

# Time for Change

ESSAY BY JULIA M. STASCH, MACARTHUR FOUNDATION PRESIDENT



Today, people and places around the world, as well as the earth itself, face formidable, complex, and connected problems. At the same time, technological advances and increased connection hold unprecedented promise for the well-being of humanity and society, while creating new and vexing problems.


I am honored to lead the MacArthur Foundation at this moment in history. It is a privilege and a responsibility to steward the assets and legacy of this institution, and to help shape its future. With a deep respect for the organizations and individuals that do the actual hard work of making the world a better place, I commit to the urgency, rigor, and humility that this task requires.

Like others, I believe that the times demand that we question long-standing orthodoxies, established assumptions, comfortable practices, and even goals. This is as true for philanthropy as it is for governments, businesses, and other institutions.

As a private charitable foundation, MacArthur's paramount responsibility is to make the most effective use of our resources for the public good. That responsibility challenges us to periodically revisit our mission, to consider whether our areas of focus, our objectives, and our approaches are sufficiently bold, flexible, inventive, and effective, and to ensure that we are tackling some of the world's most profound issues as they rapidly evolve.

We are doing that now. Guided by long-held values, we will double down on our commitment to help build a world that is more *just, verdant, and peaceful*. For us, this is a world where actions are moral, rational, and fair; where the planet and its people flourish; without violence and war. These aspirations require ever more urgent and powerful action, with lasting impact on a major scale.

This means that we need to change. We must make hard choices about the ways we allocate our limited resources, how we use our time and talent, and the risk we are willing to take. Change is hard; failing to change is not an option.

A photograph of a dense crowd of people walking in a city street. The people are of various ethnicities and ages, some looking forward, some looking down at their phones. The background shows a busy urban environment with cars and buildings.

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## What It Will Take

Since 1978, MacArthur has proudly supported thousands of organizations and individuals in the United States and around the world that have had real and lasting impact: fighting parasitic diseases; helping to build an international justice system; strengthening higher education in Nigeria and Russia; establishing America's flourishing community development finance sector; driving reform in juvenile justice; and much, much more.

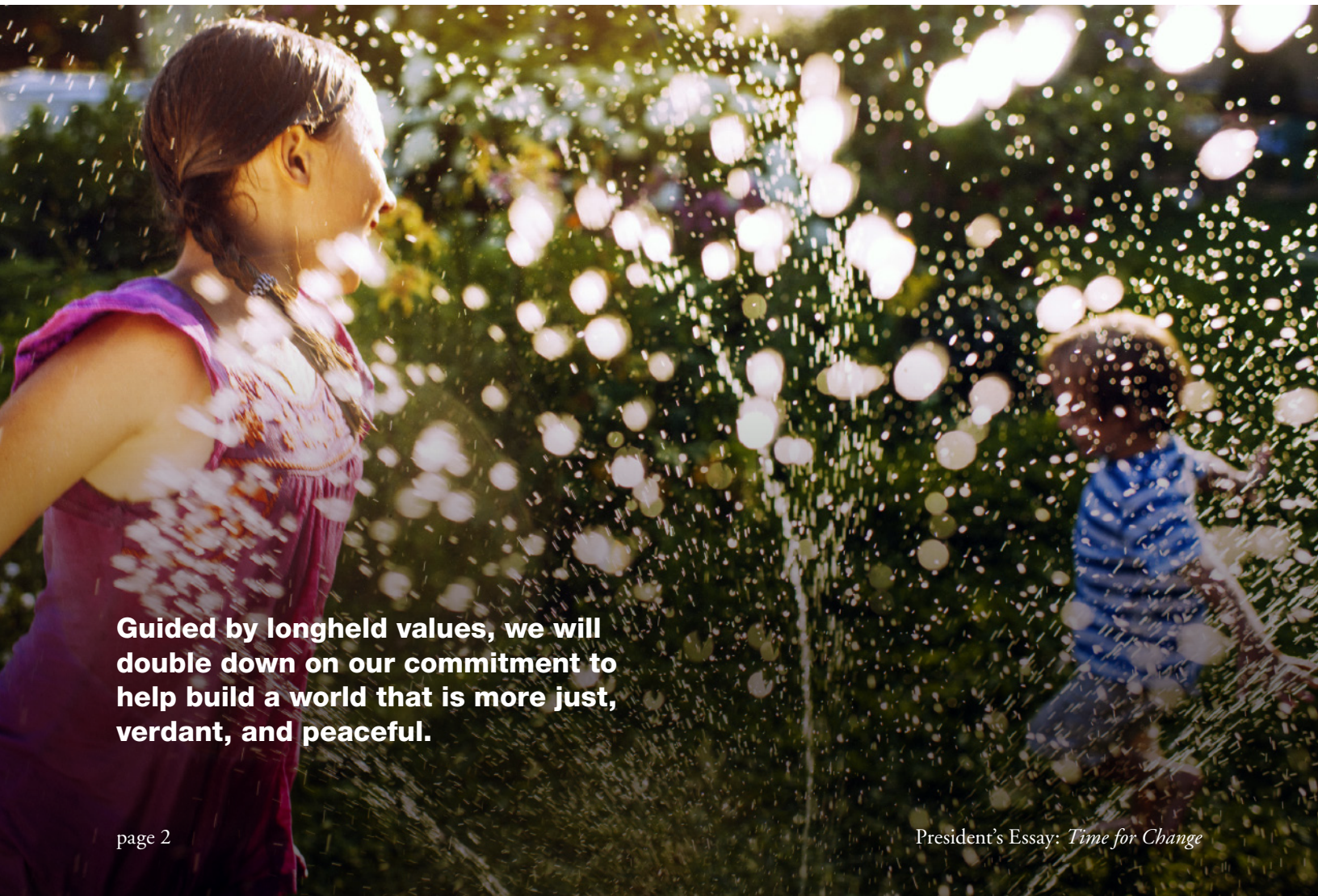
Even more transformative impact in the future will require new ways of thinking and working.

A few principles guide us. Be bolder and aim higher. Embrace independent, even unconventional, thinking. Act with greater urgency, even as we remain patient for the fruits of real, lasting change. Be more open, curious, and experimental, and take more risk. Set ambitious goals that are clear and practical, and seek significant, measurable progress.

In the future, we will work primarily through programs and projects that are larger in scale, time-limited in nature, or designed to reach specific objectives. We will place less emphasis on program areas with an indefinite lifespan.

While this solution-driven approach is a topic of debate in philanthropy, we believe it is right for MacArthur and the depth of impact we strive to achieve. Its application means focusing our not-unlimited resources, our leadership, and other assets in fewer areas where we believe real and lasting progress may be possible. More focus will require hard choices about some fields where we have long been active.

Higher ambitions also will require a greater tolerance for risk and failure. We will need to be even more flexible and innovative in our strategies and tactics in response to new circumstances, and ready to enter into alliances with unexpected partners. We will observe closely and listen carefully as we adopt an even more rigorous practice of reflection and learning.

A photograph of a woman in a purple dress and a child in a blue striped shirt playing in a fountain of water. The water is splashing around them, creating a bokeh effect in the background. The woman is on the left, looking towards the right. The child is on the right, also looking towards the right. The scene is outdoors and appears to be a park or a public square.

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## Future Directions

MacArthur's next chapter will be characterized by big bets that strive toward transformative change in areas of profound concern. This is not a search for quick fixes or easy wins, but an all-in, timely commitment—of talent, resources, time, and reputation—to real change that matters for many, many people.

This means that, today, in pursuit of a world that is more just, verdant, and peaceful, we will invest deeply, with hope and optimism, and a commitment to creative partnership, in a small number of critical issues of planetary and human survival and human dignity: global sustainability, global security, and the rule of law rationally and equitably applied.

### **CRIMINAL JUSTICE IN THE U.S.**

The first of these new, big bets is the Safety and Justice Challenge. Its goal is to help reverse the practice of mass incarceration in the United States. The high rate of incarceration and the dysfunctional relationship between police and minority communities are symptoms of a deep pathology that takes a terrible toll on families, communities, and the legitimacy of government itself.

Criminal justice has received recent, widespread attention from the media, scholars, and advocates, and progress has been made at the state level in reducing prison populations through sentencing reform and other means. Much less attention has been paid to local justice systems, through which most people experience the administration of justice in this country, and where mass incarceration begins.

With an initial \$75 million investment, we are supporting a national effort to spearhead broad reform in local jurisdictions, with a goal of changing how America thinks about and uses jails in a fairer, more effective justice system. The effort is off to a promising start. More than 190 jurisdictions competed for 20 grants to help create local reform plans; by the end of the year, ten will be selected for major implementation support. We will help the others pursue change on their own.

### **GLOBAL CLIMATE CHANGE**

Building on a long history in global conservation and, more recently, energy efficiency in the U.S., a second big bet is an aggressive effort to support U.S. and global leadership to mitigate the effects of climate change. As a down payment this year, our new Climate Solutions program awarded \$50 million in grants. The initial focus is to build and sustain sufficient U.S. leadership to ensure that this nation meets its responsibilities in addressing climate change.

This means supporting organizations that aim to continue and accelerate U.S. greenhouse gas reductions, to increase and sustain political consensus for climate action, and to provide incentives for transition to a low-carbon economy. Our goal is to add significant, distinctive value to the many important and substantial efforts already underway. All of this and more is urgently required if the world is to avoid the worst outcomes of global climate disruption.

Going forward, Climate Solutions will consider areas of constructive partnership with international leaders whose actions are equally critical to long-term global sustainability, including India, China, and other countries.

### **OTHER POSSIBILITIES**

We are exploring the elements and feasibility of a big bet based on a new approach to reducing the threat posed by nuclear weapons. We also think that a big bet could be a place, rather than an issue. Our candidate is Nigeria, where MacArthur has made grants since 1989 and has had an office since 1994. There may be national momentum in Nigeria around attacking corruption and reforming the criminal justice system that could be the basis for broader Foundation investment in helping that country succeed and lead in Africa and on the global stage.

### **MORE RESOURCES FOR SOCIAL CHANGE**

Rapidly growing interest in impact investing presents an opportunity for a foundational big bet with the potential to fuel

progress in our priority areas and across the social sector. This builds on MacArthur's 30-year history innovating in the use of program-related investments for organizations whose missions, markets, or business models require capital that is very patient, risk-tolerant, and flexible.

With other pioneering impact investors, we have demonstrated the power of this unconventional capital, especially when it leverages investments from mainstream institutions. However, this useful capital is likely to remain scarce without a new generation of financial platforms and products. We are prototyping these new vehicles with the goal of bridging the gap between social sector organizations and the increasing number of investors looking for social and environmental impact.

We expect this new endeavor to use our capital and increased risk-taking, including market-making and syndication, to give investors greater transaction ease, liquidity, confidence, and choice. We will partner with others who share our ambitious goal: to expand the flow of impact-enabling capital worldwide.

### **A SPECIAL BET**

Even as we focus to drive toward large-scale, lasting solutions in a few key areas, the Foundation must remain open to other powerful ideas. We are devising a plan to reach out broadly for feasible, promising projects that need timely, substantial support. Every three years we will award \$100 million to a single proposal to solve or significantly mitigate a major problem or seize a compelling opportunity.

## **Hard Choices**

As we have always done, and to make this new work possible, MacArthur is making decisions to move out of some fields. Like other foundations, investment in particular areas is not meant to continue in perpetuity. Efforts may have achieved their original goals or helped bring about significant progress. For some, the moment of greatest impact may have passed; for others, new resources may be available; or, after exploration, it may be clear that our resources could yield greater value elsewhere.

While not all decisions have been made, we are acutely aware of the difficulties and disappointments that a change in course can create for valued partners and perhaps whole fields. In every case, our goal is to take the time and make the investment to leave a field stronger than when we entered it, and to help ensure a legacy of healthy, influential organizations and a foundation for future progress.

We may provide additional support to allow time to secure other funding or resources to fill a gap or address a final, important issue. We may fund a formal, multi-year "legacy" effort to secure progress achieved, lay the institutional foundation for future reform by others, attract new funders, and to connect organizations to new relationships and resources.

### **JUVENILE JUSTICE**

After two decades, we are ending support for work in juvenile justice. Seminal research examined the developmental differences between adolescents and adults. Behavioral and neuroscience research findings made it clear that young people are fundamentally different from adults, and that treating juvenile offenders as adults, relying on incarceration, and failing to commit resources to rehabilitation and treatment is fundamentally unfair, unjust, and expensive; produces negative consequences; jeopardizes public safety; and compromises future life chances. Moreover, the juvenile justice system takes its greatest toll on low-income individuals and communities of color. This led to efforts to translate these findings into policy and practice in over 40 states and tribal communities, and a national, multi-donor campaign for state-level policy change.

The research influenced four landmark U.S. Supreme Court decisions on the juvenile death penalty and life sentences without parole. In states and local jurisdictions, the effort helped safely divert youths from the justice system, reduce incarceration and its harms, promote racial and ethnic fairness, and generate system reform models, tools, and resources for use by others. With others active on the issue, the campaign is helping to fuel real momentum for reform across the country. Much remains to be done, but the trajectory for positive change is undeniable.

## **HOUSING**

After more than 15 years, we are also bringing our U.S. housing programs to a close. While the nation's needs for affordable housing remain acute, the importance of rental housing as part of a balanced national policy is now widely accepted. Our long-term investments in leading nonprofit housing owners, financing vehicles, practitioner networks, policy organizations, and state and local government initiatives helped strengthen the entire field, while directly supporting the preservation and improvement of tens of thousands of affordable rental homes across the country. Billions of dollars in new public and private capital have been leveraged and revitalized properties have demonstrated cost-effective, tangible benefits for residents of modest means, and entire communities. There also is a body of high-quality research that makes an empirical case for housing as a “platform” that supports success in other areas of life.

Although we are moving away from making new commitments in housing, research findings will continue to inform policy and many of our previously awarded impact investments will continue to provide valuable capital for the next several years. This is part of the long tail of work underway, with high expectations for success.

## **POPULATION AND REPRODUCTIVE HEALTH**

Population and Reproductive Health has been a long-standing focus for the Foundation, including for our offices in Nigeria, India, and Mexico. Nigeria and India have the largest numbers of maternal deaths annually, and we have supported interventions there that have contributed to a decline. With the Millennium Development Goals and a global focus on access, more women than ever are delivering in facilities. To sustain gains and continue to decrease maternal death rates, the field is shifting its focus beyond access to services to high-quality, equitable, and respectful care.

Over the next several years, we will bring this work to a close. Before we leave the field, we want to ensure that progress is sustainable and that momentum exists for further improvement. In Mexico, where progress has been the greatest, we will support a capstone project to make trained professional midwives a vital part of the healthcare system. A cadre of professional, trained midwives can relieve burdens on hospitals, while providing essential care during healthy deliveries. In India, where access to healthcare has increased and more women than ever are delivering in institutions, our final efforts will aim to shift the focus of policy and practice toward the next challenge of improving the overall quality of this care. The next wave of change in maternal health will require new approaches and in each country we aim to leave the field poised to take them on.

## **DIGITAL MEDIA AND LEARNING**

For a decade, grantees have explored the notion that young people's use of digital media in their out-of-school lives has profound implications for education. Much has been accomplished through extensive, seminal research and experimentation—an entirely new field; innovative pedagogy called Connected Learning; and a new approach to young people's civic engagement. Other outcomes include motivating support for innovative educators; new learning applications through competitions; and new approaches to assessing hard to measure skills with video games. Hive Learning Networks bring civic, cultural, and learning institutions together to provide immersive learning experiences in a city; badges are gaining currency as credentials that make learning more visible and valuable; new schools and teen-endorsed facilities in libraries and museums demonstrate Connected Learning in action; and more. Buoyed by an investment of more than \$200 million, this promising effort has grown well beyond what MacArthur can support.

The next step is to experiment with a new organizational model that can attract a more diverse set of partners and investors, explore alternative funding models and mechanisms, and accommodate a more entrepreneurial and innovative approach to achieving the ambitious goal of reimagining what learning is and how it is supported. This fall, we will launch a new, independent nonprofit whose goal is the scale and spread of the innovations developed by the many organizations we have supported.

## **OTHER AREAS**

Good work making a significant contribution in global migration and U.S. immigration, girls' secondary education in developing countries, aspects of international peace and security, and strengthening American democracy are also examples of initiatives and programs we will bring to an end over the next few years.

## Enduring Commitments and New Knowledge

Even as we make hard choices about work in progress and focus on a few big bets in areas of profound concern, we will maintain and renew a small number of enduring commitments. These are: fostering individual creativity through the MacArthur Fellows Program; strengthening our hometown Chicago, where our civic leadership and commitment remains deep and unwavering, and which often can serve as a vital laboratory for practical and policy innovation; and advancing journalism as a foundation for critical thinking and informed action.


Finally, we will dedicate a small amount of human and financial resources each year to asking and exploring key “*what if?*” questions in one or two areas of critical importance. We could ask questions such as: What if there is not enough, or any at all, rewarding work for millions of people around the globe? What if the pace of technological change outstrips the ability to ensure that it provides a public benefit? The goal will not be to generate or implement a specific solution. Instead, we will support research and other knowledge-generating activity that, in turn, informs the search for solutions—for us and for others.

## Moving Forward

This is an exciting time for the Foundation, and I am deeply grateful for the opportunity to work with the MacArthur Board of Trustees and Foundation staff to help shape this institution’s future. I want to thank the Board for challenging us to embrace the future fearlessly; MacArthur staff members for their optimism and enthusiasm in the face of change; and every organization we proudly support for its leadership, creativity, effectiveness, and persistence. As we fulfill our commitments to the significant and critically important work in progress, we are eager to engage with partners of all kinds, to tackle the challenge of helping to build a more just, verdant, and peaceful world.

As we embark upon this new direction, I invite your comments, suggestions, and critique, with special appreciation for a candor that will challenge us to achieve greater clarity, humility, wisdom, and impact.

Thank you.



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## About the MacArthur Foundation

The John D. and Catherine T. MacArthur Foundation supports creative people and effective institutions committed to building a more just, verdant, and peaceful world. In addition to selecting the MacArthur Fellows, the Foundation works to defend human rights, advance global conservation and security, make cities better places, and understand how technology is affecting children and society.

For more information or to sign-up for news and event updates, please visit [www.macfound.org](http://www.macfound.org).

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