

*Patrick Fine:* Hello, and welcome. I'm Patrick Fine, CEO of FHI 360, and this is A Deeper Look podcast.

As our regular listeners know, this year, we've been discussing the sustainable development goals, or the SDGs, and if you're new to the podcast, welcome. I invite you to catch up on previous episodes on SoundCloud or iTunes.

We've examined the SDGs from a number of perspectives over the last year. We've heard from civil society, from policymakers and from practitioners.

Today, I have the great pleasure of speaking with Vikki Spruill, a leading voice for the American philanthropic sector, and I'm going to be talking to her about philanthropy's perspective on the SDGs. Vikki, thank you for joining me today.

*Vikki Spruill:* Patrick, I'm delighted to be here. Thanks for this opportunity.

*Patrick Fine:* Vikki is President and CEO of the Council on Foundations, a national nonprofit association of philanthropic organizations and corporations.

In addition to leading the Council on Foundations, Vikki has a long and illustrious track record working on issues of human development, particularly in the environment and ocean conservation sector.

Vikki, can you tell us a little bit about your background and what brought you to where you are today as a leading voice for philanthropy?

*Vikki Spruill:* Happy to, and thanks again for this opportunity. I worked for the first third of my career in the public affairs, public relations realm.

The second third of my career, in the ocean conservation space running a couple of I think pretty significant ocean conservation efforts, and throughout that chapter of my career, really found the partnerships I was able to create with foundations contributing to the most meaningful part of my work.

And so, when the opportunity to come to the council presented itself, I really saw the council as a platform from which to make more relevant the important role of philanthropy in making social

change happen, but in also better distinguishing these roles and embracing the roles of the nonprofits working together with foundations.

*Patrick Fine:* Well, it's great that you've seen things from both sides of the table. So, somebody who's setting up nonprofit organizations to address pressing problems and then to implement programs, and now as a representative from the philanthropic sector which is funding many of those efforts.

*Vikki Spruill:* You know, the problems we're facing are way too big for anybody to handle alone.

It's the NGOs, it's the foundations, it's government, it's corporations. This is the time for us to all be working together and collaborating in ways we probably haven't even considered yet.

*Patrick Fine:* You're absolutely right. It's a time for all hands on deck.

*Vikki Spruill:* Right. We work to amplify the voice of philanthropy in the U.S. and around the world, really making sure people understand the important role that philanthropy plays in driving social change.

We advocate for a culture of charitable giving, protecting charitable giving incentives. And that's clearly been front and center with the emphasis on tax reform, particularly since the election of President Trump.

And then we work to strengthen the field through our convenings, like our annual conference and special summits that we host on topics of particular interest to our members.

*Patrick Fine:* One of the priorities you mentioned on your current agenda is tax policy. And one of the issues that has been on the docket the U.S. Congress has said it's going to take up is to reform the way that taxable contributions to charities are treated. What's the council doing with respect to that issue?

*Vikki Spruill:* We have really expanded and grown our public policy work and our government relations team really in the last nine months.

Many of our lawmakers on Capitol Hill are not as aware of the role that foundations play. They're not as aware of how even tax reform relates to the charitable sector. And so, a big part of our job has been going into every single office since the election and making

sure that the voice of philanthropy, the important role that foundations play in every community in this country, is known by those lawmakers.

So, there's been a lot of education and awareness-building. We are specifically advocating for a universal deduction, an above-the-line deduction, so that charitable giving is more available and accessible to all Americans. Because if the deduction is increased, that will disincentivize charitable giving, and so we want to try and find ways to offset that problem, and that's one of the benefits of the universal deduction.

*Patrick Fine:* So, what exactly is a universal deduction?

*Vikki Spruill:* It lets you take a deduction, rather than itemizing your charitable deduction, you are taking your deduction before you calculate your adjusted growth income. It opens the opportunity to participate in charitable giving to everyone, not just people who would have previously itemized.

*Patrick Fine:* It surprises me that lawmakers are not well aware of an important role that philanthropy plays in our society and the role of tax policy in incentivizing the sector. How can that be?

*Vikki Spruill:* *[Laughter]* That's a great question. This takes me way back into my career, I founded something called the Philanthropy Awareness Initiative, which was a project designed to try and answer that very question. My personal view, and my recommendation at the end of that project and in my report, was that foundations need to do a better job of owning the role they play in driving social change in true partnership with nonprofits.

One of the pieces of the research was to track news coverage over the past decade and how philanthropy was portrayed in the press. And most often, foundations are referred to in terms of the size and number of grants they're making, as opposed to the impact they're trying to generate.

It's not a surprise; foundations are often thought of as only checkbooks and really not doing work but catalyzing the work of grantees.

And so, having been a grantee and having been on the other side of the table, I know that it really requires an authentic and real

partnership, but I think the foundation voice has been quiet in that story.

*Patrick Fine:* Well, it's an interesting point, especially the need to focus on impact, because we see that across the entire development community, that too often the way we talk about the value of the work we do is in terms of the business performance. So how much money was spent or what the outputs were.

*Vikki Spruill:* Right, right.

*Patrick Fine:* As opposed to the actual impact and results that are being achieved and how those are driving social good.

*Vikki Spruill:* Well, and I think that's one of the really exciting things that impact investing and the increased interest among foundations in impact investing, because it forces a goal-oriented mindset. You know, you have to think about sort of what it is you are really trying to accomplish and how are you going to generate those returns. That's not to suggest that more traditional grant making isn't also goal-oriented, but it's a longer timeframe. I think looking at these different investment strategies along a spectrum really opens up so much more capital to problem-solving.

*Patrick Fine:* I also think that it's a step forward when we think about the different types of investment models. Whether it's a straight operating support grant or it's a specific grant to accomplish [an] agreed purpose, versus a more commercial model like an impact investing model where you take a business approach. If it succeeds, it's got a built-in mechanism for scaling, and I think one of the challenges for our community is to differentiate when that commercial model is the best match for a set of objectives and when a non-commercial, more traditional grant-making model is the more appropriate way to address a problem. Which is going to be the more appropriate business model or approach for tackling that challenge.

*Vikki Spruill:* Well, and I see that as [an] opportunity, because it means that there are so many other ways, so many other tools that we now have in our toolbox to address, frankly, a growing set of problems.

So you've got to start with the problem you're trying to solve and then match the financial tool to the problem you're trying to solve, and fortunately, we have a number of tools now at our disposal.

I think the growth of new wealth is also influencing this thinking and conversation, because, you know, new money may not even want to start a foundation. They're thinking differently about the way in which they want to engage in their problem solving. And so, there's no one-size-fits-all, and it's not either-or. It really is a spectrum, and I think that's really exciting.

*Patrick Fine:* I completely agree with you about the idea that we're seeing the development of new tools, and in some cases, the refinement of old tools and the application of older tools in new ways that really do create new opportunities.

Let me shift the conversation a little to ask about the SDGs. Now, the Council on Foundations primarily focuses on U.S. domestic development in [the] U.S. – domestic U.S. organizations. Is that correct?

*Vikki Spruill:* Well, yeah, but let me give you a little context. So, U.S. foundations, U.S. philanthropy, gave about \$60 billion in 2016, with most of those dollars supporting domestic causes and organizations here.

But 26 percent of those grants, so about \$16 billion a year, goes toward global programs. Most of our members are U.S. foundations, but many are making grants globally. And then we also have a subset of our members who are global foundations, who are hoping to have better connections to U.S. foundations for the work that they're doing in their countries. So, it's a bit of a mix.

*Patrick Fine:* Do you do much of that knowledge sharing and learning?

*Vikki Spruill:* Yes.

*Patrick Fine:* So, taking lessons from the – from the U.S. and seeing how do those transfer into settings outside of the U.S. or even from state to state across the U.S. but vice-versa.

We've been looking recently at what are lessons in developing countries that are applicable to the human development challenges we face in this country.

*Vikki Spruill:* Yes, and that's the perfect segue to the SDGs, and I think for too long, U.S. philanthropy was sort of about telling the world how great we are rather than really listening and learning from many,

many wonderful examples around the globe that we would benefit from better understanding.

We've probably convened 350 foundation leaders over the last year, raising awareness about the importance of the SDGs as a framework for doing just what you described. We'll invite philanthropic leaders in a city, usually a university, business leaders, and we'll convene a conversation about the problems they are facing in that community and then introduce the SDGs as a powerful universal framework within which to do their work.

*Patrick Fine:* What kind of reaction do you get amongst your domestic members to this framework that was really developed with a global audience in mind?

*Vikki Spruill:* It's probably not surprising to you, and was slightly surprising to me, how little recognition there is of the SDGs in many parts of this country and even among some foundations.

The reactions are powerful when a community in Little Rock, Arkansas, appreciates that their poverty concerns are every bit as significant as a village in Africa. It forces a connectivity and bigger thinking about our role in our global world.

Watching that happen is, I think, a really special thing, especially with the rise of populism and nationalism and sort of turning our backs to the world, as opposed to embracing the world.

*Patrick Fine:* One of the reactions that I find is quite common amongst people who go overseas for the first time to work on development programs is they see the similarities to the work they've been doing in the U.S. or in Europe and the commonality that we share in grappling with human development challenges becomes clear to people.

So, it's great that the Council on Foundations is facilitating those kinds of conversations.

*Vikki Spruill:* The other thing we hear just in terms of an observation is, you know, "These 17 goals are so broad. How do I fit my work into them?"

Anywhere you start can lead to another goal, and so, if we see that again as an opportunity, not as something intimidating.

You know, at the end of 2030, how powerful would it be if all of philanthropy could say this is what we have contributed to the sustainable development goals?

We're spending significant amounts of money already, about \$8 billion I think so far, toward the goals. But, if the big price tag is \$364 billion is what we think foundations will commit, we're making a dent, but we're not far enough along.

Philanthropy can't do it alone. We have to be working alongside business and government if this framework is really to succeed.

*Patrick Fine:*

Right. Well, one commonality is that if the groups that you're working with are asking themselves about these 17 goals, and the hundreds of indicators that go with them, and how that's a bit overwhelming, and trying to figure out how to get their arms around it in a meaningful way.

That's exactly what we hear when we talk to our counterparts around the world. So, at least we're all in the same boat –

*Vikki Spruill:*

Right *[laughter.]*

*Patrick Fine:*

– in trying to figure out how best to use this framework in a meaningful way to guide decisions and guide actions.

*Vikki Spruill:*

We've had foundations say that they're thinking about modifying their grant-making criteria to adjust to this framework. You know, we've got to put it in perspective. This is a 15-year process. We're three years into it. While I get frustrated sometimes, I also have to remind myself that we really are, at least in this country for the most part, in the awareness-building and sort of marketing phase of what this can mean.

And then the other message we try to communicate is the work that you are already doing is likely already tracking to one of these goals. We can be, you know, tracking existing grant making.

*Patrick Fine:*

Right, right. And it's very interesting to me that you're seeing organizations here in the U.S. thinking about how do they align their work and how do they align the way they describe the work or measure the work with the SDGs. Because of course that's happening around the world with a lot of energy behind it, in thinking about tools for measurement and for assessment.

*Vikki Spruill:* And where we're really seeing the leadership on that is from the corporate sector and from corporate philanthropy, because they're looking to see how to better integrate across their entire supply chains.

I led a panel at Concordia, and Kathleen McLaughlin from Wal-Mart was on the panel, and it was really instructive. And I had a number of NGOs come up to me afterwards and say how they hadn't fully appreciated the degree to which they are trying to connect the dots across their whole supply chain. IBM, UPS [a] number of corporations are really following suit.

*Patrick Fine:* Right, well Kathleen McLaughlin of course is a great mind in thinking about how to maximize value from and how to take corporate models and then apply them to solving social problems.

*Vikki Spruill:* Rather than thinking about each of these activities in isolation, they're trying to take a more systems-thinking approach to all of their pieces, whether it's grant making or volunteerism or various convenings. She plays a unique role in that she is the President of the Walmart Foundation and then also the Chief Sustainability Officer for the company. So, she's in a very powerful position to integrate their work across these multiple platforms.

*Patrick Fine:* Right. And you have both corporate members and foundation members. Do you find a lot of cross-pollination in the discussions that you facilitate between those different types of organizations?

*Vikki Spruill:* So, we didn't used to, but at the center of my vision for the council has been to leverage and integrate even within our own membership.

So, we have community foundations, private foundations and corporate foundations who previously were primarily siloed into their type, and we tended to go narrow and deep, understanding their particular interest. But, if you – if you are looking at all of this through an impact lens, you know we need to be looking outward and thinking about how do you leverage these resources across these different kinds of foundations.

So, you know, I think part of our job as a council is to create the venues for these learning conversations to occur.

*Patrick Fine:* How about including implementing partners in those conversations? Is that possible to do?

*Vikki Spruill:* Absolutely, absolutely, and that's a critical part of these SDG gatherings, for example. I think there's room for both. There's also room for foundations to sort of have their own space, if you will, to talk about their particular challenges. But, when it comes to learning, I think it's almost impossible to do that without the practitioner also at the table.

*Patrick Fine:* You mentioned impact investing earlier as an area of growing interest amongst your members, and certainly it's an area of great interest across the development community. Do you see examples of individual members moving forward with new approaches to impact investing?

*Vikki Spruill:* So, I would put – you know, Rockefeller and Ford, and MacArthur, McKnight. There are a number who are, I would say, early, early adopters and quite sophisticated in their approaches.

We did a report with the Common Fund Institute to try and figure out what percentage of the membership is really active, and at this juncture, if you're looking across the membership, it's more talk than action. So relatively low adoption rates. To kind of go another level may be, for some, a bridge too far. So, I think again, it's not for everybody, but we are seeing a bit of an uptick at least among – among some of the bigger foundations.

*Patrick Fine:* You also mentioned the advent and the significance of new wealth in the philanthropic sector, and certainly we've seen a profusion of new foundations that have been created by individuals and families that have succeeded, and mostly through the digital economy.

Are you seeing those families, whether it's a foundation or whether it's set up using a different, non-foundation model, a more corporate model? Are you seeing new members join the council?

*Vikki Spruill:* One of the first things we took on was broadening the definition of membership into the council, because historically, a member of the council needed to be a foundation, and when you follow trends, lots of the "new money" [is] not even setting up foundations. So, we have changed that definition and have begun to build bridges to those communities

But, I think it's fair to say that there are very few venues for established philanthropy and new philanthropy to be sharing ideas

and sharing their philosophies and perspectives around making change happen. Often, those conversations are led by financial advisors, lawyers who are more focused on the tools and not focused on the cultural issues and really what motivates the investor. So, this is something that we are moving into in the next year, ways in which we can begin to build bridges between these two communities, because there's so much to be learned. And again, I don't look at it as either/or. I look at it as a spectrum.

*Patrick Fine:* Talk about a great opportunity, when you think about the dynamism that these new individuals and new organizations and initiatives bring to the way of looking at tackling human development challenges, and then you think about the experience, facilitating an exchange between the two would seem to be like a way of really creating value within our community.

*Vikki Spruill:* It's an important and big conversation, but it all starts with talking to one another.

*Patrick Fine:* Right.

*Vikki Spruill:* And sharing goals and having the right spaces. Because I think there are very few opportunities where the two communities mingle.

*Patrick Fine:* I guess another starting point is for all participants to acknowledge that they have something to gain from that kind of conversation. I certainly can see how it would bring value not only to the people involved, so the foundations and corporations and initiatives, but also to the broader community that they work with and work through.

*Vikki Spruill:* Yeah. Yeah, I completely agree.

*Patrick Fine:* Vikki, let me thank you for this illuminating conversation. One, it's encouraging to hear how in the domestic U.S. community, the philanthropic community, that there is this growing recognition of the SDGs as a useful tool for thinking about how to organize our efforts.

It's also interesting to hear the – some of the similarities that you pointed out between what's happening domestically and how we look at things in the international arena.

And it's very encouraging to hear about the initiatives that you and

the Council on Foundations are undertaking in order to help bring us all together toward a common goal. So, thank you very much.

*Vikki Spruill:* Thank you so much, Patrick. Thank you for the work you do, and thank you for this important opportunity to spread the word.

*Patrick Fine:* Great, and I want to thank both our new listeners and returning listeners. You can listen to previous episodes and stay tuned for upcoming ones by subscribing to Deeper Look podcast on SoundCloud or iTunes. And while you're there, I invite you to leave a comment.

I'd love to hear your feedback and join us next month for the next conversation on the SDGs, which will be the final conversation on the SDGs and will conclude this year's Deeper Look series. Vikki, thank you again.

*Vikki Spruill:* Thank you, Patrick.