



In 2023, you can count on our team to stay abreast of important developments and practices that inform effective philanthropy. Our goal is simple: We are single-minded in our pursuit of **Impact** for the clients and issues we serve. And we are **Open** about the many approaches that making an impact can take.

2022 Philanthropy trends and practices that inspire us for 2023

This digest provides an easy way to bring you up to speed on the ideas, stories, and trends of 2022 that are shaping philanthropy and seeking to challenge and expand our thinking as we look ahead to 2023. We highlight efforts and trends that challenge conventional notions of philanthropy and how to make an impact:

- Deploying all assets for good, starting with Patagonia's inspiring announcement
- Learning from Trust-Based Philanthropy and the MacKenzie Scott Experiment (\$14B and counting)
- Getting out of our echo chambers by centering the perspectives, expertise, and experiences of those closest to the problems that philanthropy seeks to address
- Funding nonprofits to strengthen their ability to sustain their work and grow their impact, including the wellness of staff
- Addressing root causes by supporting systems-level impact

Contributors: Special thanks to colleague Misha Schmidt who led the effort to compile this digest and to the Open Impact team for nominating articles, identifying and synthesizing trends, and reviewing various iterations.

Deploying all assets for good

Patagonia's announcement that "the earth is now our sole shareholder" is one of the most inspiring of 2022 because of its practical application of how to deploy all of a company's assets for good, in this case in service of the health of the planet. Read "[Billionaire No More: Patagonia Founder Gives Away the Company](#)" for a compelling case study. "Rather than selling the company or taking it public, Mr. Chouinard, his wife, and two adult children have transferred their ownership of Patagonia, valued at about \$3 billion, to a specially designed trust and a nonprofit organization. They were created to preserve the company's independence and ensure that all of its profits — some \$100 million a year — are used to combat climate change and protect undeveloped land around the globe."

Our clients embrace this ethos with a broad array of strategies, from disinvesting in problematic stocks to shifting their policies and practices, including leveraging investment capital, alongside grants, to advance solutions. Many are modeling the way with bold experiments to curb climate change, including an ambitious experiment, seeded with philanthropic capital, called the [Clean Energy Buyers Alliance](#) (CEBA). CEBA is a global community of energy customers, including major Fortune 500 companies, working towards carbon-free energy around the world, and the initial goal of moving the US to a 90% carbon-free electricity system by 2030.

For another example, check out [this podcast](#) from Giving Done Right which highlights Arthur Blank (co-founder of Home Depot, owner of the Atlanta Falcons, and Open Impact client) as he discusses his commitment to being a "[Good Company](#)." Blank's company recently [announced](#) that the Atlanta Falcons' home stadium had officially achieved TRUE Platinum certification for "successfully cutting its waste to near zero for a full year," becoming the world's first sports and entertainment venue to do so.

Trust-Based Philanthropy and the Mackenzie Scott Experiment

In 2022, [Trust-Based Philanthropy](#) continued to gain traction across foundations and individual donors as a powerful way to hold philanthropy accountable to new and more impactful ways of working and partnering with nonprofits. Its growing popularity has spurred defensiveness as well as [thoughtful discussion](#) about its impact. Enter the third wealthiest woman in the world, MacKenzie Scott, who has embraced trust-based giving at a jaw-dropping scale, donating over \$14 billion in unrestricted or "no strings attached" funding to

1,600 nonprofits. The magnitude of her giving, combined with her approach, has “shattered conventional norms for big donors and foundations” alike.

The Center for Effective Philanthropy (CEP) completed the first report of a three-year study on Scott’s giving, titled, “[Giving Big: The Impact of Large, Unrestricted Gifts on Nonprofits](#).” We highly recommend CEP’s [podcast](#) explaining the report’s central findings of how these grants were transformational for nonprofit leaders’ mindsets, allowing them to think long-term, strategically, and creatively about their work, and it dispels concerns about potential unintentional harm to nonprofits.

Centering the perspectives of communities

As our team debated what insights from 2022 were most important to the effectiveness of our work and yours, we agreed we needed to elevate the persistent call for philanthropy to **center the perspectives, expertise, and experiences of those closest to the problems** that philanthropy seeks to address.

Stakeholders on all sides are urging philanthropy to take the time to deeply listen to, and learn from, community leaders with lived experience and proximity to the issues. For some of our clients and funders, this means hiring leadership with lived experience, for others bringing more diverse voices into the board room, and for others still, it means inviting the community to participate in grantmaking decisions in whole or part.

Despite its importance, funders of all sizes struggle to take the time to engage in this important step, often resulting in disappointing outcomes which limit or negate the impact of their efforts. Listen4Good (L4G) is a great example of an initiative founded by a group of philanthropies, which supports nonprofits and funders alike to get out of their echo chambers to ensure their strategies, grants, and/or approaches are informed by those who are on the frontlines of change. In [Feedback’s Role in Shifting Power to Those Least Heard](#), LFG outlines how connecting with communities and stakeholders is only as effective as it is intentional about questioning existing power dynamics, elevating marginalized voices, and building long-term relationships for repeated opportunities to listen, reflect, and act.

However, not all perspectives are equal, and knowing who to listen to is a practice that requires discernment, particularly in today’s political climate. Philanthropic advisor Crystal Hayling [speaks truth to](#)

[power](#) and encourages philanthropy to stop seeking common ground with ideological extremists who work against equity and inclusion, and rather focus their energy on the activists and bridge builders who are on the ground working for true systemic change.

Funding nonprofits' strength

Connected to this trend were also related efforts to invest in the strength and resilience of nonprofits to allow them to do more sustained and impactful program work, which is often invisible in terms of its everyday importance to the quality of our communities. It's important to understand that nonprofits, as outsourced partners to local government, provide critical community services such as after-school and food programs, health care clinics, and affordable housing. And they make our communities more beautiful by operating parks, advocating for and securing open space, and offering arts programs that help inspire, heal, and build community connection.

That's why this research report from The Building Movement Project (BMP) entitled, [Building the Capacity of Community-Based Organizations](#), caught our attention. Based on surveys of 800 nonprofits, its central finding is that leaders most need “help to grow their organizations, raising money, and addressing staff issues, especially burnout.” When funders provide unrestricted capital, they reap the rewards many years beyond the grant by allowing enough budget for such critical investments as a strategic planning effort or an updated data system that helps nonprofits make greater levels of impact year over year. Critically, BMP's research also highlighted that despite similar needs for growing their organizations, there are major differences between nonprofit leaders that are white and BIPOC (Black, Indigenous, People of Color) when it comes to the accessibility and quality of the support they receive. To learn more, watch [this webinar](#) breaking down BMP's research.

In a sector plagued with burnout, and where there is always more work to be done, ensuring the longevity and humanity of those working on our toughest problems is absolutely critical. It's also what nonprofit leaders themselves have identified as a core area for support. Read “[We must prioritize nonprofit leaders' rest and healing, and here are some cool funders doing that](#),” from fearless philanthropy critic Vu Le, which spotlights foundations that are radically investing in the self-care and longevity of their nonprofit grantees, including paying for sabbaticals, facilitated retreats, and other moments of care to prevent burnout.

Another report by Community Wealth Partners, “[Redesigning Capacity Building: How Philanthropy Must Support Leaders of Color](#),” highlights key principles about strengthening nonprofits, including supporting nonprofits to choose and invest in how they want to change and providing unrestricted funding paired with long-term, tailored supports.

Supporting Systems-Level Change

Finally, as complex social problems get more entrenched, many funders are shifting the way they give in order to address root causes and not just fund mitigating the symptoms. One of philanthropy’s biggest truth-tellers, David Callahan, Founder/Editor of Inside Philanthropy, shares his [thoughts](#) in an open letter. Callahan calls for MacKenzie Scott and other large-scale donors to give more strategic unrestricted funding to systems change by directly challenging the key drivers of economic inequality and giving to help organizations build political power capable of supporting democratic will.

In 2022, [The National Center For Family Philanthropy](#) hosted a forum aiming to make systems change easier to navigate for philanthropists wishing to tackle root cause issues. [This 2022 National Forum recap](#) highlights that there is a role for every type of funder to support systemic shifts as long as we seek awareness of the systems affecting our communities, pick a leverage point to change the system, and bring patient capital to bear. For one practical case study, read “[Housing and Homelessness: Breaking Down Silos for Systems Change](#),” which outlines how the funder collaborative Funders for Housing and Opportunity aimed to tackle the root cause of homelessness by working across many silos including government, nonprofits, and the private sector.

2022 brought us many more inspiring articles which highlighted [philanthropic leaders](#) and the [new faces of philanthropy](#), highlighting their causes and approaches and the good work the social sector is striving towards collectively. We are excited to continue learning with our partners and support you in realizing your vision for a healthy, more just world for all. Here’s to supporting greater wellness and impact in 2023!