Impact Investing

Bill and Melinda Gates, Warren Buffet, Ted Turner, Elon Musk, and Pierre Omidyar represent a few of the 81 people who have signed the Giving Pledge to date, and on May 9, 2012, these individuals were amongst the group of 35 Giving Pledgers to convene in Santa Barbara, California, for the sole purpose of helping each other become better philanthropists. This meeting exemplified the Giving Pledge’s transformation from a movement focused on promised giving, to a collaborative approach to achieving results through philanthropy.

There is no denying that the individuals of the Giving Pledge are the movers and shakers of the future of philanthropy, and the hottest topic at the Santa Barbara meeting for these individuals was impact investing. Impact investing describes the practice of investing money to both generate profit while at the same time, creating social good. This trend complements traditional philanthropy by creating additional resources to use to improve a wide range of social and environmental issues. Impact investing is a key philanthropic strategy that many foundations have adopted to grow their reach in helping to solve the most difficult challenges facing the world.

The Global Impact Investing Network is a not-for-profit organization dedicated to increasing the scale and effectiveness of impact investing. Some notable foundation members include: The Bill & Melinda Gates Foundation, the Ford Foundation, the Omidyar Network, the Packard Foundation, and the W. K. Kellogg Foundation. Please visit the Global Impact Investing Network’s website to see what these foundations and others are accomplishing in the area of impact investing: [http://www.thegiin.org/cgi-bin/iowa/council/member/index.html#36](http://www.thegiin.org/cgi-bin/iowa/council/member/index.html#36).

(Source: The Economist; 5/19/2012)
Open Source Robotics Foundation

The Stanford University creators of Willow Garage, a robotics research laboratory that develops hardware and open source software for personal robotics applications, have announced the formation of The Open Source Robotics Foundation, Inc. (OSRF). The mission of OSRF is to support the development, distribution, and adoption of open source software for use in robotics research, education, and product development.

One of the Foundation’s first funders includes the Defense Advanced Research Projects Agency (DARPA), which has asked the Foundation to develop an open-sourced robot simulation software system to be used in their Robotics Challenge program. The DARPA Robotics Challenge offers a $2 million prize for the development of humanoid robots that can help with paramedic and rescue operations after natural disasters or industrial accidents.

The Open Source Robotics Foundation’s board of directors was also announced, and among those chosen includes MIT alumna, Helen Greiner, who is co-founder of iRobot and current CEO of CyPhyWorks. For more information on the Open Source Robotics Foundation, please visit their website at: www.osrfoundation.org. Source (BusinessWire: 5/9/12)

Foundation Research

Giving by U.S. Family Foundations Recovering Slowly

A report by the Foundation Center paints a picture of the changing foundation landscape as giving recovers among U.S. family foundations. U.S. family foundations contributed more than $20 billion in 2010 to support their preferred causes, but total giving did not reach the pre-recession peak of $21 billion in 2008. While we cannot predict foundation giving trends with great accuracy from year to year, another trend is quite clear. That is, the increasing number of family foundations in the philanthropy ecosystem each year (one-third of all family foundations today were established in the last decade). The full report, including more regional data, is available here.

Source (Advancing Philanthropy May/June 2012)

2011 Foundation Growth and Giving Estimates

The Foundation Center has also released its annual report with an overview of 2011 foundation giving figures. A close look at the findings reminds us of the difficulty of generalizing across this field where individual actors differ so greatly in terms of interests, means of operating, and giving. At first glance, it appears as though giving by U.S. foundations has been increasing. However, according to this report, if the Bill & Melinda Gates Foundation were excluded from the totals, 2011 giving would actually have gone down by roughly 3 percent after inflation.

Download the full report here.

Source (Foundation Center June 2012)
Incentivizing Innovative Foundation Investments

The White House recently proposed changes to the (arguably dated) IRS regulations on foundation giving. The proposal is designed to encourage foundations to expand their investments beyond making grants, for example by making low-interest loans or stock purchases in for-profit companies. Current regulations were crafted in the 1970s; some say confusion about what qualifies as a program-related investment has perpetuated a culture of highly risk adverse giving to avoid excise taxes that penalize foundations for making risky investments. The new proposal would update these regulations to include nine new examples of activities that qualify as program-related investments because they further a foundation’s charitable purposes. We are eager to see how this proposal, in whatever form it may be advanced, has an impact on foundation giving. See examples included in the new rules [here](#).

New in the OFR Toolkit

- [Eye On FDO blog](#) with tips:
  - New FDO Professional tool: Corporate Social Responsibility Data
  - FDO technique: Explore Connections (keyword search board member or organization)
  - FDO technique: Power Search phrases and themes
- [AFP MA June Breakfast Meeting: Giving USA 2011 Report](#)