

## **Three Scenarios for the Future**

### **What is a scenario?**

The future is awash with uncertainty. Scenarios are snapshots of possible/alternative futures that help us plumb that uncertainty. Scenarios provide coherent, comprehensive, internally consistent descriptions of plausible futures built on the imagined interaction of key trends. It essentially requires you to think from the outside in and takes you through a process that starts with creating context for the unknown.

### **Why do it?**

The purpose of scenario planning is to challenge the preconceived notions people have of the future, or their “maps,” and to afford people the flexibility to change those maps. The process is intended to open up the way you think about the future. Scenarios help identify threats, recognize opportunities and makes choices about issues of strategic importance. Scenarios illuminate the possible, what \*might\* be. It asks you to do something a bit counterintuitive, which is to go beyond the known into the unknown, outside your expertise.

As you read the scenarios, think about how you might answer each of these questions:

- Is this even remotely possible?
- Would the world be a better place in this scenario?
- If you were a donor in this scenarios, what would you be doing differently?
- If you knew for sure this was to come true, what would you as a donor do now?

**It is the year 2018. Here we go!**

### **Scenario One – Incentivus Collaboration**

Continued decline in governmental resources, influence and impact on global social investing, preoccupation with the WMD issue, widespread civil unrest and terrorism, and the long predicted crises in environmental degradation beginning to materialize. All these forces combine to directly impact economic growth and a reassessment by corporations of their role. The UN Global Compact first introduced in 2001 has evolved into a 7% social investment requirement for corporations, significantly increasing the amount of available social investment resources.

Philanthropy, the largest pool of private capital in the world not driven by either the market or the state has purposefully joined forces with capital markets, consumer product companies, media conglomerates, medical, drug, science and technology firms in an ambitious attempt to solve/resolve major, worldwide social issues. Building on the theory that competitive firms, not government, determine economic vitality, the aim is to harness those forces for social purposes by subsidizing market economics with philanthropic funds. Several major foundations, among them the Bill & Melinda Gates and the Henry J. Kaiser Foundations began experimenting with this new form of social investing, essentially a buy-down of risk, 15 years ago. The research investment that led to the recent cure for AIDS was the first big success of this kind of cross-sector leverage. What has become known as “Incentivus Collaboration” or “IC” last year attracted more than a third of all US foundation giving.

These interventions by smart philanthropies in combination with the market have begun to slowly turn the tide on persistent poverty, disease and water resources worldwide. At the same time, the 2015-bubble burst of the world economy following the steep devaluation of the U. S. poxy-biogenic industry has left many of the most important programs in a precarious position.

**Scenario Two – Mother Teresa and then some**

Philanthropy has gone back to its charitable roots of helping individuals and has once again focused on helping real people with their fundamental human needs. The concepts of social investing, strategic philanthropy, and advocacy for systemic change, long in vogue, have become discredited as too intrusive, manipulative and even counter-productive. In an increasingly cautious, isolationist, and more religious American society, charitable giving is viewed as best done locally, involving people who share common values.

Foundations and major donors no longer think of themselves as top-down investors but consumers, and have backed away from concepts such as high impact and venture philanthropy, as well as attempts to go to scale. Most of the large, national and international foundation funded intermediaries have been dismantled.

The federal government has downsized, and devolution to state and local authority has led to a more uneven distribution of government support of social programs. Major foundations have reduced staff and eliminated most support for advocacy, which has an even narrower definition under the new tax code. Donors are drawn to smaller, grass roots groups and are more inclined to trust organizations like United Ways, community foundations, and faith based organizations.

In an unexpected twist, the concept of ‘place based giving’ has been reengineered and taken up by many donors as communities look increasingly inward. The more successful “secured” communities, which have perfected services, improved and privatized schools and increased property values have drawn the line at what is perceived as dangerous and insidious erosion of quality of life that results from collaboration with more “challenged” communities – those that are mostly poor and non-white.

### **Scenario Three – Saul Alinsky Redux**

Philanthropy has become the prime mover of social change based on progressive concepts of justice, peace, and democracy. Foundations, following the lead of public corporations forced to restructure based on the scandals of 2002, are increasingly governed by representative boards made up of key stakeholders including recipients. The required annual payout is now 7%, and the value of endowments lasting in perpetuity is under reconsideration by many foundations. Facilitated by the universal and ubiquitous presence of Web-based “blogs” and their interlocking networks, there has been a democratization of both the American society and the non-profit field. Transparency and accountability are the norm, and are enforced by a combination of increased federal, state and self-regulation within the field. Led by community foundations, which now publicly elect their boards, many foundations and major donors to a large degree have ceded control over their resources to allow multiple voices to influence decisions, especially the voice of the disenfranchised and the new American majority made up of people of color. The working model of partnerships between donors and recipients is now the norm. The growth in the chaotic universe of non-profit organizations has leveled off as advocacy groups and professional organizations have encouraged more collaboration, merging, and winnowing out within the field. Those non-profits that are most successful are those who work for structural change to achieve a more equitable society.

Critics argue that the momentum for change is stalling because of excessive regulation and time in committees. New leaders, many of whom came of age in the 1990s and are now in their 50s, are frustrated by the watering down effect and excessive process enforced by the numerous “Peoples Councils.” They have been urging a return to a more entrepreneurial age where risk-taking was encouraged. The recent revelation that more than 400 of the country’s wealthiest families have been “hiding” significant assets offshore, outside of the reach of the regulators, is another sign that the pendulum may be turning.

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The Karoff Center at the Philanthropic Initiative, Inc.

