

From Social Innovation to Community Leadership

R. Andrew Swinney 25 September 2009

Ironically, the ultimate purpose of any innovation is to create something lasting – to have such an impact that what now is fresh and original in the future becomes an established part of the existing structure.

Social innovations present no exception to this rule. It is true both for organizations that are at the forefront of change and for individuals who break ground with their unconventional approaches.

When The Philadelphia Foundation was founded in 1918, it was the fourth such community foundation to be created in the nation. This new breed of organizations represented innovation to address a then-current need that is still pertinent today: *To effectively build, manage and distribute charitable dollars for the long-term good of the whole region.*

Today, we call that innovation: *The Power of Endless Possibilities™* – the power to succeed, to thrive and to help one another. Through it we have awarded over a quarter of a billion dollars in grants and scholarships to community organizations striving to make our community a better place. In the process, it has turned the

Foundation into a community leader – advancing change and addressing issues of importance.

Social innovation such as the community foundation movement takes time, commitment and careful guidance. If executed well it transforms such social innovation into community leadership. As we look at our existing nonprofit sector and the organizations within it, we must continually ask what is being done now to mold and encourage innovation from today's young philanthropic professionals.

We know that those entering the field bring creative ideas. The sector is positively influenced by new thinking, especially about connectivity through rapidly evolving communications vehicles. Young professionals in the field are infused with the optimism and energy to bring innovation to address community issues.

Perhaps more so than at any time since the 1960s, the "Z" generation has not only the technical skills but also the passion and vision to redefine the entire nonprofit sector. And never has a sector been more ripe for change.

But do community organizations provide a sufficiently rewarding career path to attract such talented and dedicated individuals? Are there enough structures in place to provide training across all aspects of the field?

A Johns Hopkins study has estimated that 50 percent of the current nonprofit leadership will retire in the next ten

years. This creates a real need for experienced future leadership. In addition, the continued growth of the sector will create a need for 625,000 individuals who must gain the education and experience to become part of the sector.

Clearly, the sector needs to act innovatively to strengthen the professional opportunities it provides and to develop ways to ensure there are sufficiently solid rungs on the career ladder to meet the anticipated demand for leaders. This is not only because of the expected turnover and increased employment needs of the sector, but also because it is the next generation that will generate the innovative ideas to transform.

At The Philadelphia Foundation, we recognize these challenges and are addressing them in a number of ways.

We recently sponsored the kick-off event for the Philadelphia chapter of Emerging Partners in Philanthropy (EPIP) – the launch of our region’s participation in a national organization designed to nurture those under 40 or who are new to the nonprofit sector. Almost 70 individuals attended, and the vigor and enthusiasm was palpable.

This will be an organization worth watching and supporting.

The component funds based at The Philadelphia Foundation also play a key role in bolstering nonprofit

organizations. One example is Harvard Business School Club of Philadelphia Social Enterprise Fund, which exists to enhance the region's quality of life by helping nonprofit leaders to excel. It hosts a one-day conference each fall to explore current concerns of the sector.

Additionally, the Foundation regularly hosts training workshops for area nonprofit leaders on a variety of topics, such as managing people in difficult economic times or building your board to support organizational growth and social change. We know from the feedback we receive that these sessions are valuable to community organizations whose resources often are too stretched to provide professional development in-house.

The Foundation also is partnering with Drexel's LeBow College for Business on a Nonprofit Directors' Dialogue – an ongoing series of gatherings that address issues facing community organizations. Topics have included ways that boards can face the unexpected complexities brought about by the economic crisis while preserving the core of the nonprofit's mission, as well as mechanisms that board leaders can use to pave the way with public-private partnerships, mergers and strategic partnerships.

Finally, we are investing in the launch of this publication, which is intended to provide additional learnings for those in the field.

We know from a study The Philadelphia Foundation

recently commissioned that much is at stake for the region in ensuring that the nonprofit sector has appropriate personnel in place.

The study found that Southeastern Pennsylvania nonprofits filing tax returns were, collectively, the third largest employer in the region, providing 242,000 jobs. It also has been a growth market: Between 2000 and 2008, the region's nonprofit sector grew in number by 40%.

In addition, the sector is a major economic driver. Nonprofits in the region spent over \$32 billion in 2007 – making it one of the largest consumers of goods and services in the area.

Another way to look at the significance of the sector is through the services it provides. From providing a safety net for our most vulnerable populations (and thus lessening the burden on government programs) to providing cultural and recreational activities to promoting health and preserving landmarks, community organizations make indispensable contributions across the board.

For all these reasons, it is imperative to be proactive in encouraging those who will shape community organizations and their future impact.

We have been fortunate to be the beneficiaries of those who previously established such institutions as hospitals, libraries, universities, museums – and a whole host of

agencies and organizations –along with the financial apparatus to perpetuate them.

It's now time to make certain that the burgeoning talent pool achieves its potential to create a region with similarly strong community organizations – through innovation will come community leadership.

R. Andrew Swinney is president of The Philadelphia Foundation, which convenes, leads and supports dialogue to build a dynamic and robust nonprofit sector as a key component of a flourishing Delaware Valley.