Lessons in the art of giving

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Most aspiring MBAs go to business school to learn how to make a great deal of money. But these days, business schools are also teaching students how to give it away.

A growing number of business programmes are introducing courses focused on "practising philanthropy," with the aim of teaching MBA students how to have a strategic edge in their giving by conducting site visits to non-profit organisations, tracking social and operational metrics and measuring the impact of their charitable contributions.

The courses are most popular with students specialising in non-profit administration, but the classes are gaining momentum with general management students too, according to Kristen McCormack, who teaches a course on practising philanthropy at Boston University School of Management.

"At some point in their lives, most of these students will either be a corporate donor or an individual donor and my class teaches them how to do philanthropy effectively," she says. "Most general MBAs that I've taught marvel that there is this world out there that they never thought existed, and they are surprised by how hard it is to give away money."

The curricula vary from school to school, but most courses involve lectures and readings on the history of philanthropy, issues in the grant-making process and issues in philanthropy and public policy. In addition, many courses include an element of experiential philanthropy, whereby students donate an amount of money to non-profit organisations they have deemed worthy, based on a variety of metrics.

According to Campus Compact, a collation of college and university presidents that promote civic engagement and service learning, there are more than 100 college and business schools in the US offering courses about philanthropy that involve students as grant makers.

The courses reinforce skills such as teamwork, empathy, rigorous thinking, communication and group decision-making, says Maggie Grove, a consultant at Campus Compact, based in Boston. But most importantly the classes dispel the notion that "to be a philanthropist you have to be a person of great wealth," she says. "These courses are broadening the definition of philanthropy and helping people perceive themselves as active and engaged citizens."

Elenore Garton, a senior researcher at the Sillerman Center for the Advancement of Philanthropy at Brandeis University, teaches a course on practising philanthropy in conjunction with the business school. She says the training is useful for a range of careers, from those who work as grant writers for non-profits, to government employees working on public-private partnerships, to people who work for companies striving to be good corporate citizens.

Throughout the semester-long course, her goal is to demystify philanthropy and help students understand the
mindset of the donor.

"People tend to think, ‘Philanthropy: that’s easy. You have a lot of money, and you give it away’. But to do philanthropy well, you have to understand social problems and what is at the root of them, you have to be able to take in a lot of information and evaluate what an organisation is doing and you have to make hard choices. Donors have a lot of challenges and I want students to understand their perspective," she says.

Beth Bryant, an MBA student at Brandeis with a background in non-profit management, says that the class changed both her personal and professional ideas about charitable giving.

"In the non-profit world, we talk a lot about fund-raising and how to attract more money," she says. "It’s a narrow perspective. You think about your organisation, what you need. You don’t stop and think about the philanthropist’s point of view. They have to say ‘no’ a lot more often than they say ‘yes’. And there are hard choices: do you give to a start-up, or to a group with a proven track record of results?"

Ms Bryant says that the class showed her that philanthropy is a bottom up endeavour that’s less about how much money you give and more about how you deploy it.

"The class broke the myth that you have to be rich to be a philanthropist."

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