



Ms. Crystal Hayling
ABFE's Nineteenth
James A. Joseph Lecturer on Philanthropy



5 Things We Know, But Keep Forgetting
Saturday, April 24th, 2010
Denver, Colorado

For republishing permission please contact Sharon Toomer at 646.230.0307 or stoomer@abfe.org.

Association of Black Foundation Executives (ABFE)
333 Seventh Avenue | 14th Floor | New York, New York 10001 | U.S.A.
646.230.0306 telephone | 646.230.0310 facsimile
www.abfe.org



Crystal Hayling joined Blue Shield of California Foundation as president and CEO in 2004, continuing her long-time commitment to helping underserved communities as a leader of philanthropic organizations. With 20 years of nonprofit and foundation experience, Ms. Hayling has advocated for women, minorities, low-income families and children through a variety of leadership positions. Prior to joining Blue Shield of California Foundation, Ms. Hayling was senior advisor for the Marguerite Casey Foundation, a Seattle-based foundation committed to helping low-income families strengthen their voice and mobilize their communities to advocate for social justice. In California, Ms. Hayling served as director of special projects at the California HealthCare Foundation where she helped establish and run the Oakland-based Medi-Cal Policy Institute, a public policy think-tank dedicated to improving and expanding California's Medicaid program. She has held leadership positions at the California Wellness Foundation and the Evelyn and Walter Haas, Jr. Fund.

Ms. Hayling, who has also lived and worked in China and Mexico, holds a B.A. from Yale University and a Masters in Management Science from the Stanford Graduate School of Business. Ms. Hayling serves on the boards of Grantmakers in Health and The Center for Effective Philanthropy, and is also a member of the Northern California Advisory Board of College Summit. Ms. Hayling is a 2007 Henry Crown Fellow of the Aspen Institute.

In 2007 and 2008, Ms. Hayling was honored by San Francisco Business Times as one of the Most Influential Women in Bay Area Business. In 2008, she was the recipient of a 10th Anniversary Madame C. J. Walker award from the National Coalition of 100 Black Women.

Ms. Hayling and her family now live in Singapore.



5 Things We Know, But Keep Forgetting

Written and Delivered by Crystal Hayling

I want to thank the Association of Black Foundation Executives for this honor and this opportunity. When Susan called and told me that ABFE had selected me for to be the 2010 James A. Joseph Lecturer and complimented me on my accomplishments she then said they were particularly interested in awarding it to me at this time, she paused, “at this time when I had left the field.” I was a little taken aback. Like I had stepped out of this world, into some other, a crossing over that folks felt the need to wave handkerchiefs and shed a tear as I drifted away. I thought, “Susan, I’m not GONE, I’m just taking a little sabbatical.”

It is a fact. In December I left my position as president of the Blue Shield of California Foundation and moved with my family to Singapore. But it is interesting the way that the line between those “in” philanthropy and those of us “out” of philanthropy is so thickly drawn.

So thank you to ABFE for giving me the privilege of thinking about that line. About crossing lines. About being inside and being outside. And the opportunity to reflect from both spaces.

I have entitled this talk, The 5 Things We Know, but Keep Forgetting because it captures the knowing/forgetting/remembering cycle that characterized so many of the high and low moments of my career in philanthropy. Maybe I’m just hard-headed, but some lessons seem to keep coming back for me.

In an effort to remember and hold them a little tighter, I’d like to share those thoughts with you. So here they are. *Five Things We Know, But Keep Forgetting.*



Number 1: We should take more risk

I don't mean the kind of risk that is a narrow calculation of whether this grantee has a 48 or 63% chance of achieving these four goals. When we define risk in philanthropy we place it outside of our own walls and begin to assess the grantees' risk of success or failure. But I am talking about **us** taking more risk. And I mean heart-stopping, "omigosh what have we just done?" "is that even *legal*?" kind of risk. The kind of risk that makes the safety players chuckle uncomfortably and snidely remark, "Gee I hope that works out for them."

Nehru once said, "The policy of being too cautious is the greatest risk of all." But that is not how it feels when making grantmaking decisions.

When I think about risk, I think about the people I know who have taken big risks. My dad for one. He was raised in a Southern Black upper class, lower-income family. You know. We have those in our community. Black folks who had risen in "class" because of their education if not because of the size of their wallets.

My dad was the son of those kind of Black folks. And he risked stepping off that precarious rung on the upwardly mobile ladder, to be a civil rights activist. To be in solidarity not with his ability to get 'up and out', but in solidarity with his community. And he risked his parents' disapproval. Something we don't often talk about is that everyone in our community supports civil rights leaders NOW, but everyone didn't support them then. Many, like my father, heard constant admonitions to stop "worrying about all that marchin' foolishness" which was clearly preventing him from grabbing the brass ring that, as a trained dentist, was so within his reach.

So how has that shaped how I think about risk in philanthropy? It reminds me that risk needs to feel personal. It needs to feel dangerous. I haven't felt that as often as I would like, but I have felt it. Like when I worked at the California Wellness Foundation almost 20 years ago and we launched a \$30 million youth violence prevention initiative. We were a brand new foundation and I remember meeting with some established foundations. You'd have thought we had hillbilly painted on our foreheads. They questioned our science, poked holes in our theory, and seemed to say, "who do you think you are anyway, talking about \$30 million?" And then we went into communities where parents of kids who'd been shot in drive-by's asked us how dare we think some little bit of our money was going to change anything. I remember being mortified, and then I remember thinking about my dad and thinking, "Well we may not be right, but we better go ahead and find out." There was too much at stake not to try.

I want to take the kind of risk guaranteed to piss someone off.

And not just the detractors. We have to be willing to piss off our friends and allies as well. To avoid the group think. There are examples: the education funders who want to strengthen public education but who supported charter schools, the funders who support and criticize the Gate's Foundation's approach to public health. When I took over the Blue Shield of California



Foundation, many of my friends thought I had gone over to the dark side because our foundation was staunchly supporting the notion that every American not only has a right to health insurance, but also has a responsibility to have it. The idea of the individual mandate, a part of the recent historic health reform legislation, made us pariahs among the health advocates in California. And this was just 5 years ago. In order for risk to have real consequences, think of it less in terms of will this project succeed or fail, but will this funding have the opportunity to dramatically push progress forward and will it outweigh a real and tangible alternative use of the funds. In order to take risks, we need thicker skins.

To quote the great American philosopher Chris Rock (who is in fact quoting his mother), “She would always say, If they don’t pay your bills and they can’t beat your ass, what do you care what they think of you?”

Number one: Take more risk.

Number 2: The time is now

We all feel it. That sense that everything--the good and the bad – is accelerating. We feel the urge to both slam on the breaks and floor the gas pedal as if our lives depended on it.

Every major part of our ecosystem is sending out distress signals.

“This planet came with a set of instructions, but we seem to have misplaced them.” Paul Hawkins founder of WiserEarth

There are an estimated 27 million people on this planet living in slavery. Not poverty. Slavery.

And here in this country we send high performing black students to college at the same rate we send low performing white students to college.

These are big, complex problems. It is easy to get lulled by the successive iterations of 3-5 year strategic plans into believing that time stretches out before us like a freshly paved road. It does not. Our destiny is rushing toward us.

We need to re-envision our relationships, our communities. Destabilize many of the beliefs we hold most true. Radically re-think how things get done.

It means all hands on deck. Nonprofits, governments and for-profits too.

Now many of us have grown up in the nonprofit world (that’s what we used to call it before it became the social sector). And you and I are going to have to give up a bit of our thirst for purity in order to quench our desire for impact. The current groundswell of interest in social venture



investing is not a fad; it is the wave of the future. Some of the work for the greater good will be done by people wearing suits and making money. Maryland has just passed a law allowing the creation of B-Corporations or businesses that are permitted, even required to consider their employees, the community, and the environment in the development of their business models, products and profits. We may be seeing an end to the single-minded definition of ‘shareholder’ value which enforced a rigid process of externalizing all long-term costs to society and to future generations.

And some work will be done by those between the non-and for-profit sectors. Think for a moment how radically different it would be if, for example, foundations placed more of their assets against the problems we face by dramatically expanding mission related investing.

The problems we face are big and the time to solve them is now.

Number 3: Design matters

There are many definitions of design, but one that I’ve seen that I like is, “Design is the human power to conceive, plan, and realize products that serve human beings in the accomplishment of any individual or collective purpose.”

Holding exception to the word ‘products’, this sounds a lot like what we in philanthropy and nonprofit sector do, yes? So why is it so hard to design good programs and build strong organizations? Because when it comes to institutions, we have too few design models to play with and when it comes to products and services, we undervalue and underfund the design process.

While on a study trip with the Global Fund for Women, I met Jane Chen the founder of Embrace, a newly created nonprofit that builds and distributes a \$20 baby warmer. Now this may not seem like such a big deal until you stop to consider the fact that 20 million low birth weight or premature babies are born worldwide each year. 4 million, or 450 every hour, die. A large reason is that their small bodies are unable to regulate their own temperature, a problem that is solved either by having access to a \$20,000 incubator in a hospital or through home remedies such as putting the infant near an oven or fire in villages where incubators are not available. You can imagine that this latter route is what most resort to. It is largely ineffective and downright dangerous. As part of a design class at Stanford Jane and her multidisciplinary team of engineers, MBAs, industrial designers and med students set out to address the problem using integrated design and new materials technologies. And they have created a solution that goes from \$20,000 to \$20.



Design matters because some of history's most effective social change actions utilized a structure perfectly designed to achieve the outcome. Large scale nonviolent social protests were an organizational innovation perfectly designed to engage those most impacted using the resource they had most available—large numbers of people who were fed up and ready to stand up. This structure was a hugely important innovation. Which one of us here is helping to nurture the new structures or products that will reshape our world?

Design matters because the way in which we give money is dramatically changing. The line between the helping and the helped, the do-gooders and the doing-wells are disappearing. Bono, Ashton Kutcher and Wyclef Jean are among the most recognized international philanthropists on earth right now. And that has less to do with their own personal giving but everything to do with their ability to inspire and mobilize other people's giving.

The new giving characterized by contests and games, where the wisdom of the crowd directs the dollars, this is just getting started. But rather than seeing that as a process that would replace traditional philanthropy, perhaps we should consider ways that we could utilize these approaches.

And what if the crowd-sourced philanthropy isn't a one-stop deal, but becomes an iterative process—which as we all know is the very definition of good design.

What if the crowd provides financial resources, and then goes on to provide creative, organizational, cultural and intellectual resources that help groups get things they could never otherwise have accessed. And what if there isn't a board and an executive director because the work is distributed across regions and time? Some new sites like Kickstarter, fund ideas. Not organizations but ideas.

Of course, if organized philanthropy steps up, it can help make the crowd-sourcing better. It can structure "in-gaged" or integrated philanthropy to make sure that minorities and orphan causes don't get forgotten. It can help to prevent the tyranny of the majority or the lowest common denominator. But that requires that we not ignore this new philanthropy, but utilize it. It means we have to think about supporting and investing in those who think about design and the 'how' as much as they think about outcomes. And we've got to try lots of things to see what sticks.

Design—of organizations and products—matters.



Number 4: Technology is just a tool. But it's a power tool

Technology isn't the savior. It isn't the devil. But it is up to us to figure out how to use it toward the best service of the communities we care about.

Years ago when I was running the MediCal Policy Institute, brilliant colleagues of mine came to me with the crazy idea of putting the Medicaid application on-line so that people could enroll through a computer at home, or their public library or a community clinic. We were initially dismissed. Ridiculed as peers reminded us, "We are talking about poor people. They don't have or use computers."

But how quickly that changed. It didn't take long before community clinics saw the possibilities, then other funders. Suffice it to say that 10 years later, the organization now called Social Interest Solutions, produces technology that has screened more than 6 million people for applications to programs such as Medicaid, food stamps and the earned income tax credit.

We could spend a lot more time helping our grantees harness the power of cell phones, Twitter and FourSquare for the benefit of low-income communities? Maybe we should be creating ProPublicas in each barrio and housing project? NGO's have transformed the way in which rural farmers in Africa and Asia find out the market price of their crops via voice messages and texting so they can make better decisions on when and where to sell to get the best prices. The nonprofit open source software group Ushahidi, which means "testimony" in Swahili, used text messaging to gather real-time data on violence following the elections in Kenya and more recently relief work following the earthquake in Haiti. We often say our communities are in crisis. Well how could these technologies help now?

The power of technology is not new. The civil rights movement in the US would not have been nearly as successful had it not been for the proliferation of a relatively new technology at that time: the television. Were it not for the images of proud and determined Black people being beamed into homes across the country, many historians have argued, we never would have gotten to the Civil Rights Act in such a relatively short period of time.

Data is simply the information we use to make sense of our solutions. Data can be statistics, but increasingly data is stories, texts, photos and videos. We do not have to fear that data paints a single dimension of complex problems so long as we help communities control their own data. Technology is simply the tool we use to gather and tell our stories.

The greatest technological innovation of the last thirty years may not really be a personal computer, but a cell phone. Almost everyone has a cell phone, almost everyone texts, and the cost of broadcasting tailored messages – and receiving valuable information back from large numbers of people – is plummeting. I just saw a service that allows you to do real-time surveys of an audience using text messaging and the results of each question would be displayed in your PowerPoint. Goodbye keypads. Couldn't we use that in clinic waiting rooms to do fun health



quizzes for prizes? Or to get feedback on services? Or to stay in touch with clients? And ultimately to measure changes, over time, in clients' health seeking behaviors.

Technology is the power tool that can help us capture our stories so we can see ourselves: where we are hurt, where we need help, but also in all our beauty and glory.

Number 5: We need new leadership

In thinking about Ambassador James Joseph and his legacy as I was preparing for this talk, I read an interview where he talked about the importance of leaders using soft power. As he defined it, hard power is the ability to make others do what you want. Soft power is the ability to convince and inspire people to want things you want, based on shared public values. It's about working with people, not working on them.

I believe we are seeing a dramatic shift in effective leadership skills with Gen Y'ers. They refuse to see the stark delineations we have created between getting and giving, working and living. If we get out of the way, they are going to lead us to rethinking organizations and communities. And they don't have time to wait until we retire. We have got to be more comfortable letting them push us from behind, elbow us from beside and lead us from in front.

And I have to admit these shifting definitions of leadership remind me more of my mother, than my father. They led in very different ways. My mom taught school for more than 30 years. She taught middle school, 7th graders for most of that time. Now I don't know about you, but I was pretty unbearable between the age of 11 and 13. Yet somehow this age group was one that my mom loved working with. Because this is an age when teachers have to practice a delicate dance of accompaniment. You can't really push tweens and you can't really pull them. One has to just be there with them, guiding imperceptibly. And that's what my mom did. It was weird how many times a boisterous or shy high schooler would break away from their pack or newly minted adults in their early twenties would come up to us in the grocery store to say, "Hi Mrs. Hayling, do you remember me?" And she did.

I strive to be that kind of leader. But have most certainly fallen short more than I'd like. It occurs to me that maybe memory is a good natural limit to how many grants we should make. If it's too many for me to remember all the people's names and organizations, maybe it's too many. Because maybe that is where the sense of seeing them, knowing/valuing their work and walking beside them as a partner begins to break down for me and for them. I'm not sure. I'm still grappling with this one.

But I do know that the willingness to see people who are usually invisible, to believe in the power of neighbors when a neighborhood is crumbling, and the willingness to value and accompany others on their journey, these are leadership skills that are the heart of philanthropy.



“We are spiritual beings, here to have a human experience.” I love this quote. Because as much as I believe in the kind of risk-taking, urgent, technology and creative design inspired social change that I have been talking about, I must also admit that we have to find a way to bring more love into this work as well. The purpose of strategic, responsive philanthropy cannot be just to win this or that policy battle. It is to build a more perfect *union*. It is to open a space of love and hope where new possibilities can flourish.

The Xhosa proverb states, “People are people through other people.”

Each day there is a choice. Only one choice really. Love or fear.

Sometimes, in philanthropy, we see the fruits the titans of fear have reaped and we are jealous. We think we can follow the same steps and pour equal amounts of money into “our side” and then we’ll win. We will not win that way. Because as some point the careful task of crafting a new enemy to hate only builds a world with more hate. Politics are ugly and sometimes you’ve got to get in there swinging, but you also have to get yourself back out.

Adaptive leadership gurus call this sitting on the balcony. This is a privileged position we can hold and can offer to our grantees as well. And what I see from the balcony is that all this work is about using the power of love, and respect, and inclusion to build better links and connections between people. The tech people call it networks. The community development people call it neighborhoods. Whatever you call it, it is looking for those things that bind us, those people who inspire us and those organizations that make us want to join, not divide.

Because in the end, the most important thing we know and keep forgetting is that in this struggle for a better world our hearts have to change before our minds will. And then, only then, will we be the change we want to see.

End of ABFE’s Nineteenth *James A. Joseph Lecture on Philanthropy*, delivered by Ms. Crystal Hayling

For republishing permission please contact Sharon Toomer at 646.230.0307 or stoomer@abfe.org.

About ABFE

ABFE members are dedicated to promoting effective and responsive philanthropy in Black communities. Established as the first official affinity group of the Council on Foundations, the organization was founded in 1971 on the principle of the importance and value of diversity, inclusion and equity in philanthropy. ABFE counts among its membership staff, trustees and donors of grantmaking organizations committed to Black communities. For more information please visit www.abfe.org or contact ABFE at 646.230.0306.