

# Aspen Philanthropy Letter

A publication of the Nonprofit Sector and Philanthropy Program of the Aspen Institute

Report #147: May 2008

## VETERAN GRANTMAKER SAYS GRANT CYCLE IS PARTICULARLY DAMAGING TO SECTOR; FOCUSES ON FIVE FOUNDATION "FLAWS"

The foundation grant cycle wastes time, encourages applicants to exaggerate claims and causes foundation officials to develop an attitude of “overwhelmed disdain,” according to a veteran grantmaker’s new book. But far worse, says the Philanthropic Ventures Foundation’s Bill Somerville, the grant cycle obstructs the search for outstanding nonprofit leaders: it substitutes paper for people and chains foundation officials to their desks instead of actually going out and meeting people. Getting out of the office and into the field is one of Somerville’s most oft-repeated refrains in *Grassroots Philanthropy: Field Notes of a Maverick Grantmaker*, which he wrote with author Fred Setterberg. Somerville argues that America’s foundations have fallen far short of their promise to accomplish things nobody else in society would even dare attempt. He attributes this shortcoming to five flaws: foundations have emulated the worst aspects of big government and created a paper-laden bureaucracy; foundations are “sleepy giants” – slow, stubborn and unresponsive; foundations are averse to risk, confusing bold action with recklessness, even though they have nothing to lose; foundations are focused on problems and expressing concern, not on solutions and taking action; and foundations are passive, insulating themselves from nonprofits.

After presenting his argument and his history in the field, including some 30 years at foundations in the San Francisco Bay Area, Somerville offers his five-point plan for philanthropy reform: locate outstanding people doing important work; move quickly (and embrace paperless giving, or at least minimize paperwork); embrace risk; focus on ideas, not problems; and take initiative. In addition, he says “humanity, honesty and humility” is needed in grantmaking.