

The Future of Philanthropy

networked action for
social impact

We find ourselves today in a period of unusual turbulence.

There is uncertainty in all sectors of our economy and society. For 250 years, we've been steeped in a framework of production where most value creation and resources were concentrated and flowed through large hierarchical institutions: banks, corporations, foundations, large universities. We call this the First Curve and see this mode of production as slowly declining, with its descent undermining the relevance of many traditional institutions, including philanthropic ones.

Today's social innovators are pioneering new sets of behaviors, practices, and technology usage patterns. They are building the Second Curve—a new, highly-networked, emergent, and fluid way of organizing activities and creating value. It is a curve on which “amplified individuals”—people and small groups empowered with technologies and connections with each other—can do the kinds of things previously only large organizations, or no organization, could accomplish. And often they can do this with little or no money, limited management, and by defying traditional metrics and processes.

This map is both a guide and a provocation. We hope philanthropic organizations will use it to prepare for and shape a more desirable future for their constituents and stakeholders. We also hope that social innovators and communities will use it to help amplify their efforts and achieve greater impact. The Second Curve isn't only about re-engineering organizations—it's about building whole new ecosystems of platforms, tools, and strategies that can enable massive movements for public good.

The question isn't just *when* to make the leap from the First Curve to the Second Curve, but *how*.

How to Use This Map

The Future of Philanthropy prepares you for disruptive changes at the intersections of giving, social impact, organization, technology, and human behavior over the next decade. Use this map as a big picture “first look” at the research. Look for connections across the forecasts. Highlight the stories and signals of most interest to your organization. The foresight presented on this map is designed to inspire insights that will help you identify action steps to prepare you and your organization for the future.



FUTURE FORCES

This map is organized around five emerging future forces. Future forces are disruptions that will transform how we live and work. These are big stories that will define the landscape of philanthropy in the coming decade. Each force is accompanied by relevant signals that help depict the force’s momentum in the coming years.



DILEMMAS

With new tools, structures, and skills come new dilemmas—tensions within the philanthropy ecosystem that won’t be easily resolved. Dilemmas require strategies and leadership that go beyond “either-or” thinking.



SIGNALS

Around each future force are smaller signals: these are the early indicators: tools, technologies, and processes that together point to major shifts for the future. They are the details that add up to plausible forecasts, with the potential to grow in scale and geographic distribution.



SECOND CURVE FRAMEWORK

At IFTF we describe a move from a First to a Second Curve. Based on former IFTF president Ian Morrison’s book, *The Second Curve: Managing the Velocity of Change*, this framework contextualizes any period of big technological transformation through two curves: an incumbent/first curve on the decline, and a nascent/second curve of emerging activity.

Future Forces in Philanthropy

GOVERNANCE

top down VS

participatory

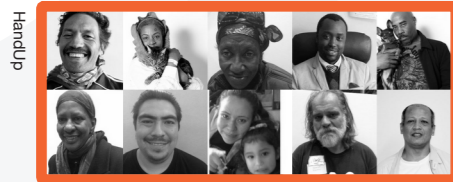
METRICS

explicit VS

tacit

FUTURE FORCE Crowdpower

Leveraging robust online platforms for collection and aggregation of all kinds of resources—from money to brainpower to surplus goods—for creating value.



▲ HandUp

Startup offering local direct donation to homeless people for medical care, shelter, and other services.



◀ ioby

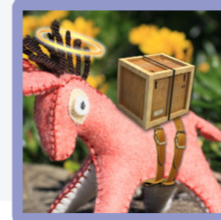
Citizen-led neighborhood projects supported by crowd-resourcing to deepen civic engagement and environmental projects.



elisava.net

▼ Social Coin

Pay-it-forward token that collects acts of kindness via QR code, eventually planted as a seed for a rosebush.



mmmule.com

◀ mmMule

Social travel network of individuals delivering needed goods to charities in return for local "life experiences" on the ground.



ez7.co

◀ Jana

Mobile technology platform rewarding emerging market users with mobile airtime for engaging with brands, surveys, and research.

PROCESS

deliberate VS

emergent



timeandlight.com

▲ Detroit Blight Removal Task Force

Crowd-aggregated mapping of blight in neighborhoods using technology and "blexting."



motherboard.vice.com

◀ Matternet

Flexible and lightweight drone transportation network piloted in extreme environments for disaster relief and in-time resource coordination.



patreon.com

▼ Patreon

Modern-day patronage platform funding artists and creators through the crowd.

▼ Actify—Wave of Action

Platform listing events and social activism activities for people around the world to protest corruption, rally around solutions, and take part in alternative systems.



waveofaction.org

FUTURE FORCE

Ad-hocracy

Choosing roles and tasks, and executing them—with little or no organizational structure—to innovate solutions.



1.bp.blogspot.com

◀ Summer of Smart

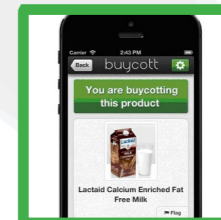
New model for government bodies and citizens to work together prototyping urban solutions in short formats.



Oak Forest Library

▼ Donors Choose

Platform designed to allow individuals to donate directly to public school classroom projects.



Buycott

◀ Buycott

Barcode scanning tool to help organize consumer spending according to causes you support or oppose.



indiegogo.com

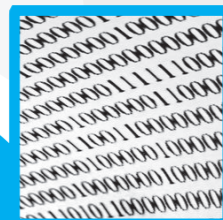
▲ Samasource

Social enterprise dividing large projects into Internet-based microwork opportunities for people living in poverty.

FUTURE FORCE

Algorithmic Coordination

Using data streams and predictive analytics to coordinate and optimize how people, resources, and tasks are routed and utilized for maximum impact.



theguardian.com

▲ Impact Genome Project

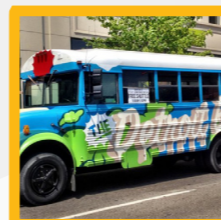
A project to flip impact measurement by using algorithmic data to predict whether social impact ventures will lead to successful outcomes.



facebook.com/freespace.io

◀ [freespace]

Leaderless global community transforming inactive spaces into cultural centers for civic experimentation.



glass-apps.org

◀ The Detroit Bus Company

Alternative transit system to supplement the Detroit city infrastructure and get people back to work.



do512blog.com

◀ Yerdle

Resource-sharing community aiming to limit self-storage of products and reduce durable consumer goods people need to purchase.

FUTURE FORCE

Radical Transparency

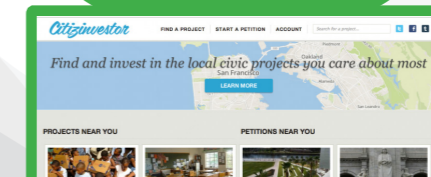
The exposure, intended or not, of all financial data decisions processes, reputation evaluations, and success metrics will disrupt traditional relationships between donors and beneficiaries.



GiveDirectly

◀ GiveDirectly

Nonprofit organization offering unconditional cash transfers via mobile devices to people living in extreme poverty.



Citizeninvestor

◀ Citizeninvestor

Crowdfunding and civic engagement platform to fund pre-approved government projects in cooperation with local government bodies.

SPEED

tempered VS

immediate

SCALE

one VS

multiple

Key Shifts

From new technology platforms to emerging social phenomena, what will be the key elements of the new Second Curve ecology? Here we summarize the big shifts that will shape the transition from the First to the Second Curve.

From organizations to movements

On the First Curve we have come to rely on organizations as powerful tools for achieving scale. Yet many of the social innovators riding the Second Curve are not necessarily interested in creating or running large organizations. In fact, most of them have chosen the paths they are on precisely because they couldn't fit into large formal organizations. They are not versed in scientific management techniques and have not read management books advising people how to behave, organize, reward, lead, and succeed in structured organizational environments. They are interested in creating social movements rather than building and managing organizations. Using social media tools and lightweight technologies they can bring together thousands—sometimes millions—of people to attend a rally, revitalize a building or a neighborhood, or create a global activist network around an issue. Whether in Ukraine or in Detroit, in domains as diverse as education and human rights, social innovators can amass and coordinate resources to achieve a huge scale of impact without building organizational scale.

From managing to synchronizing

Stigmergy is a concept that comes from biology and describes a process of coordinating actions between organisms to produce complex patterns of behavior. Ants, for example, release pheromones as a way to signal the location of food to other ants. The complex network of trails ants produce connects the nest to sources of food enabling an ant colony to thrive. In a similar fashion, Second Curve efforts use platforms and signals that enable masses of people to synchronize activities by knowing where help is needed. What needs to be done, and how they can contribute in such efforts, traditional resource delivery structures are replaced with systems that allow recipients to directly control the implementation of ideas, funds, or project resources. Online social platforms like Twitter have been used to seamlessly synchronize vast numbers of people around a cause. We've watched that happen with the Arab Spring, Occupy Wall Street, and the proliferation of community/hacker spaces around the globe. When we move from managing to synchronizing our efforts, we free up vast amounts of human creativity and capital that we can redirect to the mission at hand.

From economic incentives to adaptive emotions

While technology tools are important enablers of coordination and synchronized action, some of the most important drivers for many of the Second Curve initiatives are old and familiar ones: awe, inspiration, sense of belonging. These are not the terms commonly used by economists and policymakers when thinking about economic incentives. Yet recent research at Stanford University and elsewhere shows that a sense of awe expands people's perception of time and makes them more altruistic and eager to pursue non-material goals. These are precisely the types of levers many social movements use to engage large groups in collective action. They call on people to push toward big, audacious goals; they ask them to be a part of something bigger than themselves; and they entice participants with playfulness and a sense of social belonging that go beyond economic incentives. In fact, they don't focus on economic but on emotional incentives, often making it possible for people to achieve virtually unthinkable things.

From projects to people

In a paper published in the journal *Nature*, Stanford scientist John P.A. Loannidis argued that the scientific research funding system is broken and that organizations should fund people, not projects. Scientists, he says, spend too much time writing grants and doing other administrative work that takes them away from actual research itself. The data is on his side—for example, 30% of the key papers written by Nobel laureates in medicine, physics, and chemistry came out of research without direct funding. Why not identify amazing people through peer assessment and support them in doing what they do, no strings attached? That's the idea behind the MacArthur Fellows Program's "genius" grants and other similar programs. It's not entirely unlike the patronage model that supported painters, musicians, and writers in the Renaissance, and it could work even more broadly. These days, the transaction costs of interacting with foundations are often too high for fast-moving innovators. As a result, they don't bother seeking funding for promising work. Foundations and other established philanthropic organizations, on the other hand, might be missing out on the most exciting projects. The latter will increasingly need to rethink traditional processes for assessing proposals, worthwhile investments, and metrics.

From scarcity to abundance mindset

New digital platforms give social innovators the ability to access all kinds of resources, from people to equipment and space, at previously unthinkable scales with near real-time results. Peer-to-peer marketplaces are emerging for exchanges of products, skills, services, time, or anything else a person (or a community) needs and another has in surplus. For example, the Wikimedia Foundation employs around 200 people, yet media expert Clay Shirky and computer scientist Martin Wattenberg estimated the total effort that went into creating Wikipedia through 2008 amounted to 100 million volunteered hours, in chunks ranging from minutes to days. Similarly, job marketplaces and micro-task platforms such as oDesk and TaskRabbit enable large projects both in the cloud and in the real world to be broken down into small components that can be completed by a large number of skilled individuals working independently. New platforms are enabling the distribution and sharing of excess goods, services, even time on expensive and underused scientific or manufacturing equipment. These platforms connect individuals and small groups with abundant resources for accomplishing tasks far beyond their internal capabilities.

From episodic to embedded giving

Pervasive wireless connectivity is making cyberspace an overlay on top of our existing reality. In this "blended reality," news and information will be delivered wherever it's most relevant. Meanwhile, the diffusion of sensors, communications, and processing power into everyday objects and environments is unleashing an unprecedented torrent of data. Individuals can increasingly track and quantify the effects of every choice they make. Several years ago, philanthropy consultant Lucy Bernholz coined the phrase "embedded giving" to describe ways to donate to charity through the course of your everyday life, such as "rounding up" for charity at the supermarket. Once the Internet is around us all the time, opportunities for embedded giving will truly become ubiquitous. We'll all have data-driven charity filters informed by our social graphs and digital trails so that giving opportunities most likely to resonate with us are highlighted "in place." Imagine that you're a newly-trained arborist who has just relocated to a new city. Walking past a large community garden, your mobile device alerts you with a message "from the trees" that they need treatment for a particular disease. By volunteering time—and perhaps supplies donated from your employer who can buy in bulk—you've made a difference while also connecting in a very real way with your new community.

About the ... Institute for the Future

IFTF is an independent nonprofit research group. We work with a broad range of organizations to help them make better, more informed decisions about the future by providing the foresight to create insights that lead to action. We bring a combination of tools, methodologies, and a deep understanding of emerging trends and discontinuities to our work with companies, foundations, and government agencies. IFTF is based in California's Silicon Valley, in a community at the crossroads of technological innovation, social experimentation, and global interchange. Founded in 1968 by a group of former RAND Corporation researchers with a grant from the Ford Foundation to take leading-edge research methodologies into the public and business sectors, IFTF is committed to building a better future with more systematic, rigorous, and thoughtful consideration of emergent possibilities.

About the ... Future of Philanthropy Program

The Future of Philanthropy research at IFTF explores disruptive changes over the next decade at the intersections of giving, social impact, organizational structure, technology, and human behavior. Through new research and synthesis of IFTF's core forecasts we identify the future forces that will drive the new context of philanthropic work, what we call the Second Curve of philanthropy. We work with philanthropies, nonprofits, and individual social change agents to draw out insights and opportunities. Our goal is to help philanthropic organizations and individuals stay relevant and achieve maximum impact.

Our forecasting and facilitation can help your organization:

- **Think broadly** to gain an “outside-in” perspective on long-term forces and trends shaping the future
- **Anticipate opportunities** for new impact and service offerings
- **Gain agile positioning** by questioning your assumptions and systematically considering alternative futures
- **Jump-start strategic thinking** by immersing you in future possibilities and identifying flexible long-term actions
- **Prototype new offerings** that leverage your expertise while aligning with the future

To learn more about our work
or how to engage our
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