

Casting Ballots for Charity

Online popularity contests drive philanthropic decisions

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An increasing number of grant makers are asking everyday citizens to vote on proposals from organizations seeking money — a process not unlike how the American Idol television show vets aspiring singers to find potential superstars.

Technology-minded nonprofit groups as well as big foundations and companies have sponsored votes — or announced plans to do so — in recent months.

The Case Foundation, started by Steve Case, the founder of America Online, in June announced its Make It Your Own Awards — a project that encourages Americans to vote not only on which projects should receive money, but also on the criteria used to judge those groups.

Proponents of participatory philanthropy call it "a watershed for democracy." They argue the approach makes the often opaque process of grant making more clear to the public, an important move given that foundations have reputations as elitist institutions.

But before opening the virtual voting booth, nonprofit groups should take pains so that "citizen-led philanthropy" doesn't become mob rule, where slick marketing, rabid get-out-the-vote efforts, and joke candidates hijack the final tally, philanthropy experts warn.

What's more, some observers worry that allowing the public to help pick beneficiaries could lead to overly cautious grant making, where only controversy-free ideas that please the masses can win votes.

Public voting endangers philanthropy by pushing it toward "a soft, safe center," says Peter J. Frumkin, a professor of public affairs at the University of Texas at Austin. "It will take the edge off philanthropy. You're never going to get a large number of people agreeing on a radical solution."

Open Process

Grant-making competitions vary in who can vote and how often, and the size of the prizes. For organizations operating the contests, perhaps the most important factor is how much control

they retain behind the scenes.

On the end of extreme openness is NetSquared, run by TechSoup, a group in San Francisco that provides technology assistance to charities. Last spring, the charity held a competition to reward groups that use online social networking to promote good causes.

It received 152 nominations from the general public, and 15,000 voters then winnowed the nominations to 21 finalists, based entirely on popularity. In May, the finalists sent representatives to a conference, where they were grilled with questions from experts about technology and the long-term viability of their organizations. After that, the 300 conference participants voted for their top choices.

MAPLight, a Berkeley, Calif., group that monitors how money from special-interest groups influences politicians' votes, earned first prize and \$25,000. The second- and third-prize winners earned \$15,000 and \$10,000, while the remaining 18 finalists split \$50,000.

Daniel G. Newman, executive director of the winning group, says his organization sent e-mail messages to 1,000 people asking them to vote — a substantial number, given that 203 votes was enough to make the finals. In the second round, he says, informal schmoozing among conference participants proved almost as important as formal questioning.

Mr. Newman speculates his group won because its cause — shining a light on the influence of money in politics — appeals to a large audience. His group also tried to make its work vivid. For example, "we wanted to show how money and politics affects what kids eat at lunch and whether it's nutritious," Mr. Newman says.

At no point did officials at TechSoup provide opinions about which groups should win — not surprising, since it enthusiastically compared itself with American Idol and emphasized the wonders of mass participation.

But that openness left the group vulnerable to criticism. To prevent charities with big e-mail lists from distorting the vote, the NetSquared project required that voters pick multiple groups, not just a favorite.

While the theory behind the idea was sound, it had the unintended side effect of skewing the tallies in what could be called the "AAA effect." Six of the 21 finalists had names that start with "A" or a numeral, which put them near the top of the list from which voters made their selections.

Indeed, in a blog contest that organizers set up for feedback — bravely called "Let Us Have It" — some voters admitted they had been lazy and not looked much beyond "F" on the list.

Maintaining Control

Other voting programs retain more control over the process.

The John S. and James L. Knight Foundation plans to add a public-participation component to one of its journalism grant programs, the News Challenge, a project that awarded \$12-million last year to groups that promote local news online.

Foundation officials this year plan to allow the public to comment on proposals and rate them. In turn, groups can add lures like videos to sway voters.

All proposals, however, no matter how popular or disparaged in the public comments, will receive equal consideration from foundation judges, says Gary W. Kebbel, a journalism-program officer at the Miami-based Knight. Unlike with NetSquared's contest, popularity will be only one factor.

"Ultimately, it's a program by the Knight foundation to achieve the goals of the Knight foundation," he explains. "We wanted to supply a mechanism for the wisdom of the crowd, but we're not at a point where we're willing to say, 'We're going to fund this — but we'll let someone else decide.' We think we bring something to the table, too."

Pursuing a middle ground between NetSquared's free-for-all and Knight's more traditional approach is the Case Foundation and its Make It Your Own Awards contest.

Anyone can send in proposals, and Case put few restrictions on which ideas it will consider. A diverse group of 30 judges — including high-school students, members of the clergy, and heads of nonprofit groups — will select 100 semifinalists from the pool.

But the foundation, which fosters community partnerships, still retains control over which ideas receive money. All judges attend training sessions on how to recognize community-building projects that are likely to succeed, based in part on research sponsored by the Case Foundation.

Furthermore, another select group of judges will choose the 20 finalists, each of which receive \$10,000. Only at that point will the public have its say, when an online vote selects four winners to receive an additional \$25,000.

\$1-Million at Stake

A few corporations have also opened grant making to the public.

American Express sponsors two contests. Its Partners in Preservation program, a joint effort with the National Trust for Historic Preservation, selects 25 historical sites in one city that need refurbishment and then asks local residents, who get one vote per day, to pick their favorite by logging on to computer kiosks at coffeehouses.

Last year's contest was based in the San Francisco Bay Area, and the First Church of Christ, Scientist, in Berkeley, beat out a carousel and a historic site for processing immigrants, among other locations, and earned \$1-million. American Express announced last week that it plans to

run virtually the same competition again this year in Chicago.

American Express's other competition — its Members Project, which uses television and billboard advertisements that feature Ellen DeGeneres, Jane Goodall, and Wynton Marsalis — will provide a similar windfall to a charity, at least \$1-million in cash.

People with an American Express card are allowed to post proposals on a Web site and vote on which ones they think are most worthy to receive the money. American Express will donate \$1 for each cardholder who registers, and an additional dollar for each registrant over one million, up to five million.

The company says it sees the project primarily as a business venture to entice and attract new customers. It believes that being offered a chance to participate in philanthropy will give people a reason to apply for an American Express card.

To keep the focus on its clients, American Express prohibited proposals from mentioning any charity by name in the early rounds, to prevent voters from being swayed by favorite groups or put off by ones they dislike. It wanted voters to judge the quality of the idea alone. (That quality ranged from serious charitable projects, like foreign-language training for doctors in neighborhoods with high immigrant populations, to less philanthropic ones, like a proposal for a "universal video-game console" that would play Atari and PlayStation3 and everything in between on the same box.)

In addition, the company let the public sift good ideas from bad ones. American Express selected the 50 most popular as semifinalists from the initial 7,000 ideas, omitting only those ideas that proved unrealistic or too expensive, says Desiree Fish, the New York company's vice president of public affairs. Voters have now narrowed the 50 down to 25 and voting has begun to select the final five.

The online retail giant Amazon ran a similar contest in 2005. The experience, says Patty M. Smith, a company spokeswoman, taught Amazon that when groups ask for applications from anybody, they should prepare to receive them from everybody. Her office was flooded with 1,000 proposals after announcing the grant competition. Selecting 10 finalists "took a lot of all-nighters and weekends, to give them the attention they deserved," she recalls.

For that and other reasons, Amazon stopped its competition after one year and decided to collect charitable donations from its customers primarily during disasters.

Involving 'Real People'

Over all, American Idol-style philanthropy has proved quite popular — and to some philanthropy experts, that's part of the problem.

"It's a lot of hype about a very small amount of money going to a small number of groups," said Aaron Dorfman, executive director of the National Committee for Responsive Philanthropy, a watchdog group in Washington. "It isn't fundamentally changing how money is given away."

But some nonprofit experts say the principle behind voting — helping people understand how foundations and others make grants — merits the most attention.

Cynthia M. Gibson, a consultant who helped shape the Case Foundation's program, says that people should not just vote on the roster of potential grantees.

They should also provide input on the criteria for accepting and approving proposals, she suggests.

"The issue is less about the tactics that foundations use," writes Ms. Gibson in an e-mail message. "It's more about the fact that they are open to exploring such involvement — whether it's online voting, community boards, or other tactics that involve 'real people.'"

Adds Michael D. Smith, a social-investment manager at the Case Foundation: "Our desire is to make the ideas available, even if they don't win money."

He says that by providing software and online tools, his foundation will give groups that submit ideas the ability to "function completely without the Case Foundation," including a way to accept donations from donors who learn about the causes through the Case Foundation.

The Robert Wood Johnson Foundation, in Princeton, N.J., is pursuing a similar goal with its Disruptive Innovations grants. Working with Changemakers, a group in San Francisco that designs free software for philanthropic purposes, the foundation has asked for proposals on topics like using video games to improve health care. A group of online voters will eventually award three prizes of \$5,000 each.

But the prize money is an afterthought. The foundation and Changemakers really set up the contest to help ideas spread more quickly, since the typical grant-making cycle, from submitting a proposal to getting a check, can take two years. By posting ideas for public scrutiny, the groups believe that people and nonprofit organizations can sift through them, find ones they like, and possibly support them at a faster rate.

For now, the amount of money donated through programs that follow the American Idol model is small. But such efforts are likely to grow in the future as grant makers find more efficient and effective ways to get citizens involved. Indeed, the organizations that are on the vanguard of this approach are modifying their efforts as they get feedback from the public and grant seekers.

Mr. Kebbel of the Knight Foundation called his group's grant contest an experiment and says that it will probably evolve.

"We're refining our process," he says. "We'd say we don't know how to do this right yet."

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