



NEW FRONTIERS OF PHILANTHROPY:

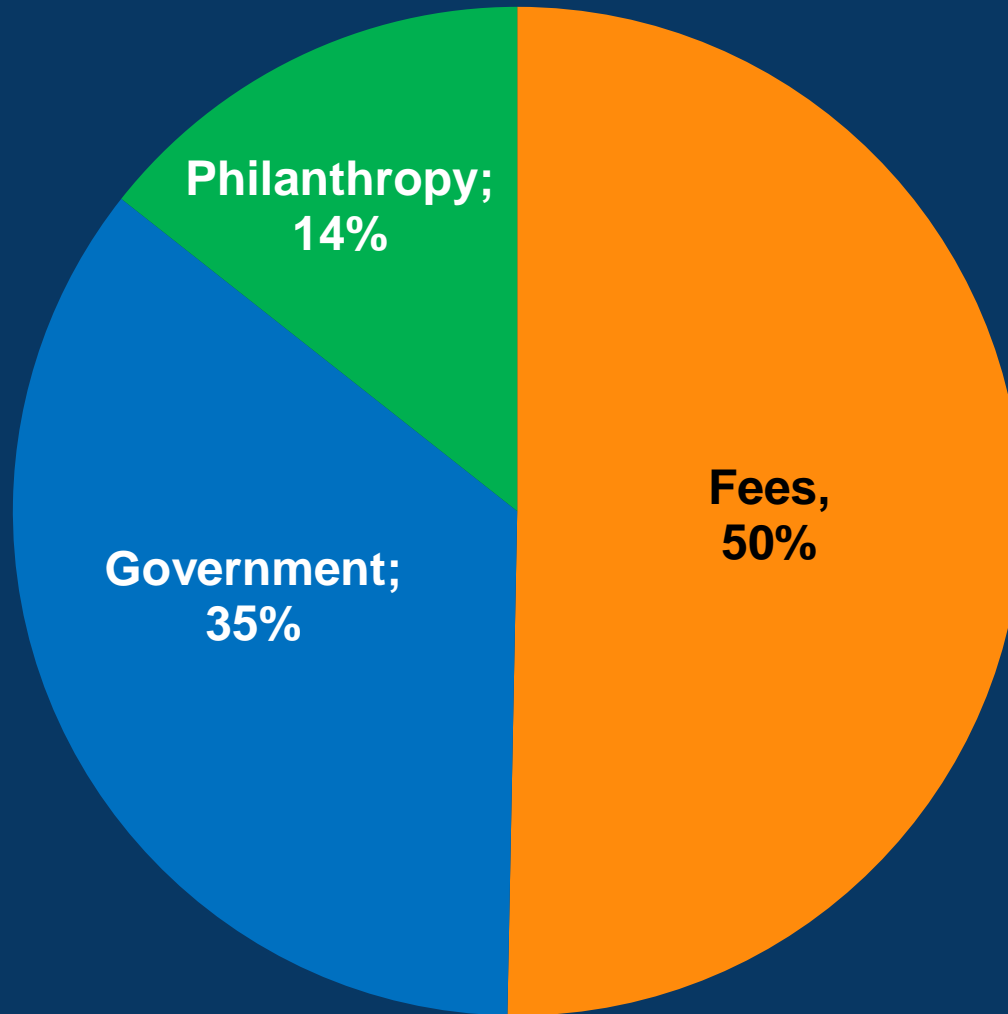
The Revolution in Social Purpose Finance

Lester M. Salamon

Johns Hopkins University Center for Civil Society Studies

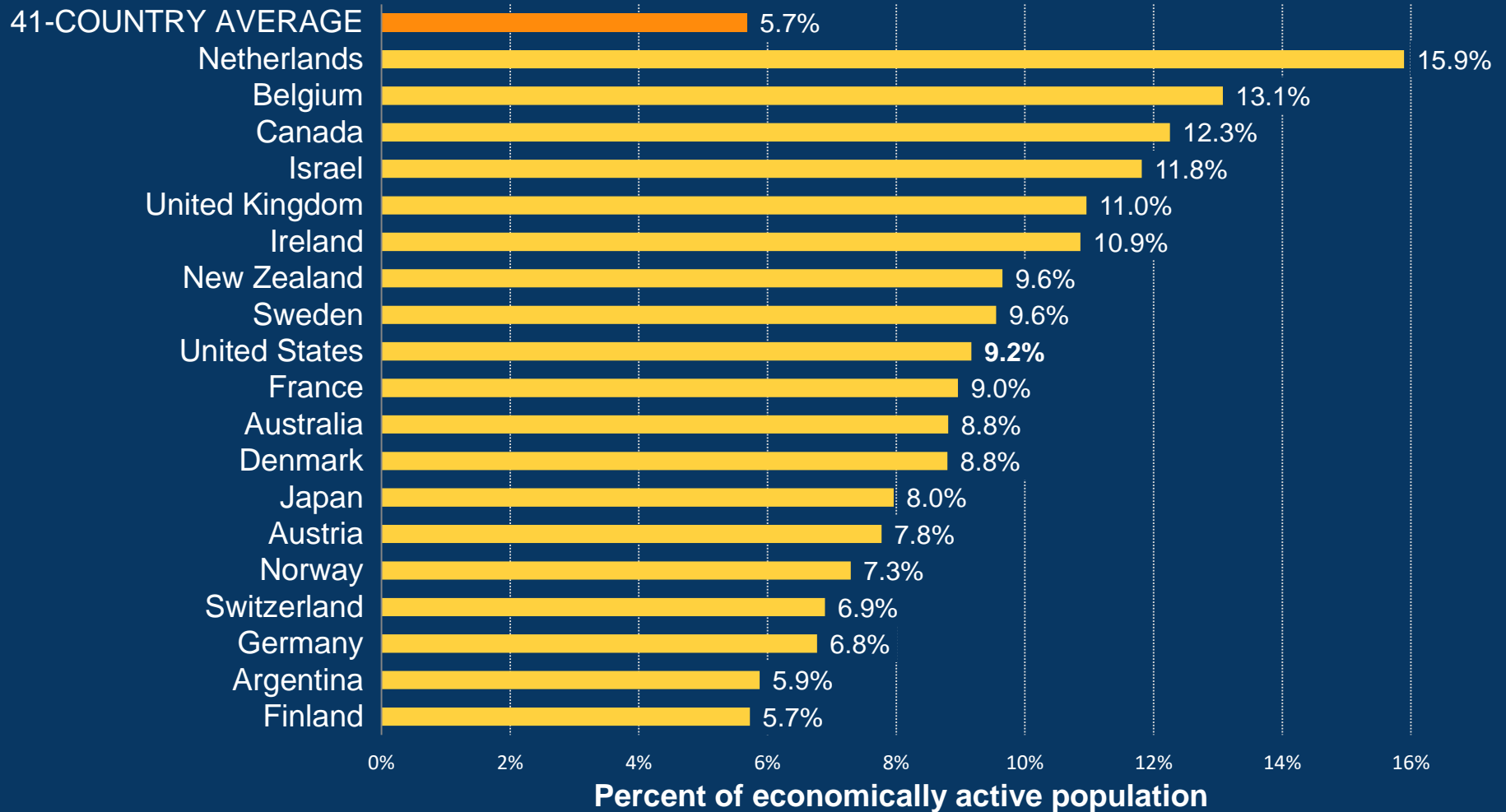


THE PROBLEM: PHILANTHROPY THE LAGGING SOURCE FOR SOCIAL PURPOSE FINANCE



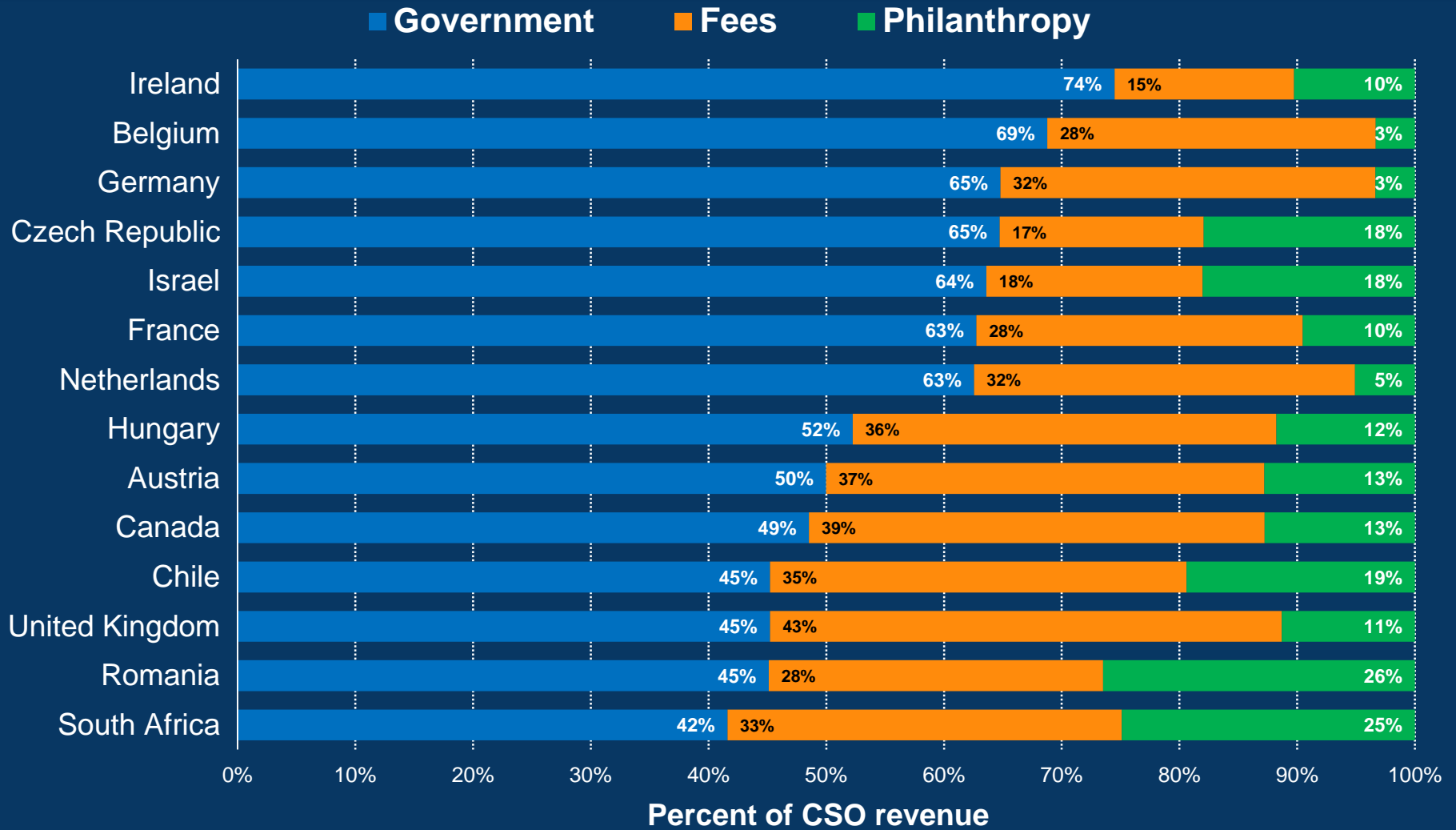


NONPROFIT SIZE, BY COUNTRY





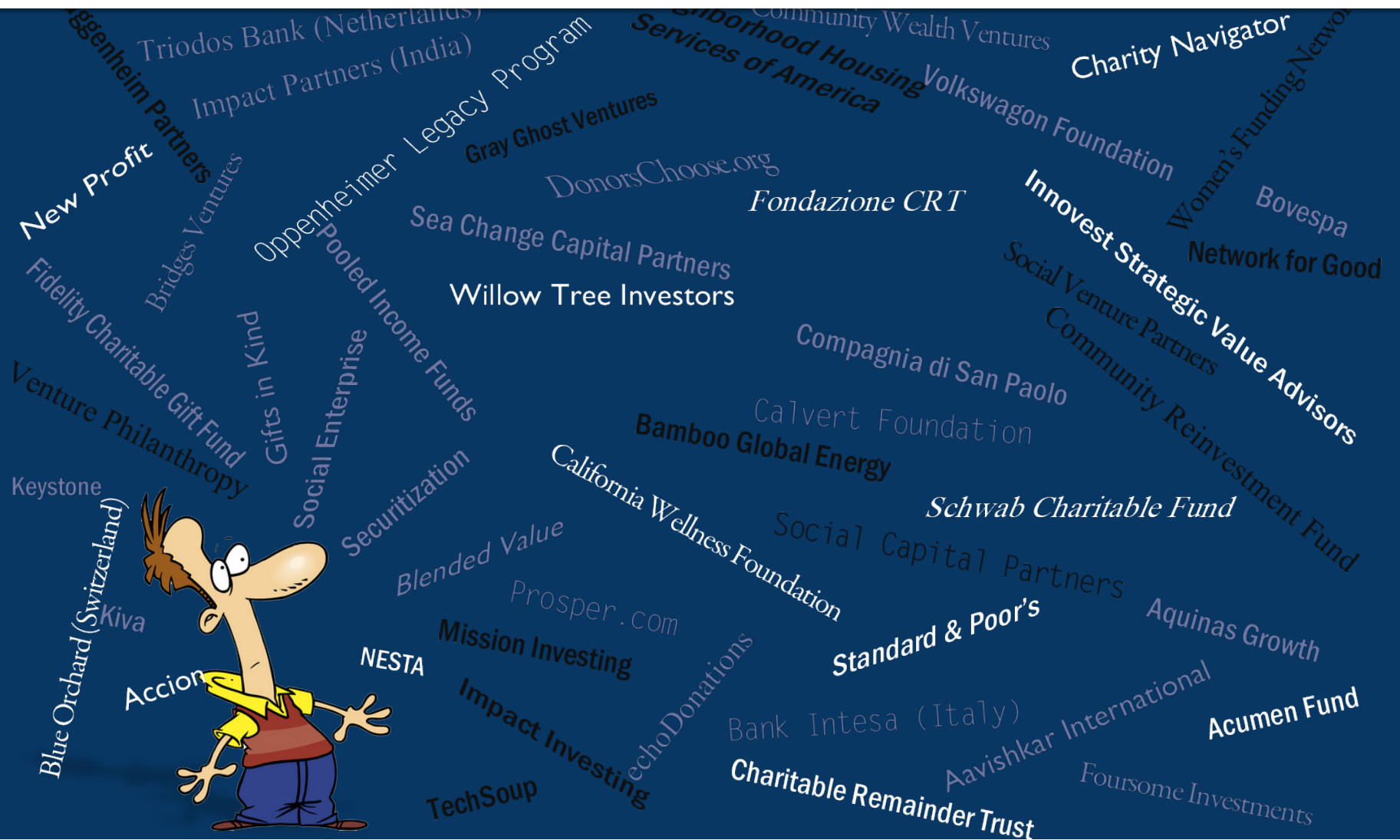
COUNTRIES WITH LARGEST NPO SECTORS HAVE SMALLEST PHILANTHROPY SHARE OF NPI REVENUE



SOURCE: Salamon, Sokolowski, Haddock, and Associates, *Explaining Global Civil Society: A Social Origins Approach*, (Johns Hopkins University Press, 2017).



A SOLUTION: PHILANTHROPY'S "BIG BANG"



SOURCE: Lester M Salamon, Ed., *The New Frontiers of Philanthropy*, (New York: Oxford University Press 2014).

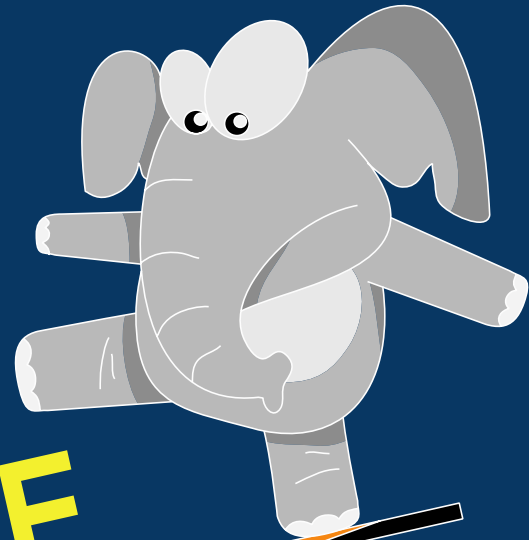


THE REVOLUTION IN SOCIAL PURPOSE FINANCE

- ❖ **Beyond grants**
- ❖ **Beyond bequests**
- ❖ **Beyond foundations**
- ❖ **Beyond cash**



LEVERAGE





NEW FRONTIERS IN PHILANTHROPY PARADIGM

PHILANTHROPY =

The mobilization of private resources for social and environmental purposes

TRADITIONAL PHILANTHROPY	NEW FRONTIERS OF PHILANTHROPY
Foundations, Individuals	Multiple Investment funds
Operating income	Investment capital
Grants	Diverse financial instruments/capital tranches
Nonprofits	Social ventures
Social return	Social + financial return
Limited leverage	Expanded leverage
Output focus	Outcome focus / metrics



NEW FRONTIERS IN PHILANTHROPY ECOSYSTEM

NEW SOURCES OF FUNDS



NEW ACTORS



NEW TOOLS



NEW AGENTS



BENEFICIARIES



WHY?

DEMAND FACTORS:

- The New Inferno
- Tapped-out Government and Charity
- Rise of Social Entrepreneurs

SUPPLY FACTORS:

- Early Responders
- New Concepts: Fortune at the Bottom of the Pyramid
- New Players/ New Mindsets: Philanthrocapitalists
- Financial crisis and tepid capital markets
- Infrastructure
- Technology



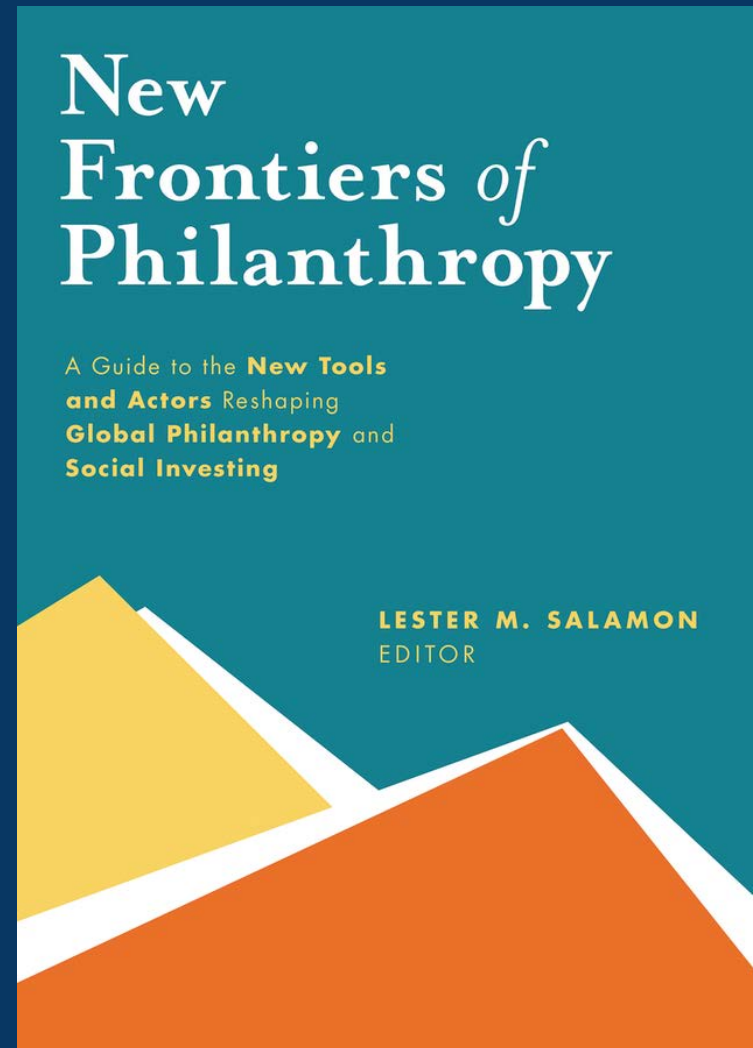
IS YOUR FOUNDATION READY FOR THE NEW FRONTIERS OF PHILANTHROPY?

“...the definitive chronicle of the innovations that are infusing new life into the well-intentioned but often-staid world of philanthropy.”

~ Mario Marino, *Venture Philanthropy Partners*

“...a roadmap to the significant revolution underway...in the worlds of philanthropy and social investment.”

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IS YOUR FOUNDATION READY FOR THE NEW FRONTIERS OF PHILANTHROPY?

LESTER M. SALAMON

Leverage for Good

An Introduction
to the **New Frontiers**
of Philanthropy
and **Social Investment**



“An accessible overview of the new actors and tools reshaping philanthropy and social investment with recommendations for overcoming the challenges they still face.”

~ Rip Rapson, Kresge Foundation

Available from Amazon at:
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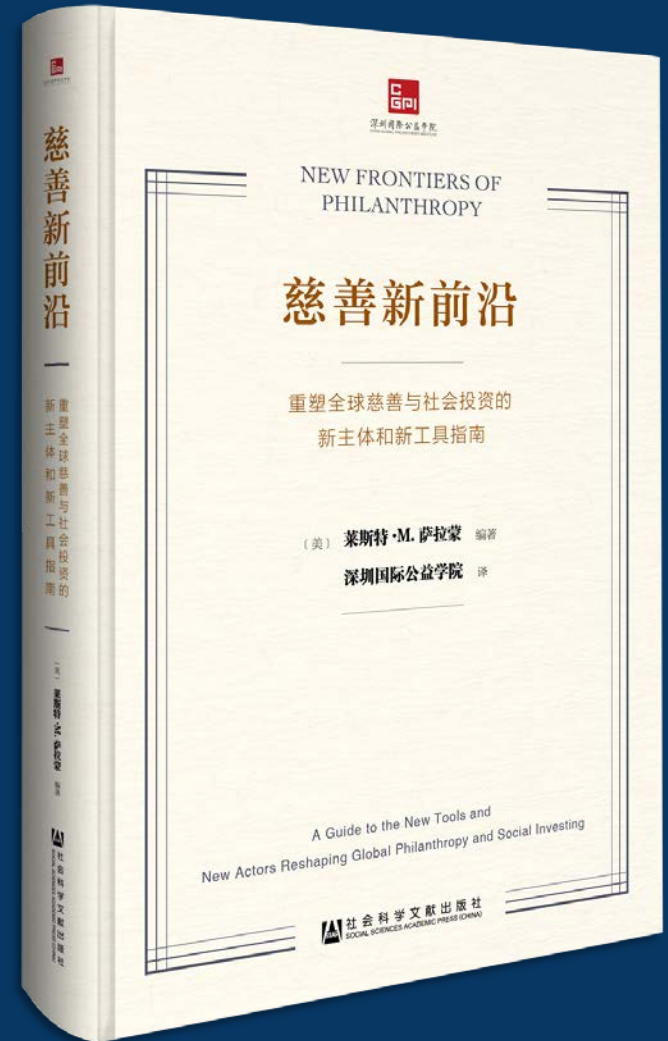
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ACTORS/TOOLS

TYPES OF ACTORS



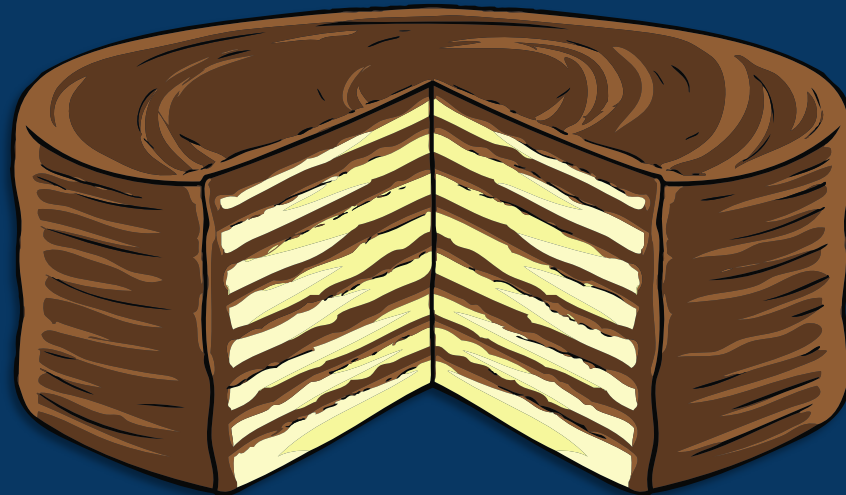
TYPES OF TOOLS





ACTORS/TOOLS

TYPES OF ACTORS





ACTORS/TOOLS

TYPES OF ACTORS

**Capital
Aggregators**

**Secondary
Markets**

**Social Stock
Exchanges**

**Foundations as
Philanthropic
Banks**

**Quasi-Public
Investment
Funds**

**Enterprise
Brokers**

**Capacity
Builders**

**Online
Portals**

**Corp-Originated
Charitable
Funds**

**Conversion
Foundations**

**Funding
Collaboratives**



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ACTORS/TOOLS

TYPES OF ACTORS





FOUNDATIONS AS “PHILANTHROPIC BANKS”

- **Break down “Great Wall”
between investment/program**
- **Tap asset base for mission**
- **Beyond grants—alternative tools**
- **Beyond PRIs**



ACTORS/TOOLS

TYPES OF ACTORS





7 TYPES OF PtP ACTIONS

ASSET CAN TAKE ANY OF 7 FORMS

- I. State-owned enterprise or other assets
- II. Flow of royalties from state-regulated firms
- III. Debt swaps
- IV. Quasi-governmental organizations (e.g. nonprofit)
- V. Stolen assets
- VI. Penalty-based assets
- VII. Dormant assets



ACTORS/TOOLS

TYPES OF ACTORS



TYPES OF TOOLS





ACTORS/TOOLS

TYPES OF TOOLS

**Loans / Credit
Enhancements**

Bonds

Securitization

**Equity
Investments**

**Micro
Insurance**

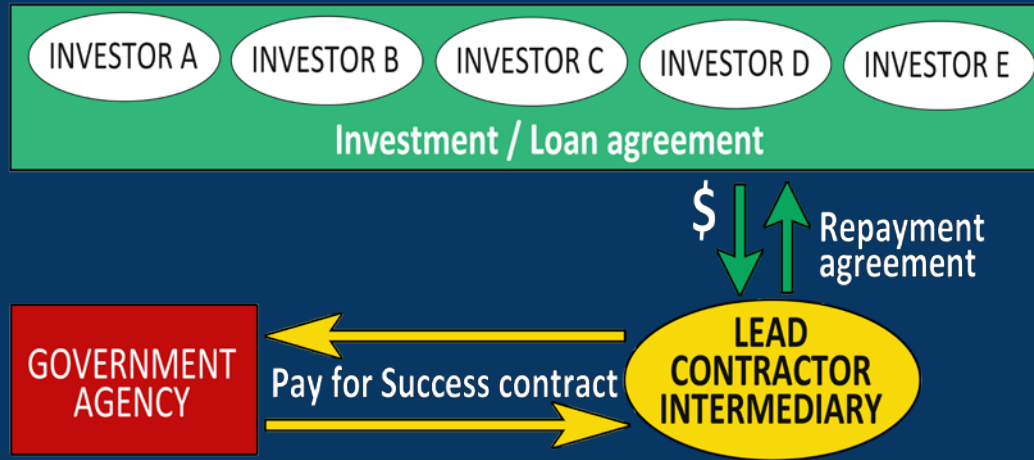
Social Impact Bonds

**Social Investing
& Purchasing**

**Prizes,
Crowd-sourcing**



ACTORS/TOOLS



TYPES OF TOOLS

Loans / Credit Enhancements	Bonds	Securitization	Equity Investments
Micro Insurance	Social Impact Bonds	Social Investing & Purchasing	Prizes, Crowd-sourcing



REMAINING OBSTACLES

- No good deed goes unpunished
- The social-impact measurement conundrum
- Still a boutique business
- The pesky issue of deal flow
- Getting beyond comforting assumptions



NEXT STEPS

- ✓ VISUALIZE
- ✓ PUBLICIZE
- ✓ INCENTIVIZE
- ✓ CAPACITIZE
- ✓ ACTUALIZE



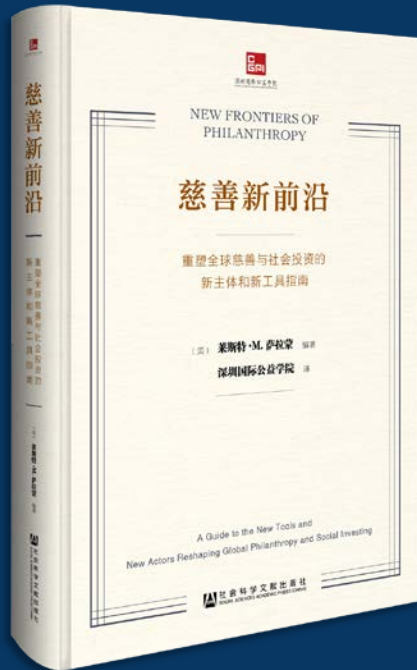
IMPLICATIONS FOR FOUNDATIONS & GOVERNMENTS

- ✓ NEW PARTNERS
- ✓ NEW FINANCIAL MECHANISMS
- ✓ NEW SKILL REQUIREMENTS
- ✓ NEW AUTHORITIES?



ARE YOU READY FOR THE NEW FRONTIERS OF PHILANTHROPY?

To purchase:



New Frontiers of Philanthropy
bit.ly/NFP_Chinese

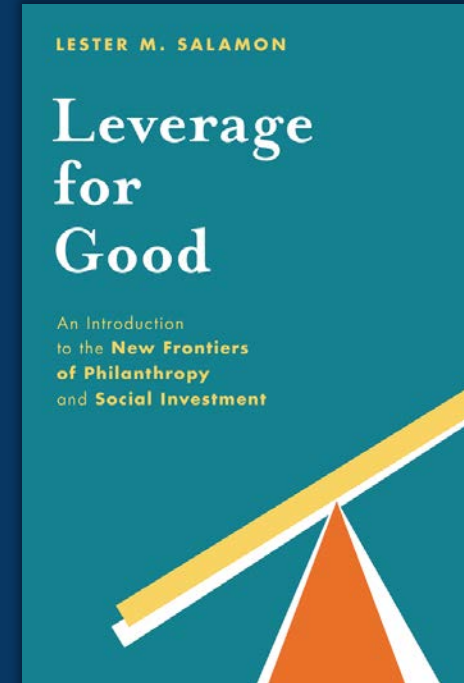
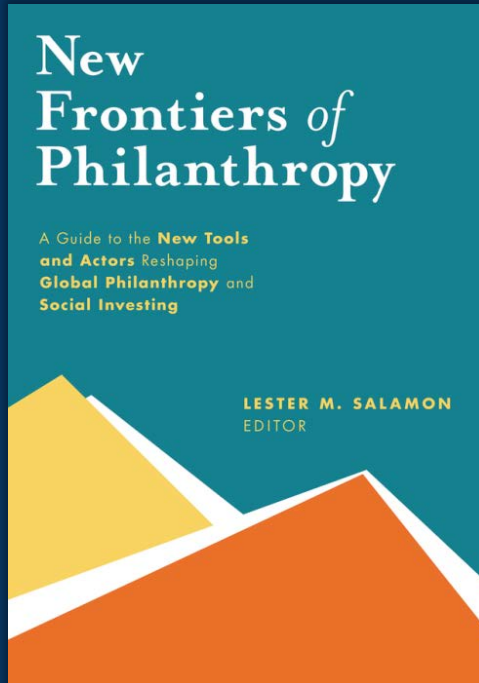


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THE NEW FRONTIERS OF PHILANTHROPY—FURTHER INFORMATION

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