Kresge and Lumina Foundations, to further amplify the impact of its grant making.

Some higher-education observers say Gates has shown little interest in supporting higher education for its own sake, aside from the Gates Millennium Scholars program, which provides scholarships to 1,000 new students each year. These observers say Gates treats grantees like contractors and is less interested in supporting innovation at the campus level than in investing in intermediary organizations like Complete College America, state systems of higher education, or upstart off-campus innovators like the Khan Academy. They note that on its Web site, Gates tells postsecondary-education grant seekers not to submit unsolicited proposals.

"I worry about the good idea that goes undiscovered because there's no way for the contact to be made," says Richard Ekman, president of the Council of Independent Colleges, which brings together college leaders and foundation representatives in an annual "foundation conversation."

The Gates approach is not singular but rather reflects broader changes within philanthropy. During the technology boom of the 1990s, a generation of newly rich entrepreneurs brought a sense of urgency to their grant making, and the term "venture philanthropy" took hold. Many philanthropies today share that urgency and have adopted similar practices--including the \$1-billion Lumina Foundation, created in 2000 from the proceeds of the sale of USA Group, a company that ran the nation's largest student-loan guarantee agency, to Sallie Mae. Today foundations tend to prefer the terms "catalytic" or "strategic" philanthropy and "highly engaged grant making"--an ethos captured in the name of the Gates foundation's blog: "Impatient Optimists."

Many in higher education are wistful for the 1960s and 1970s, a period that one scholar dubbed the "golden era" of higher-education philanthropy. Back then, Ford, Carnegie, the U.S. Education Department's Fund for the Improvement of Postsecondary Education, and others typically threw out a general concept and looked for an accomplished institution or researcher to run with it. The independent-minded scholar looking to explore his or her own ideas was a much-needed partner.

But in the new paradigm the same type of scholar can become a liability. "Professors are notoriously lousy partners," says Stanley N. Katz, director of the Center for Arts and Cultural Policy Studies at Princeton University and a scholar of philanthropy. "They think they know everything. They want to do what they want to do. And they want to do it on their own schedule." So foundations said, in Mr. Katz's words, "the hell with that, we can find people who will do what we pay them to do, when we pay them to do it."

Mr. Katz joins other scholars and college officials in complaining that the Gates foundation, though new to the study of higher education, thinks it already has the solutions to the sector's problems. "They're making a priori judgments, and they're pouring a lot of money" into college completion, he says. "And then, to be fair, they'll measure it, and they'll see what happens, and maybe they'll change course if it doesn't work, but I think that's an ass-backwards way of doing things."

Daniel Greenstein, who oversees the Gates foundation's work in higher education, acknowledges that the foundation needs more "bench strength," and he says it is likely to hire more people who have experience working in higher education. Mr. Greenstein, who has a doctorate in social studies from the University of Oxford, joined the foundation in 2012 after serving as vice provost for academic planning and programs at the University of California system.

He rejects the idea that Gates is spending money to carry out its own ideas; rather, he says, the foundation seeks to nurture the innovation that's already happening in the field. Gates works at a high level, Mr. Greenstein says, through state systems or groups like College Complete America, at the bidding of college presidents, who want the foundation to "lift up our voice and inform policy discussion." He also says the foundation's strategy is evolving as it comes out of an "exploratory phase," but that it will remain focused.

"We can't operate across the entire swath of opportunity," he says. "It just is impossible."

Mr. Ekman, a former program officer at the Atlantic Philanthropies and the Andrew W. Mellon Foundation who also worked at the National Endowment for the Humanities, sees a fine line between focused and overly prescriptive. Two decades ago, he says, a foundation would have spent most of its time determining whether a college or, in his analogy, a ballet company, was worth investing in and would have then trusted the grantee to use the funds wisely.

"Now a foundation might have guidelines that welcome proposals only to fund the use of red tutus because the foundation has decided, for whatever reason of its own, that red tutus are better than others," he says. He adds: "I've always felt foundations ought to be more deferential toward institutions, and acknowledge that the institutions know best what the needs are."

Joel J. Orosz, an emeritus professor of philanthropic studies at Grand Valley State University who also spent 15 years as a program officer at the W.K. Kellogg Foundation, says home-grown ideas have the greatest potential for lasting impact because they are far more likely to be sustained after the grant maker's inevitable withdrawal. An idea that originates on campus "has people who will fight and die for it."

Elaine P. Maimon, president of Governors State University, has firsthand experience with an innovation that originated on campus. In the 1970s, as a part-time English instructor at Beaver College, Ms. Maimon was one of the beneficiaries of grants made to a handful of institutions, including Beaver and Carleton Colleges, by the National Endowment for the Humanities and the Education Department's Fipse. Prompted by concerns over declining writing skills, the grant makers asked recipients to experiment with new approaches to teaching the subject. Those grants eventually led to a profound change, now known as "writing across the curriculum."

A few years ago, Governors State came up with an idea for creating a more "coherent" transfer process from community colleges to four-year institutions, a project that now involves a dozen institutions in the Chicago area. Ms. Maimon thought it would be the perfect idea for Gates, given the foundation's focus on college completion. She mentioned the alliance to Hilary Pennington, then the head of its postsecondary program, who encouraged her to send in materials about it. Ms. Maimon says she did, but she never heard back and wasn't sure how to follow up, so eventually she turned elsewhere. (Deborah V. Robinson, a spokeswoman for the Gates foundation, notes that Ms. Maimon never submitted a formal proposal.) Ms. Maimon later succeeded in winning an \$875,000 grant for the project from the Kresge Foundation.

"I would never argue that all philanthropic funds available should be directly invested in campuses doing innovation," Ms. Maimon says, "But let's not undercut the value of what can happen when innovative people from the grass roots, on the campuses, are doing things that they are very intentional about making scalable."

Mr. Greenstein says the critics have it wrong. The Gates foundation, he insists in an interview, believes that higher education has a "phenomenal track record" of reform.

He says he has met with hundreds of people, including college presidents, faculty members, and trustees, who want to see colleges do a better job of educating a diverse population and corralling costs. Since 2006, Gates has awarded some \$100-million to colleges and universities working toward those ends, according to a Chronicle analysis of the foundation's grant making.

"Our aim is to support the innovation and creativity that we see in the field," Mr. Greenstein says. "We're right in there trying to work with them."

To the extent that Gates is working above the college and university level, some experts say it's the right thing to do.

Arthur Levine, president of the Woodrow Wilson National Fellowship Foundation and a former president of Columbia University Teachers College, says the challenges facing higher education are so big today that it doesn't make sense for a foundation like Gates to work at the institutional level.

He also believes that too many academics view the earlier philanthropic period with rose-colored glasses. He notes that another effort from the 1970s, a Carnegie- and Fipse-led attempt to shorten the time it takes students to earn degrees, didn't pan out nearly as well as "writing across the curriculum."

"Within a very short period of time, those exciting and shiny programs had all disappeared," Mr. Levine says. "It would have been wiser for Fipse and Carnegie to work with state legislators or systems of higher education to change all the rules to make those things possible. That's what Gates is doing today."

Others point out that the strategic philanthropists are not the first to look beyond campuses. In the 1990s, long before Gates was an active grant maker in higher education, foundations like Ford and the Pew Charitable Trusts invested in the National Center for Public Policy and Higher Education, which focused on the states, and the Institute for Higher Education Policy, which focused on the federal level.

Jorge Balan, who oversaw grant making in higher education at the Ford Foundation from 1998 to 2006 and is now a senior research scholar at Columbia University, says the foundations helped establish these influential centers because they felt that independent researchers were churning out "good policy analysis" while academic insiders--including professors at education schools and public-policy schools--generally weren't.

The current work by Gates and Lumina, Mr. Balan says, is to a large extent building on the work that Pew, Ford, and others supported in the 1990s.

It differs in a key way, though, he says. While Ford and Pew had a broad goal to build a body of research on access and completion, Gates has a more narrowly defined strategy and is intent on supporting change that can be measured. "They think they know what they want to do, and they're going to go out by themselves and do it," Mr. Balan says. "They do listen, but they're frankly not that open to other ideas because they don't want to waste a lot of time. And I respect that."

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Arthur Levine, president of the Woodrow Wilson National Fellowship Foundation, says Gates's strategy of working with legislators is the right way to take on today's challenges.

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