

Philanthropy Adapts to the Obama Era

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... The big unknown is how the economic crisis will affect collaboration. Will it put greater emphasis on partnerships? Or will innovative ideas flounder without funding as the government is forced to focus on repairing the economy? Already, some privately funded programs are struggling. Harlem Children's Zone, for all the plaudits it has earned, has been hard hit as the financial crisis has crimped donations from Wall Street.

"On the one hand, the economic challenges are unprecedented, at least in our lifetime," Ross says. "At the same time, it is through these moments of utter crisis that there is a premium on great ideas." One example of crisis and opportunity, he says, is the French Maternal and Child Health system. In late 1945, Charles de Gaulle embarked on the process of rebuilding postwar France; scores of young men had been killed, birthrates were low, and maternal and infant mortality rates were alarmingly high. "The future of a generation of citizens was at stake--and was at the mercy of a nation in ashes with a broken health care system," Ross wrote recently in *The Sacramento Bee*. "Out of this smoldering crisis, de Gaulle provided leadership to conceive and implement the French Maternal and Child Health system, called *La Protection Maternelle et Infantile*. ... More than a half-century later, the French PMI and health system serve as the envy of maternal and child health in the industrialized world."

The economic crisis affects not just government's ability to make long-term investments but the capacity of philanthropy itself, as many foundations reduce their spending dramatically to keep pace with shrinking endowments. While foundations are required by law to pay out 5 percent of their endowment in grants annually, and many foundations adhere precisely to that figure, the National Committee for Responsive Philanthropy recently issued a report urging foundations to voluntarily increase the payout to 6 percent annually, and some members of Congress have occasionally threatened to raise the payout rate by law .

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