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Philanthropy Needs Entrepreneurial Zeal

Steven McCormick, *Moore Foundation*

January 23, 2013

Video URL: <http://ecorner.stanford.edu/videos/3062/Philanthropy-Needs-Entrepreneurial-Zeal>

Moore Foundation President Steven McCormick explains how an influx of entrepreneurial thinking could empower the philanthropic sector to become one of the largest drivers of social change. Advancing the entrepreneurially inspired approach to philanthropy espoused by Gordon Moore, McCormick encourages those with entrepreneurial mindsets to come to work in philanthropy.



Transcript

I continue to believe very, very unequivocally that the not for profit sector, I'd say even more so the philanthropic sector, is in a position to drive major social change more so than any other sector in society. But I don't see it stepping up to that just yet. Now why do I say it can and why do I say that it's not yet? It can and now listen I'm going to talk about the foundation community. So our foundation has \$6 billion in assets, by law we're required to give about 5% of our asset wealth every year. We can give more, but by law we're required to give out at least 5% so that's - Stanford students 5% of \$6 billion is \$300 million every year. So we turn the spigot on every year and \$300 million comes gushing out and we can do anything we want with that as long as it's devoted to a philanthropic enterprise. Unbelievable! That could actually - we could burn it. And next year I turn that spigot on and another \$300 million comes out. So I think wow, if that's the case, I could burn that and I still have \$300 million and if I want legally I could go into the \$6 billion and use that. Why don't we shoot for the moon? Only a foundation or only I'll say private charity has the wherewithal and actually the legal ability to think about lasting forever.

So we are set up in perpetuity. I mean, maybe the Catholic Church is the only other that you can say they can think in perpetuity. So you think wow that's incredible. We can last in perpetuity; we could live forever with \$300 million coming out in today's valuation, every year to do something great. Why wouldn't we reach for the stars? Interestingly, and I would say quite candidly I think foundations are among the most conservative actors in society. And why is that? I'd assert because frankly not enough people with entrepreneurial zeal, a passion for moving fast for experimentation for rapid prototyping, for taking risks and being willing to learn from it. Not enough of those kind of people are going to work for foundations. It would be a hugely contributory - contribution to society if all of you with your entrepreneurial backgrounds willing to work for a foundation, you could change the world. And I don't mean to cast dispersion on the people who work in foundation, but typically foundations have hired people from academia or from NGOs, wonderful people. The people who work at our foundation are fantastic people.

Our foundation was built on Gordon Moore's belief that philanthropy should have a strong business orientation to it. Meaning, keep your eye on the ball, take risks, we can build Intel. Reach for the fences, that's Gordon's phrase "Reach for the fences". We're the biggest funder of environmental conservation, which is why I came to the foundation, which is why I knew the foundation. Biggest funder of environmental conservation, Gordon said at the inception of the foundation he wants to win in the environment rather than lose slowly and I love that. So here is an extraordinary and generous man comes out of a business background says, okay I want to do philanthropy, but I want her to be imbued with the best principles of an entrepreneurial enterprise. And in that combination would be, I believe, the key to solving or at least addressing major social problems, because I also think that today's social problems, it won't solve them. They're so complex, we're going to manage them.