

Influence for good

How highly resourced individuals can work towards
positive systemic change



Facilitation partners:

McKinsey
& Company

Preface

We are living in times of multiple global crises. We urgently need to find, fund, and support transformative solutions for the challenges we are facing.

This report is part of a series exploring how to limit suffering, promote flourishing, and minimize risk in the present and the future through systemic change. This year, Ashoka and McKinsey & Company joined forces with Echoing Green, Generation Pledge, and Catalyst 2030, an organization co-founded by Ashoka, to explore the question of how highly resourced individuals (HRIs) can work towards systemic change.

This report is most relevant to individuals with considerable influence through wealth (a net worth of \$30 million and above), networks, reputation, or a general ability to influence social, business, and political circles. But the findings presented can also apply to individuals with a lower net worth.

All the report partners are united in the conviction that solving society's most complex challenges requires collaborative action across sectors. We further believe that HRIs can significantly contribute towards systemic change. This can be by supporting those who already do the work, such as the many social entrepreneurs represented by some of the report partners, or by doing the work themselves, informed by the expertise, evidence, and rationale provided by subject-matter leaders and those with experience of the issues.

The ideas we propose are not absolute truths; rather, they are the first steps on a journey to learn about effective collaboration between stakeholders. We invite every individual – and the organizations, consultants, and advisors working with them – to join us in aiming for positive social change.

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Executive summary

This is for every highly resourced individual who wants to help build a better future. We need powerful forces of change to address the compounding crises that strain our societies today. In this report, we look at how to strengthen personal capabilities for systemic change – the latest in our series aiming to equip stakeholders with tailored guidance.

Our guidance is particularly targeted towards individuals with considerable influence through wealth (a net worth of \$30 million and above), networks, reputation, or a general ability to influence social, business, and political circles – defined here as highly resourced individuals, or HRIs. This group includes individuals with self-made or inherited wealth, owners of family corporations, or CXOs. Despite this focus, most concepts are more broadly applicable: many of us can make a difference in the ways described in this report, scaled for our specific circumstances. As Ashoka puts it: everyone a changemaker.

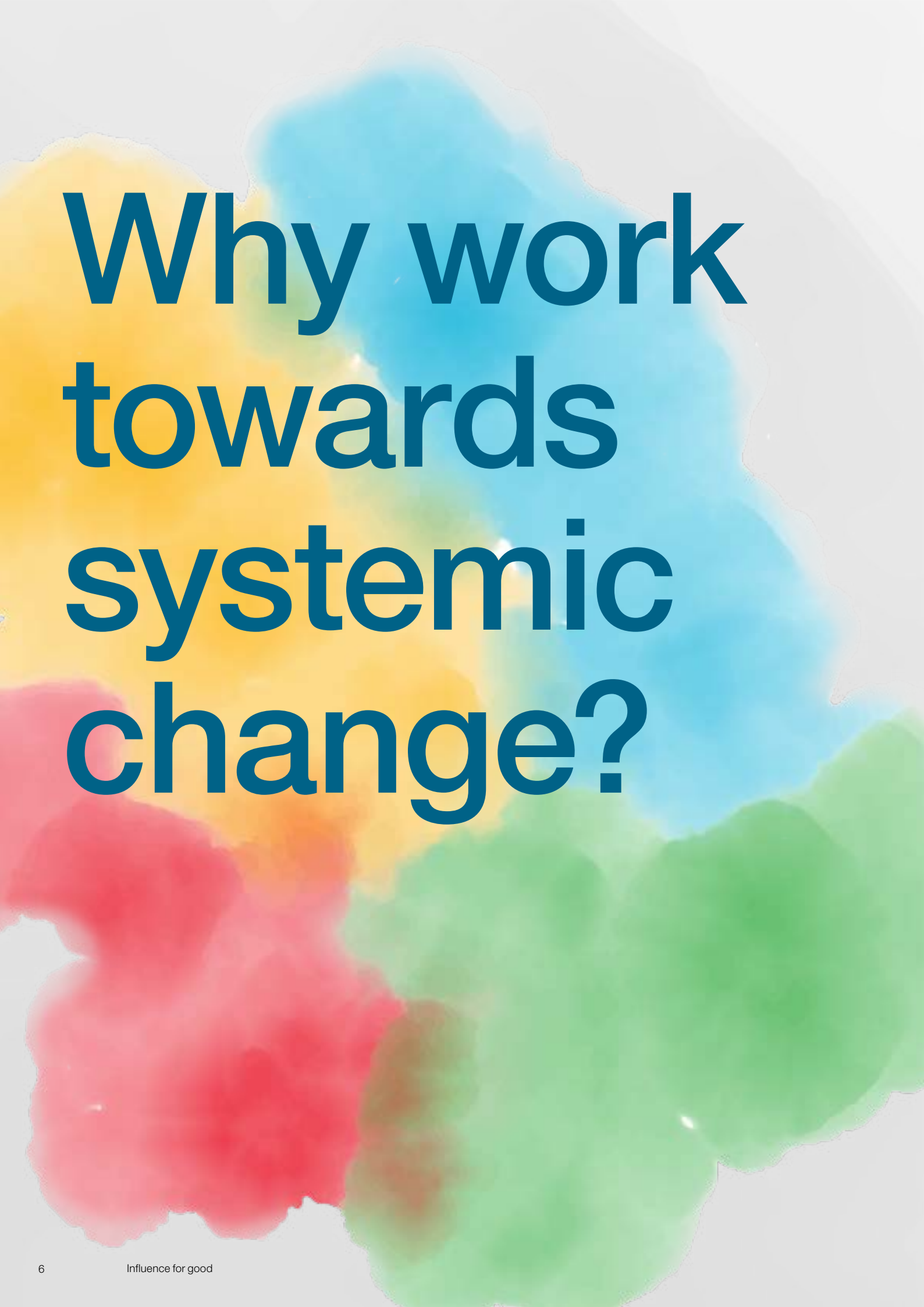
This report has been informed by four years of research and over 100 interviews with practitioners and those who seek to solve societal issues by changing the structures that hold them in place. We have also sought to present practical advice drawn from lived experience, and thus interviewed more than 50 HRIs, philanthropy advisors, philanthropy ecosystem experts, and scholars in ethics and philanthropy from five continents, to understand how HRIs can maximize their positive impact. Together, those we spoke with have accumulated hundreds of years of experience in working towards systemic change.

HRIs provide crucial funding for systemic change work. But our report finds that they can be more impactful and strategic by considering the full suite of resources at their disposal. Across the report, we include real-world examples to illustrate how individuals are already engaging in this work. Most HRIs featured in this report are already well advanced on their learning journey and are actively networked with one or more of our publishing partners.

To make the findings of this report actionable, we adopted the Look – Envision – Build (LEB) model created by co-publisher Generation Pledge, a network for inheritors who mobilize their economic, social, career, and political capital to generate the greatest impact. HRIs working towards systemic change will find themselves continuously cycling through the three steps:

- 1. Look with courage.** Acknowledge the status quo of the world and engage in self-reflection on your own contributions to it. Recognize your limitations, especially regarding your understanding of social issues, and start to listen to proximate and subject-matter leaders (for definitions, see Text Box 3: Essential expertise).
- 2. Envision with rigor.** Develop the skill set you need to become a better change agent, as well as a clear vision and plan for change, in collaboration with proximate and subject-matter leaders (see Text Box 3: Essential expertise). In partnership with proximate and subject-matter leaders, create sound strategies and specific plans on how you can best support the work towards change.
- 3. Build with excellence.** Start the work now. Orient your contributions towards the maximum impact you can have, based on the best available evidence provided by proximate and subject-matter leaders.

While we were making this report, many HRIs shared their own journeys towards becoming systemic change agents, and these are included in the “Examples of learning journeys” section. These journeys offer insight into the various ways that individuals can support positive change, and the self-reflection and development process that is required for ultimate success. We encourage HRIs to continue to seek out these stories, for inspiration and to support reflection. All of the publishing partners of this report would be happy to connect individuals with their networks and support HRIs on their journey towards positive and significant systemic change.



Why work towards systemic change?

The world is experiencing a series of compounding crises. There's the COVID-19 pandemic, the unevenly distributed impacts of climate change, growing global and local inequalities, and the resurgence of authoritarianism and violence linked to a rise in nationalist sentiments. Crises like these are putting societal coherence at risk around the world. They are causing, or are likely to cause, immense human suffering and large-scale migration as people seek to escape their effects, further harming those at the most marginalized parts of society.

Alongside these crises, we are falling short of the Universal Declaration of Human Rights: "All human beings are born free and equal in dignity and rights."¹ People are unequally distinguished by aspects including their socioeconomic status, gender, race, religion, sexual orientation, and mental or physical abilities. In a globalized world, this doesn't stop at nations' borders. While local and national inequity is a huge issue in most societies, we cannot forget about global inequity in everything this report discusses.

What's needed are changes that are equitable and sustainable in a general sense, and sustainable in a general sense of lasting change. Equity means addressing imbalanced or unjust social systems by shifting resources and power from those privileged by the system to those marginalized by it. Sustainable change today supports equity for the future to come.

While equity today can be achieved with mitigating initiatives, sustainability demands more fundamental change (see Text Box 2: Types of social engagement). We call this fundamental change "positive systemic change," or "systemic change" for short. The notion of positive change may seem context sensitive – depending on, for example, region, religion, experience, or individual and collective values and mindsets – yet over the last four years, hundreds of interviews with people from all over the world have revealed a strong homogeneity in what we understand "equity" to be (see Text Box 1: Focusing on equity).

Systemic change adopts a holistic view and addresses the causes rather than the symptoms of issues. It is the difference between teaching a person how to fish and revolutionizing the fishing industry to benefit everyone instead of just a select few.² Among other things, systemic change is facilitated by adopting new policies, industry standards, social norms, societal mindsets, and ways to distribute power. If done right, these changes will ultimately not only benefit the most marginalized, but everyone, including those most privileged by the current system.

Human rights and the United Nations Sustainable Development Goals (SDGs) – which aim to "further advance the realization of human rights for all people everywhere, without discrimination"³ – are both enshrined in international and national law. However, the world is not on track to keep its promises: with current plans, the SDGs⁴ are expected to be achieved by 2082, more than half a century after the 2030 deadline that world leaders initially set.⁵

It is critical that the world acts more urgently and decisively than ever. And all players are needed to help increase the pace of progress. The time to act is now.

Types of social engagement

Text Box 1

Focusing on equity

This report focuses on equity – a position of fairness and justice that recognizes and accounts for existing imbalances – as one of the core goals of social systemic change. There is strong evidence that inequity plays a major role in the biggest crises of our time.⁶ Other aims – including preserving life, ensuring dignified living conditions, or preserving the habitability of our planet – are also valid in the context of systemic change. While the focus in this report is on pursuing equity, the findings of this report do hold for other goals.

There are two crucial dimensions within equity:

- **Equity across space.** Our propensity to empathize more with those closest to us socially (and often geographically) naturally narrows our focus.⁷ Looking at equity from a moral perspective (see Text Box 4: Motivations for systemic change), we must shift our thinking to see that a neighbor isn't morally more valuable than a stranger across the planet.
- **Equity across time.** This typically refers to equity between the current and future generations, and may often feature in discussions about investments or risk, particularly emphasized in discussions about effective altruism. As with equity across space, we need to recognize that the current generation doesn't hold a higher moral value than future generations.⁸

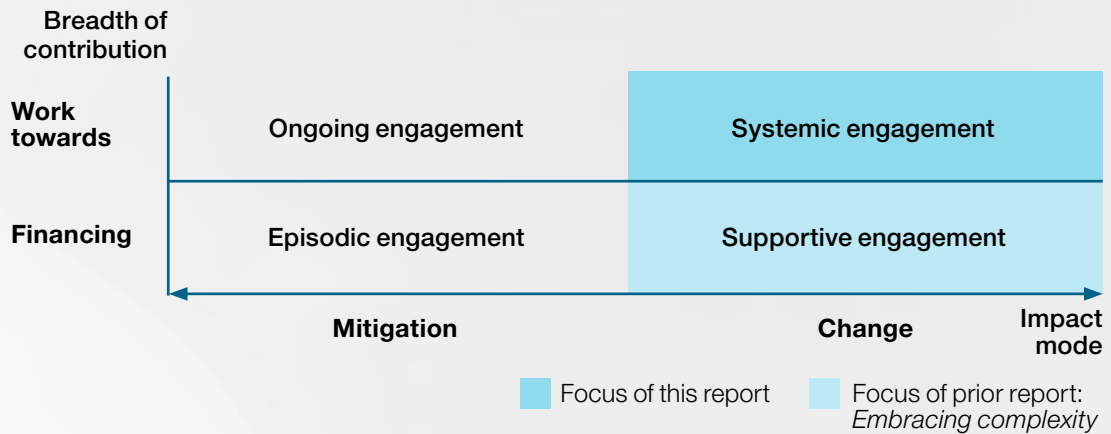
These notions of equity across space and time are particularly important in the current context. Centrally accumulated wealth (a key measure of inequity) is now created in a global context and will have some direct implications for future generations (e.g., advancing climate change through fossil fuel investment or laying the foundation for even-stronger central accumulation in the future). We encourage the reader to keep these notions in mind while going through this report and subsequent reflection activities.

Text Box 2

Types of social engagement

Figure 1

The ecosystem of social engagement

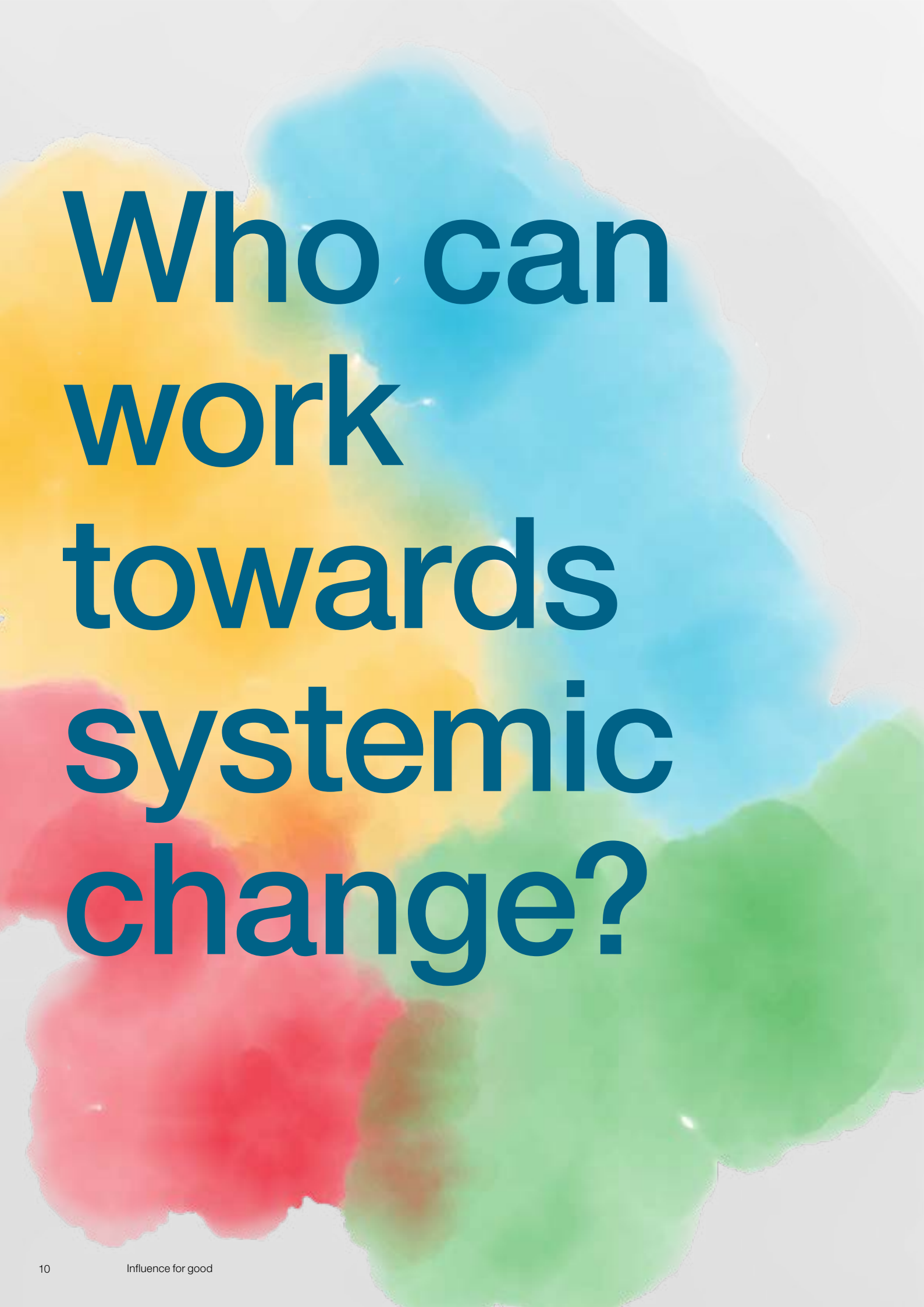


When we think about philanthropy, we often think of financial transactions. Donations and investments are among the most significant ways that individuals around the world engage with organizations seeking to make change.

In this report, we are focusing on a fuller suite of activities. This includes funding systemic change as a core pillar, but also goes beyond monetary support to examine, for example, how to dedicate time and use one's connections. The idea of engaging beyond donations is not new at all: it has been widely discussed in various forms, including volunteering, corporate social responsibility, or the power of role modeling.⁹ However, strategically using many different forms of engagement to work towards systemic change is a concept that has not been discussed in the literature yet. This is not to say that those who prefer to engage with change only through funding are not doing valuable work. Our 2019 report, *Embracing complexity*, covers exactly this topic and provides guidance on how monetary contributions can help bring about lasting and significant change. However, we need to unlock significantly more resources to really achieve the change. The concept of using a full suite of activities is not new in philanthropy, but it hasn't been applied to systemic approaches in as much detail as provided here.

It is important to distinguish between mitigation and change activities. If you are conducting activities (financial or otherwise) that focus on alleviating symptoms and creating short-term impact, you are working on mitigation. A lot of volunteering or crisis-related activism falls into this category. Mitigation promotes equity today, but without addressing the source of inequity, these adjustments don't last. Change engagements focus on addressing the root cause of issues and work towards creating a better future in the long term. An example of a mitigation activity would be providing crisis relief for an area devastated by landslides; a change engagement would be supporting local communities to grow sustainable forests that increase soil integrity and hence prevent the likelihood of future landslides.

Mitigation activities are an integral part of a functioning ecosystem of social engagement because they alleviate short- to medium-term harm. But these activities do not bring about sustainable, resilient change. We need a healthy mix of mitigation and change activities in social engagement.



**Who can
work
towards
systemic
change?**

Working towards systemic change is a communal effort. Every actor in society can and has to play their part. This report series on systemic change covers different stakeholders in the ecosystem (see Appendix), and in creating it, we have invited dialogue between all stakeholders on how to work towards systemic change. We have previously explored foundations and other large-scale donors, governments and their contributions to a strong systemic change ecosystem, and the GDP upside of systemic change for societies, alongside societal benefits more generally.

This report now focuses on individuals and the ways they can contribute. While it specifically talks about individuals with disproportionate access to resources (HRIs), most concepts discussed are widely applicable.

HRIs have significant wealth¹⁰, and, often, access to other resources, such as networks and the reputation of having influence in social, business, and political circles. Therefore, they are well positioned to help address the crises that the world is currently facing.¹¹

For example, the successful businessman Chuck Feeney used his Irish heritage and years of financial support of Irish educational institutions and grassroots organizations to build trust locally. Based on this trust and his public prominence, he was able to facilitate conversations between Sinn Féin and loyalist parties. This played a small but potentially important part in the peace process following the Troubles in Northern Ireland, finally resulting in Northern Ireland's self-governance as part of the UK, ending widespread and continuous violence.

However, not all philanthropic or development activities – conducted by individuals or organizations – support systemic change. In the past, most philanthropic activities were directed at institutional causes and symptom alleviation, benefiting individual universities, hospitals, or cultural institutions.¹² While there is value in supporting these causes, systemic approaches would better address issues for the long term and secure resilience beyond the individual's time and support.

But there is reason to think that HRIs are interested in learning how to be more impactful in their philanthropy. Nearly 80% of major philanthropists state fundamental betterment of the system as a priority. According to recent wealth and attitudes analysis, philanthropy is now the number-one interest for HRIs, indicating a hunger for change.¹³

In recent years, there has also been an increasing academic focus on the role that HRIs play in creating and upholding inequity in society.¹⁴ Evidence is growing that the increasing centralization of wealth causes harm to society by creating inequity. Taking the US as an example, increasing wealth inequality:

- **creates political inequality**, which further reinforces and expands benefits for the privileged, reducing equity even further¹⁵
- **decreases social mobility**,¹⁶ leading to the formation of social classes with significant gaps in longevity,¹⁷ educational attainment,¹⁸ and health¹⁹
- **hinders growth**, in part due to the inhibiting effect of inequality on entrepreneurship;²⁰ the OECD estimates that rising inequality reduced US GDP by 5% per capita from 1990 to 2010²¹

There are some who would argue that accumulating private wealth allows individuals to fix issues more effectively. But this approach might negate an inherent goal of systemic change – equity. Equitable systems are those that balance the needs of all members of a global society, giving higher weight to those who are the most marginalized. Public legitimization, scrutiny, and accountability help ensure that society is actually becoming more equitable, and these guardrails are hard to maintain with centralization of wealth.

This report is meant for those HRIs and their advisors who want to support systemic change in society and engage beyond donating money (see Text Box 2: Types of social engagement). Those who seek to play their part will need to navigate not only the complexity of major societal crises, but also the influence of their own power and privilege. As much as they can significantly contribute, their presence and influence can also hinder systemic change, particularly if their activities obstruct communities striving for equity by, for example, obscuring their voices.

It is critical, therefore, that HRIs work with seasoned practitioners and proximate and subject-matter leaders such as the thousands of social entrepreneurs in our publishing partners' networks. Systemic change cannot be the product of one lone agent – it necessarily involves the collaboration of many players with diverse interests and can take place on a local, national, and global level.

We acknowledge that our audience is diverse in terms of attitudes and preferences, and that some HRIs may seek to act not as agents of systemic change themselves, but decide to fund those who do. As described in our prior report, *Embracing complexity*,²² funding systemic change is a legitimate activity, and an ideal starting point to connect with those who are already working towards systemic change. In fact, funding systemic change is likely to be such an effective action that it should always be part of HRI engagements: it can be supplemented by other forms of engagement but never replaced by them.

In this report, we seek to encourage HRIs to develop an approach to working towards systemic change tailored to their situation. We track the journeys of several HRIs, showcasing the diversity of pathways to becoming agents of systemic change. From these examples, we propose common guiding principles that HRIs can use. The examples show that these guiding principles are both feasible and impactful, and also significantly benefit the HRIs who follow them (see Text Box 4: Motivations for systemic change).

The report's findings are based on surveys and over 100 interviews with our publishing partners, covering some of the world's most renowned practitioners. These findings are supported by leading ethics scholars and over 50 HRI voices from all over the world who already partly adopt these best practices (see Appendix for more on our methodology). This has enabled us to introduce a best-practice approach for systemic change and a practical guide on how to implement it.

Text Box 3

Essential expertise

Proximate leaders

Throughout the report, we will refer to proximate leaders as a key source of expertise, most notably contextual and practical expertise.

Proximate leaders hold contextual wisdom, as they are part of the in-group of communities affected by the issues that systemic change aims to address. They share the same experience as their communities, providing contextual knowledge that cannot be acquired in any way other than living through it.

Proximate leaders hold practical wisdom, as they are usually initiators or key drivers for systemic change. They have years of experience working on their respective topic areas and are therefore highly skillful and seasoned practitioners.

Proximate leaders combine deep, trustful connections with their communities with contextual and practical wisdom. With clear visions for their communities, they are a powerful source for change if provided with the appropriate resources. The publishing partners of this report work in trusting relationships with proximate leaders in all regions around the globe. These partners are therefore ideal contacts for HRIs who want to be involved in systemic change.

“To catalyze the conditions for equitable systems change, we need to engage multiple perspectives and experiences in order to define both problems and solutions. In doing so, we draw on ancestral and cultural wisdom, intuitive knowing, and the insight of the arts with their ability to represent complexity, as well as what may be more familiar rationalist approaches rooted in theory, logic, and numeric analysis that are so often over-privileged in US dominant culture.”

Change Elemental (US)

“If you haven’t slept a single night on the street, you don’t know what it is like. Therefore, we don’t fund organizations without people who have lived experiences in the offices and leading positions.”

Neha (Europe) – CEO of a foundation serving vulnerable communities

“If you are interested in impact, you should support networks that govern and control themselves. If you think you can understand and evaluate what they are doing, you are wrong. You most likely lack the experience, the knowledge, and the competence to do so.”

Mark (Europe) – Chairman of the Board at a major European company

Subject-matter leaders

To ensure a well-rounded approach towards impact, contextual and practical wisdom should be complemented by scientifically appraised evidence. This role can be filled by subject-matter leaders.

Subject-matter leaders engage with systematic collection of data and evidence. They are qualified by their rational and academic rigor, though they do not need to be affiliated with universities or research organizations. They engage in enhanced reasoning by collecting data and making sense of it. Their results are scrutinized by a broad, qualified audience, usually the scientific community. Proposals and positions put forward are widely scrutinized and held up in the face of this critical, in-depth evaluation.

Through this, subject-matter leaders can provide an evidence-based picture that aims to understand the underlying drivers and interconnections at play. Therefore, they possess the tools to connect and reconcile differing demands and support the creation of effective solutions.

Subject-matter leaders are not necessarily part of the in-group, although they can be. Those subject-matter leaders who are not proximate leaders themselves are often close to proximate leaders who play a crucial role in providing the evidence that constitutes their expertise.

Some proximate leaders excel at using the best evidence available to them to address their respective topic areas. Similarly, several subject-matter leaders are experts on their respective topics without personal lived experience, often because they made collecting the evidence their profession. But not every proximate leader is also a subject-matter leader and nor is every subject-matter leader a proximate leader.

Some communities don't have proximate leaders: for example, future generations impacted by future harm caused by climate change. In those cases, subject-matter leaders can play a crucial role in approximating the needs and experience of affected communities to design suitable measures to protect their rights and provide for their needs.

Text Box 4

Motivations for systemic change

Academics have identified eight motivations for philanthropic involvement: the perception of a need, the solicitation of help, the assumption that costs are lower and benefits higher, altruism, social reward, contributing to positive self-image, alignment between causes and individual values, and the superior efficacy of gifts.²³

From our interviews, we found that the contribution to positive self-image and the alignment of causes and values were the biggest motivations for working towards systemic change. Several HRIs mentioned that working towards systemic change became part of their identity, and they derived a sense of purpose, belonging, and liberation from their work. They reported very positive impacts on their well-being, especially mentally and emotionally.

Many interviewees also shared that they felt a moral obligation to change dysfunctional systems, though not all of the HRIs we spoke to held this view. The intensity of this perception depended upon the extent to which an individual felt that the following four statements were true: that they benefited from dysfunctional systems, that they contributed to these, that they were able to change the status quo, and that it was urgent to do so – factors that have also been recorded by leading ethics and philanthropy scholars.

For several HRIs, these considerations crossed national borders, as they often benefited from or contributed to global inequity beyond their local impact. Many of our interview partners saw it as part of their work to shift the perspective of peers, showing them what they can win by embracing change and what they will keep losing if they don't.

Benefit: “The more I benefit from unjust systems, the more I care about change”

The HRIs we spoke to acknowledged that they benefit from social, financial, and historical structures that are skewed towards them and their needs above and beyond the average private citizen. This is generally the case: for example, financial investments generate higher monetary returns than monetary returns from labor,²⁴ and educational and healthcare systems often discriminate across multiple dimensions (e.g., socioeconomic groups, gender, ethnicity, religion, sexuality).²⁵

While there are clear personal advantages that come from being favored by systems, the advantages of overcoming inequity often outweigh these. For example, more equal societies harbor higher scores for happiness and well-being for everyone, including the wealthiest share of the population.²⁶

“Our liberation is tied up with the liberation of everyone else. In a world where black people are truly free, I will be more free. I believe that deeply.”

Neha (Europe) – CEO of a foundation serving vulnerable communities

“I mourn the vast inequalities in my second home Los Angeles. We have to wake up to the reality that we created the circumstances that now lead to people being held at gunpoint when going to their favorite restaurant in Beverly Hills. Acknowledging that I contributed to this issue, and that I can contribute to solving it, was so powerful to me personally.”

Karen Spencer (UK) – Founder and CEO of Whole Child International

“I believe that living in a guarded community is neither safe nor free. A safe and free life means being able to step out on the street and not having to be afraid of being robbed. Many HRIs want to safeguard the status quo because it gives a false sense of safety and freedom. If the awareness that nobody is well until everybody is well sinks in, that would be a true gamechanger.”

Verónica (Mexico) – Inheritor

“It is time to end business schizophrenia. On Saturday, people have children and care for the future, and on Monday they make business decisions that destroy the environment. I invite everyone to have the courage to do what they already know is right.”

André Hoffmann (Switzerland) – Vice Chairman of Roche Holding

Contribution: “The more I contribute to unjust systems, the more I feel responsible for change”

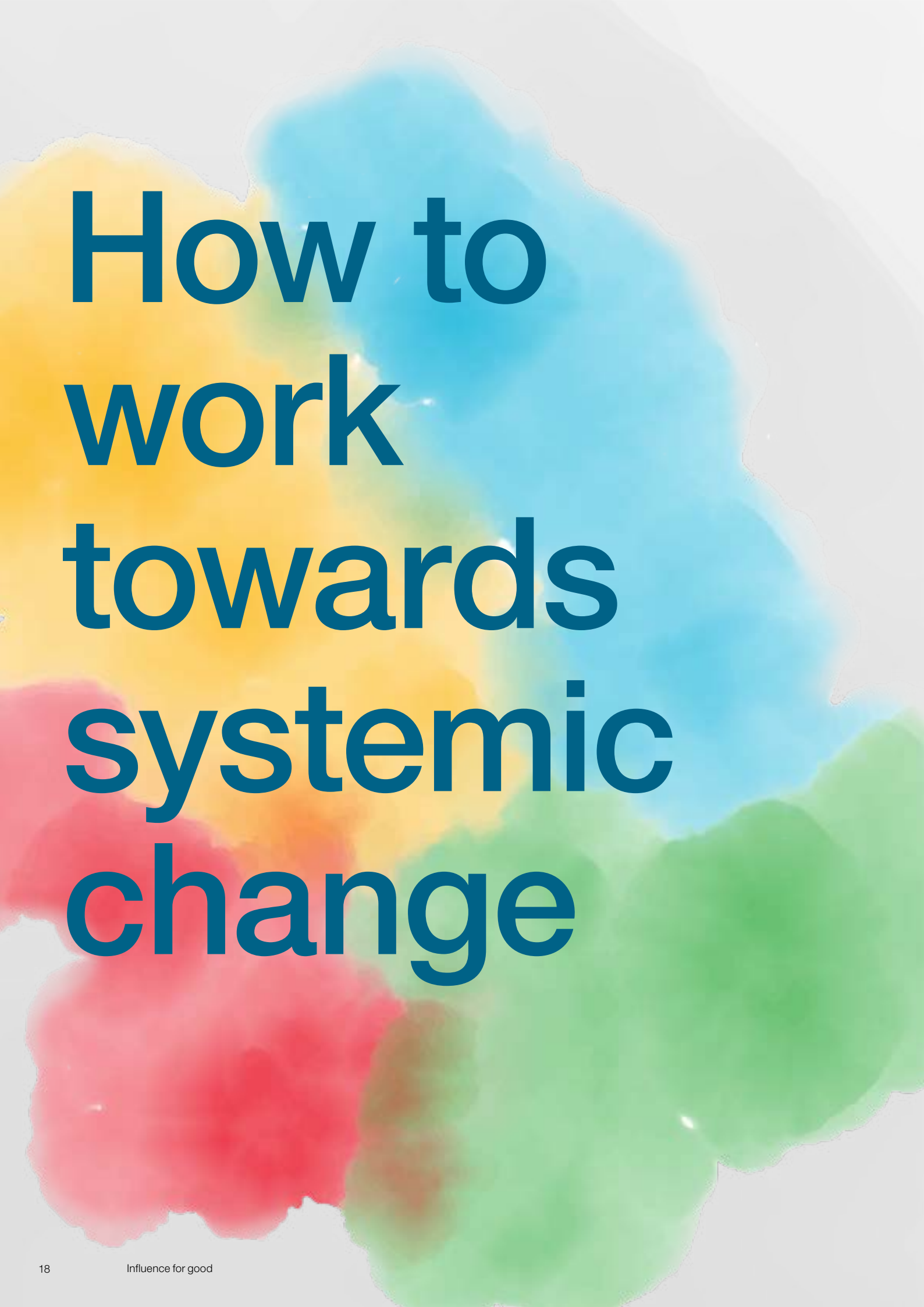
In many cases, interviewees were keen to act to change those systems they contributed to, directly or indirectly. To help understand their role in creating or maintaining systems, they stated that they reflected on the source and legitimacy of their wealth and how further accumulating it causes harm, among other actions.

Ability: “The more resources and influence I have, the more I use them to work towards change”

HRIs don't have magic wands in their pockets to solve the world's problems. But they have disproportionate access to resources, enabling them to be powerful change agents. Furthermore, they have the opportunity to shift power through how they deploy their resources. Identifying ways in which they can make an authentically positive difference is a powerful first step towards systemic change.

Urgency: “The more threatening unjust systems are, the more important it is that I start working towards change now”

A lot of the cumulative crises we observe right now are highly urgent and threatening. Several have been known for decades, and action has fallen significantly short of what would be necessary to overcome them. In this context, the perception of philanthropy as optional is changing. We are collectively beginning to realize that we have to care for others out of sheer self-interest. With the breadth of crises ranging from the COVID-19 pandemic, to the unevenly distributed impacts of climate change, growing global and local inequalities, and the resurgence of authoritarianism and violence linked to a rise in nationalist sentiments, we all can benefit from addressing them. But it is even more likely that we will all lose if we fail to address them rapidly and appropriately.



How to work towards systemic change

The remainder of this report presents practical guidance on how you (an HRI) can work towards systemic change by utilizing your full suite of resources. We draw heavily on co-publisher Generation Pledge’s LEB model, recognizing that its three-phase framework (“Look with courage,” “Envision with rigor,” “Build with excellence”; see Figure 2) is well suited to the complexity of this work. HRIs working towards systemic change should recognize the LEB model as a continuous sequence that starts anew after the completion of one full cycle, emphasizing that systemic change is a continuous task.

In places, we have adapted the LEB model based on specific lessons and insights from interviews and added an ethical self-reflection framework. These changes were introduced to help HRIs who specifically focus on systemic change. These recommendations are drawn from four years of research and informed by best practices put forward by practitioners and scholars who have long tenures working to understand and further social change. We have also included the experiences and guidance of HRIs who have already adopted many of the suggested practices. We show only small excerpts of their experience to illustrate what engagement could look like in different forms. Their engagement is always more complex than described in these instances, and we share some more in-depth examples in the Appendix.

Each chapter shares a practical three-step approach, key self-reflection questions, and further supportive resources. In every chapter, there is a deep dive on one of the steps, supported by case examples showing how best practices look in application. No individual presented is a perfect agent of change, but every single one is already successfully contributing towards systemic change in the discussed capacity.

Figure 2

The LEB model



Look with courage

“Many people approach me and ask about technicalities of social engagement, almost never about the why. I insist that technicalities are the easy part and that the real work is an inner appraisal of why you do what you do. Be courageous enough to ask these questions and start the work now.”

Chuck Feeney (US) – Co-Founder of the DFS Group

The “Looking with courage” phase requires an honest appraisal of the status quo. Recognizing that the world isn't perfect is a key step in systemic change, as it allows you to appreciate where there could be less suffering, more flourishing, and less existential, environmental, and social risk.

After you have looked outwards, you also need to look inwards: understanding your values and why you are motivated to pursue systemic change. Once you have a clear view on both the world and yourself, it's possible to consider the broader question: how do you relate and contribute to this world? This step encourages you to review the impact of your assets, investments, and conduct.

Envision with rigor

“Being prepared to transform yourself is a requirement for a better world, but you also do this work so that you might be able to transform into a truly free person yourself. It's a virtuous cycle.”

Farhad Ebrahimi (US) – President of the Chorus Foundation

Once you understand the status quo, you can turn your attention to imagining a better future. Accepting the key role of evidence that is provided by proximate and subject-matter leaders is crucial for success at this stage – they will have a vision for how systems would need to change, and you can start by seeking to understand what that looks like.

However, it is also important to create a vision for yourself. This begins with an exploration of how you could become a more effective change agent (e.g., by developing new skills, rethinking how you approach a network). Once you have a vision for yourself and others, informed by a community of peers, practitioners, and proximate and subject-matter leaders, you can create a strategy and executable plan on how to support moving the status quo towards this better world.

Build with excellence

“Everybody likes handing out things or funding buildings, because that’s tangible. But real value comes from systemic change, changed behavior, changed mindsets. The buildings you build might sit empty; mindset shifts keep impacting generations to come. Ask yourself what you have to do to create truly lasting positive change and act upon that.”

Nihar Kothari (India) – Executive Editor and Director of Rajasthan Patrika

After working to understand the shared vision of your impact, it is time to act. Aim to orient your contributions along the most impact you can have, as advised by proximate and subject-matter leaders. It’s important that this work produces real change, which fundamentally moves towards solving challenges and addressing opportunities. For problems that can be solved within a lifetime, this means aiming to ultimately remove the reason for your involvement (although not all systemic problems can be addressed in this timeline). In service of this, consider how you will track your progress and adjust your approach based on evaluations and honest feedback.

This three-phase LEB approach is a cycle – it is important to go back to the “Look with courage” phase before embarking on your next round of change efforts.



Look
with
courage

Understanding the status quo and reflecting on how to work towards systemic change

Practical guide: How to look with courage

When working towards systemic change, you should first “look with courage.” This entails conducting an honest appraisal of the world, yourself, and how both relate. Community reflections are very helpful here, especially with peers but also with practitioners and proximate and subject-matter leaders (see Text Box 3: Essential expertise).

If you are looking for some structure to start looking with courage, we offer a three-step approach, supported by questions from the self-reflection framework (see deep dive below) and further resources.

The deep dive below gives more details on how to look continuously, introducing a self-reflection framework put together by experienced HRIs, practitioners, and ethics scholars.

Once you understand the status quo, start to think about what a better future could look like by **envisioning it with rigor**.

Look outward. Understand the world as it is, recognizing where there could be:

- less suffering
- more flourishing
- less existential, environmental, and social risk

Look inward. Have the vulnerability to take a look at yourself, appraising:

- your core values and motivations to engage socially
- your strengths and skills
- your privilege

Look continuously. Reflect regularly on:

- how you contribute to the world, both in positive and negative ways
- how aligned your resources are with your values
- how you work towards systemic change

This question supports you in the “Look with courage” phase (see deep dive below):

- Am I working towards trust-based relationships?

Supporting resources (examples):

Generation Pledge Workbook (Global): [Workbook for new pledgers](#)

APF video series (Africa): [Why Give – APF philanthropists profiles](#)

80,000 Hours (Europe): [Our current list of pressing world problems](#)

Abigail Disney article (North America): [I was taught from a young age to protect my dynastic wealth](#)

The Atlantic article (North America): [Cancel Billionaires](#)

Atlantic Philanthropies article (North America): [Top 10 lessons learned in hindsight](#)

SNEEJ article (North America): [Jemez principles for democratic organizing](#)

Sigal Samuel (North America): [Should animals, plants, and robots have the same rights as you?](#)

Deep dive

Look continuously: Regularly reflect on how you work towards systemic change

Almost every interviewee emphasized the importance of continuously reflecting on their own conduct while working towards systemic change. They reported two different motivations underpinning this self-reflection. Several HRIs engage in this exploration to ensure ethical conduct, perceiving that their privileged access to resources creates a moral duty to engage responsibly (see Text Box 4: Motivations for systemic change). Others were more concerned with the effectiveness of initiatives. For them, working on themselves is a powerful tool that helps maximize impact and inoculate against inadvertently caused harm.

In both cases, most interview partners were very aware that their (intersectional) privileges can be powerful, positive enablers, but also carry the innate danger to cause harm, whether intended or not. They stated that they felt cautious when deploying their influence. Some of these HRIs even asserted that their privileges were themselves symptoms of dysfunctional systems and that they were therefore trying to work on dissolving them; for example, by giving away major shares of their wealth – or even the entirety.

We have sought to create a framework for practice-oriented ethical self-reflection, drawing on experiences shared by HRIs and from consultation with world-leading practitioners and ethics scholars. Most HRIs emphasized the importance of continuous, communal learning: growing through exchange and dialogue was seen as the true guiding force for positive change in the world. Therefore, we suggest regular and repeated engagement with the questions laid out here. This can be done as an individual, but may be more effective and revealing with a community of reflection partners (e.g., peers, philanthropy networks, or practitioner networks such as this report's publishing partners).

The framework consists of five groups of questions, each with their own intention. Different questions are particularly important at different stages of the LEB cycle, and are laid out at the beginning of each chapter. The questions laid out here can be seen as a reference sheet or process flow. As a process, it starts by focusing on relationships. This guiding question – “Am I working towards trust-based relationships?” – should help prompt reflections on how relationships are formed and maintained. From there, the next three groups of questions focus on strategic change work itself: the focus of the work, the structure of initiatives, and the expertise that guides them. The last group holds more relationship-focused questions, emphasizing reflection on the work as well as listening to and adopting feedback.

By continuing to ask themselves tough questions, HRIs can be true collaborators, avoid inadvertent harm, and generate high impact

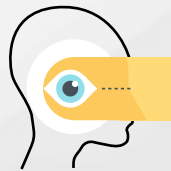
HRIs who engage systemically are on a learning journey in which they iterate on the following questions, which are endorsed by practitioners and leading, interdisciplinary scholars in the field

Figure 3

Self-reflection framework

Step 1
Relationship building

Am I working towards trust-based relationships?



Step 2
Technical refinement



Am I working towards positive, systemic change?



Am I working towards lasting change?



Am I working in service of change, based on evidence?

Step 3
Relationship building



How do I learn from experience?



Question 1: Am I working towards trust-based relationships?

What this means: While engaging with systemic change work, use this group of questions to prepare for the lessons ahead. Reflection here will help you identify your motivations and values, understand your willingness to listen, learn, and improve, foster authenticity, and lay the foundation of trust-based relationships. Earning the trust of partners is essential to maintain coalitions working towards systemic change. Trust can be built by ensuring accountability, being open, sharing intentions, and making processes transparent. HRIs we spoke to also reported that proactive transparency led to partnerships that were on average a better fit for their skills and goals.

Further questions:

- Am I prepared to truly engage with myself?
- Do I authentically engage with and truly listen to people?
- Am I willing to share my power? Why or why not?
- Do partners and the public understand which goals I am trying to achieve and which resources I am using for that purpose?
- Do I communicate my successes and failures openly?
- Do I disclose potential conflicts of interest?

Case example:

Zeynep Bodur Okyay (President and CEO of Kale Group, Turkey) came to realize that the “hero narrative” that is so socially prevalent is faulty at its core. She now advocates for deep cooperation between various stakeholders instead of fragmented approaches. For Zeynep, this entails listening to communities, lending an ear to their genuine needs and wants free from her own presumptions. This lays the foundations to engage in long-term partnerships in which everything is co-created, co-designed, and co-implemented.



Question 2: Am I working towards positive, systemic change?

What this means: This group of questions goes to the core of systemic change. Several HRIs reported that the questions in this group have been inherent to how they think about their social engagement. For many, it marked the transition from donor-centric philanthropy to working towards systemic change. A main challenge for HRIs in working towards systemic change is the difference of power. This is especially the case when making decisions (for example, on how to allocate resources or shape policies), setting agendas (for example, by deciding which issues are publicly debated and determined), or shaping ideologies.²⁷ The potentially harmful effects of power disparities have been discussed in the “Who can work towards systemic change?” chapter.

Further questions:

- Do I select initiatives considering the needs and preferences of the most marginalized people and species in the world?²⁸
- Do I truly believe that systemic change is important for the world, and that promoting increased global equity will benefit everyone? Do I promote this idea among my peers?

- Do I consider all positive and negative impacts of my work?
- Do I consider how power is distributed in society when choosing my systems change goal?

Case example:

Annabella Bassler and Marc Walder (CFO and CEO of Ringier, Switzerland) joined forces with the Ringier family to promote more equitable gender representation in the news articles of one of Switzerland's largest media outlets. By collecting data on gender representation in Ringier's publications, they could support their journalists to be more mindful of the status quo. This brought representation significantly closer to the share of women in the respective audience.



Question 3: Am I working towards lasting change?

What this means: This group of questions emphasizes the importance of setting initiatives up for long-term success and sustainability. This includes two dimensions: First, the deep inclusion of people and communities who are affected by an initiative to safeguard their interests, when engaging them is a possibility (other mechanisms must be incorporated to safeguard the interests of those who cannot be represented, such as future generations). This shifts the power disparity and contributes to equity in itself, as decision-making and agenda-setting power can then lie with these communities. Second, it includes the establishment of systemic structures that are self-supporting in the long run. Self-supporting systemic structures could be laws, public institutions, initiatives sustained by communities, self-sustaining business models, etc. A system that is infinitely dependent on external support is not sustainable or ultimately equitable.

Further questions:

- Do initiatives benefit the people who are affected by them?
- Are initiatives governed based on principles that ensure decision-making and agenda-setting power for affected communities?
- Do these initiatives build resilience in communities by equipping them with sufficient resources and skills to deal with unforeseen issues, even outside the original issue area?
- Are initiatives co-created with institutions that ensure their long-term self-support, e.g., public institutions?
- If applicable, do I improve existing public structures instead of displacing them?

Case example:

Rohini Nilekani (author and philanthropist, India) has worked with nongovernmental organizations and others across a number of different topics, including access to education, road safety, and clean, sustainable water systems. In every case, she seeks to help communities she works with to develop the capabilities and resources to diagnose issues and self-manage change. This helps build resilience in these communities – allowing them to see arising problems and sketch out solutions for themselves. This approach proved its worth during the COVID-19 pandemic, when supported communities were able to react more rapidly and decisively, thanks to both their capabilities and their trust in partners.



Question 4: Do I work in service of change, based on evidence provided by proximate and subject-matter leaders?

What this means: This group of questions is about the kind of expertise that is needed for any initiative. As social issues are heavily complex and contextual, it is necessary to include a broad variety of expertise and evidence to guide action, instead of relying on gut feeling and hearsay. At the core, that includes proximate and subject-matter leaders to provide the evidence necessary for positive and effective change. As laid out in Text Box 3: Essential expertise, the contextual knowledge needed to successfully change systems held by proximate leaders is a crucial source of evidence. Furthermore, proximate leaders are important stewards of trust. While practitioners and HRIs can often build trustful relationships with proximate leaders, it is usually the proximate leader who in turn maintains trustful relationships within their communities. This trust base is crucial for success. The expertise of proximate leaders should then be combined with the expertise of subject-matter leaders, who together provide the best technical and operational knowledge available to create real impact.

Further questions:

- Do I work according to the expertise of leaders who have lived experience with the problem that I want to solve and have trust among people who have historically been excluded from power? If not, is it because these leaders are inaccessible or due to a conscious choice?
- Do I work according to the expertise of subject-matter leaders who hold deep knowledge on the best available evidence on the problem and potential solutions? If not, what steps can I take to do so?
- Do I acknowledge proximate and subject-matter leaders as the true experts on the problem?
- Do I work with a diverse set of leaders (multidisciplinary, multisectoral, multicultural, multigender, etc.) who have different approaches and perspectives on the problem?
- Do I support networks and collaboration between sectors?

Case example:

Chuck Feeney (Co-Founder of the DFS Group, US) understands the value of listening over imposing. In one case, he and his foundation Atlantic Philanthropies became involved in a project to develop rural health clinics in Vietnam. He built up a relationship with the US health attaché in Vietnam, who then provided several referrals to proximate leaders. These trust-based referrals enabled Chuck and the foundation to immerse themselves in local structures and communities, and in turn identify proximate leaders who could inform their approach. Based on this guidance, Chuck broadened his original focus on hospitals and supported other health campaigns like Tobacco Control and Helmet Laws.



Question 5: How do I learn from experience?

What this means: This group of questions captures the continuous learning journey that all interviewed HRIs perceived themselves to be on. They emphasized the importance of learning from experience, especially after failure, and having trusted advisors with the courage to give honest feedback, while retaining an awareness that evidence is always contextual. While evidence and learning from experience is important, it is equally important to acknowledge the complexity of social structures and that not all experience and evidence is transferable across social contexts.²⁹

Further questions:

- Do I receive regular, in-depth feedback on my engagements from proximate and subject-matter leaders and my accountability partners?
- Do I constantly adjust my engagement based on that feedback?
- Do I communicate these changes openly?
- Do I learn from evidence and others' experience?

Case example:

Maya Patel (CEO of the Tarsadia Foundation, US) lives near to her extended family of approximately 50 people. Many of them are engaged with the family businesses, and they also closely coordinate the family's social engagement. With regular, thought-provoking conversations on values, approaches, and impact, the entire family functions as a sounding board for each other, not shying away from more radical ideas and calling each other out on the role they play in society.

“Learn how to be okay with being uncomfortable, wrong, and failing. If we knew how to do this, it would already have been done.”

Elissa Sloan Perry (US) – Co-Director of Change Elemental

Text Box 5

Reactions to the self-reflection framework

The self-reflection framework was informed by the experiences shared by HRIs during the interviews we conducted. But we also collected reactions to the final piece, testing whether it resonated and whether it was regarded as useful for themselves and others.

The framework resonated with practitioners, ethics scholars, and most HRIs. But we also heard a few voices disagreeing with either the content or framing of the questions. While some HRIs would have preferred more ambitious and demanding criteria, two were worried that the questions were too demanding for some HRIs still on the fence. While we acknowledge the criticism in these reactions, they further supported our confidence that the presented framework is adequate and useful for most HRIs interested in working towards systemic change.

Sharing this spectrum of reactions, we want to open the floor for an extended (critical) discussion on the questions presented, in which each voice has value and space to be heard.

- I am unsure about the self-reflection framework. I am worried that people feel moralized by this, scaring away those who might be on the fence about working towards systemic change.
- I am unsure if the questions are too cautious. I too often see people going through things like this performatively and not really living the reflection. I personally wouldn't have put these questions so diplomatically – proper reflection on them is too important.
- I struggle with the point on public structures. If I, for example, look at dysfunctional education systems, I often aim to innovate outside of public structures. Of course, I hope to finally bring public schools along, but I am still operating outside the public schooling system.
- If we think about long-term success, we have to think about public structures. There is no way I can establish and sustain an institution entirely based on private money that is indiscriminate and available at scale.
- I really loved the framework; it is so on point. I can't emphasize enough that HRIs should engage in this reflection. HRIs often have the perception that they benefit from the current state of the world – it will powerfully contribute to change if we dismantle this idea.
- I loved to see the point on feedback and learning and cannot emphasize enough how important it is. But I am worried that people might confuse a day at the spa – which is wonderful in itself and can spark great ideas – with actually doing inner work and confronting the sometimes ugly and uncomfortable truths that we collectively have to face.





Envision

with

rigor

Creating a clear vision and plan for impact and the change agent you want to become

Practical guide: How to envision with rigor

The second phase in preparing for systemic social engagement is about imagining a better future. This means identifying ways to become an even more effective change agent and collaborating with proximate and subject-matter leaders (see Text Box 3: Essential expertise) to create a vision and strategy on how to support their work towards change.

It is particularly beneficial in this strategizing stage to draw on diverse perspectives and experience, combining the lived experience of proximate leaders with the best available evidence presented by subject-matter leaders. Based on a historical undervaluation of lived experience, we particularly emphasize the importance of proximate leaders. Initiatives can bring together the best knowledge from all sectors, but still fail because they don't match community needs. The "Envision with rigor" phase relies on engagement with the community, especially through proximate leaders. If you need a starting point for connections, our publishing partners represent thousands of practitioners closely connected to proximate leaders in many domains (see the "How to get started" chapter).

If you are looking for some structure to start your "Envision with rigor" phase, we offer a three-step approach on the next page, supported by questions from the self-reflection framework (see the deep dive in the "Look with courage" chapter) and further resources.

The deep dive below gives more details on how to identify your resources, introducing the concept of "polycapital." This can help you structure your self-assessment and identify how you are already deploying resources and where you could still improve.

Once you have developed a vision for a better future, it is time to act by **building it with excellence**.

Envision yourself: Work towards becoming an even more effective change agent by:

- assessing what you can offer the world
- seeing which contributions are most impactful in your context
- upskilling accordingly

Envision the world: Form your vision for involvement and then deeply listen to proximate and subject-matter leaders, in order to:

- understand the needs of the causes you are addressing
- understand how systems would need to change to meet those needs
- formulate a vision and goal for change

Envision the change: Create a plan for how you can best contribute, seeking to be:

- guided by the best available evidence provided by proximate and subject-matter leaders
- focused on impact
- informed by evidence and reason (when evidence is limited or unavailable)

These questions support you in the “Envision with rigor” phase (see the “Look with courage” chapter):

- Am I working towards trust-based relationships?
- Am I working towards positive, systemic change?
- Am I working towards lasting change?
- Am I working in service of change, based on evidence provided by proximate and subject-matter leaders?

Supporting resources (examples):

APF report series (Africa): [*Toolkit for African philanthropists*](#)

WACSI article (Africa): [*Why international development projects fail in Africa and what we can do differently*](#)

Abdul Latif Jameel Poverty Action Lab (Asia): [*Evidence to policy*](#)

Rohini Nilekani Philanthropies approach (Asia): [*Public goods for public good*](#)

Charity Entrepreneurship (Europe): [*Weighted Factor Model*](#)

Founders Pledge (Europe): [*Impact investing report*](#)

Julian Kölbl et al. (Europe): [*Can sustainable investing save the world?*](#)

Resource Generation article (North America): [*Transformative investment principles*](#)

Atlantic Philanthropies article (North America): [*Operating for limited life*](#)

Deep dive

Envision yourself: Assess what you can offer the world

In order to maximize the impact you can have in working towards systemic change, you should assess which of your resources could be helpful in this work. This step not only helps you be more strategic about your approach, but also reveals skill and resource gaps to be addressed.

A useful framework for thinking about all of the ways that HRIs can make a difference is the polycapital approach. The polycapital approach refers to using four major sources of influence, or “capital,” that HRIs have access to. These are the HRIs’ career capital, social capital, economic capital, and political capital.

Why take a polycapital approach?

Donations can be one of the most effective ways to create change. However, we need significantly more resources to achieve systemic change. Just reaching the SDGs would cost \$2.5 trillion annually.³⁰ Philanthropy plays a key role here, but we need to do more. Given the substantial challenges the world faces, it is essential that HRIs who want to do good use all of the levers at their disposal.

In this section, we define each of the different forms of capital and offer considerations on how HRIs might use them to improve the world. We then share some case studies for how HRIs are using these forms of capital in their impact work.

In Text Box 6: Deploying capital to support social entrepreneurs, we also explore examples of how HRIs can use their polycapital to support social entrepreneurs working towards systemic change.

Career capital

Ability to influence from a professional position or experience (e.g., a high-ranking person in an organization, an expert within an industry), and/or from the ability to dedicate time and energy to a cause. Career capital sometimes resembles social capital, as the differentiation is not always clear cut when it comes to professional relationships.

While HRIs are identified by their high levels of economic capital, they often have careers that can also have an important level of impact. This may be as an entrepreneur or as someone working for a highly effective organization addressing some of the world's most pressing problems. In many ways, HRIs can use their careers to do a significant amount of good in the world. The ways to deploy career capital are manifold. They range from utilizing knowledge or expertise, to using the prestige of the company in forming or maintaining relationships, to using the company itself to drive change via business decisions.

Career capital case studies

Nancy Birkhölzer (Global Sustainable Innovation Lead at PwC, Germany) joined PwC when it acquired her design and innovation studio. Now, she leverages PwC's client base to reposition sustainability from a risk-focused discussion to an opportunity-seeking topic, and develops new, open-source models to help businesses assess their impact on stakeholders.

Tania Rodriguez Riestra (Co-Founder and Managing Partner of CO_Capital, Mexico) equipped herself with financial fluency through years of investments in early-stage ventures to develop the Mexican social enterprise ecosystem. Today, she runs programs through which she passes on her knowledge and experience to peers (e.g., a program for female investors).

Social capital

Ability to use one's strong private or professional network of peers to mobilize other influential private citizens, and/or the ability to reach a wide public audience and so form and inform the public opinion of many people. The influence stemming from social capital is the value generated from these connections and the ways in which audiences (wide or focused) change the world from thereon.

HRIs often have access to both a breadth and depth of social connection. Their networks often include individuals who have significant power in society, including other HRIs. By connecting with other highly influential individuals in their networks, HRIs can multiply their impact. By getting other HRIs to join them on their impact journey, an HRI can multiply their impact several times over.

Social capital case studies

Karen Spencer (Founder and CEO of Whole Child International, UK) invites her dinner guests to discuss social impact and how they can move their engagement from small to systemic.

Fabian Heilemann (Partner at Earlybird and serial entrepreneur, Germany) is an originator of the Leaders for Climate Action initiative, which brings together digital companies to work towards more ecological sustainability. By building a community of like-minded tech entrepreneurs, they catalyze measurable climate action in tech companies. Fabian and his co-founders help convene previously underengaged high-level stakeholders – connecting them with leading climate scientist expertise in Germany in order to take action against the climate crisis using the best evidence available.

Rati Forbes (Director at Forbes Marshall, India) uses the opportunity to speak both publicly and privately whenever she can to plant the seed of change in people's minds regarding prevalent issues. This has included speaking to CEOs of companies of all sizes, key stakeholders of corporate foundations, and more generally, decision-makers in the ecosystem about how to survive during the COVID-19 pandemic, securing the livelihood of entire communities.

Economic capital

Ability to mobilize economic forces, either via direct funding or via economic activity.

HRIs are most commonly identified by their uniquely high levels of economic capital. While the most straightforward path between capital and impact is philanthropy, HRIs can also use other aspects of economic capital, such as their investments, to have a greater impact on the world.

Economic capital case studies

Jean Case (Chairperson of National Geographic and CEO of the Case Foundation, US) emphasizes that philanthropic money doesn't create direct returns for her. She therefore believes that it should be seen as a tool that can be deployed on higher-risk projects where others – such as the government – cannot take the necessary risks. This demonstrates a role that philanthropy can play alongside other institutions, spurring new ideas or creating spaces and support for new ideas that would not otherwise flourish.

Sapphira Goradia (Executive Director at Vijay and the Marie Goradia Foundation, US) is a grantmaker and uses philanthropy as a tool for social change. She was an early adopter of grantee-led funding. Joining her family foundation in 2013, she introduced multiyear grants that recognized the expertise and autonomy of grantees.

Political capital

Ability to influence policy and public governance.

Policy reform is an important lever for addressing the world's biggest issues. Our ability to achieve the SDGs, prevent suffering, and reduce risk is directly affected by how governments act in the coming decade. HRIs often possess unusually high levels of political capital: be it through their personal networks or their own involvement in the political process. We think it is particularly important to consider all the ways you can improve policymaking to bring about positive change in the world.

Political capital case studies

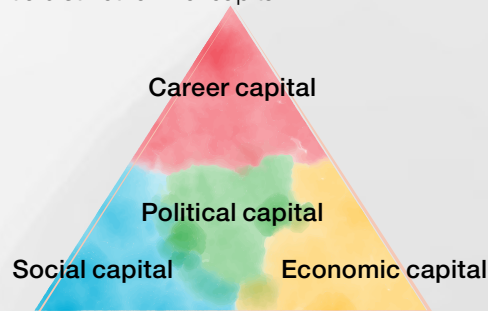
Marlene Engelhorn and Antonis Schwarz (co-initiators of #taxmenow, Germany and Austria) co-founded the #taxmenow initiative in Germany, Austria, and Switzerland to advocate for fair taxation of wealthy people. Via mainstream and social media, they lobby for the introduction of fair taxation on wealth and inheritance, and further taxes that support wealth redistribution, cooperating with grassroots and expert networks such as Bürgerbewegung Finanzwende and Netzwerk Steuergerechtigkeit.

Piet Colruyt (impact investor, Belgium) has been very invested in working towards social change ever since he was first introduced to Ashoka. Besides his impact investing, he also deeply cares about democracy and the climate: he has heavily supported initiatives seeking to strengthen Belgian democracy by adding deliberative elements. Furthermore, he has been instrumental in the Belgian climate case, one of the first instances globally where a government has been sued by its population for not taking sufficient climate action and therefore neglecting their mandate of stewardship. In June 2021, the Belgian High Court ruled in favor of the prosecution.

Figure 4

The four types of polycapital

While we have discussed each of the forms of polycapital separately, they often overlap. It can therefore be helpful for HRIs to consider whether any particularly promising opportunities lie at the intersection of their social, political, economic, and career capital. While career, social, and economic capital have distinct sources, political capital stems from a combination of the other three, making it a distinct form of capital.



Form of polycapital	Personal influence stems from four forms of capital (polycapital)	Potential examples, not all directly applicable
Career	Ability to activate professional experience and position, or dedicate time and energy	Changes enacted in or via companies, e.g., a commitment to protect the climate beyond state regulations via the Science Based Targets initiative
Economic	Ability to mobilize economic forces, either via direct funding or via economic activity	Engagement in alternative funding models, e.g., investment into the Catalyst 2030 fund
Social	Ability to reach a wide public audience and activate polycapital in personal or professional networks	Public spokesperson for a cause, e.g., Leonardo DiCaprio for climate protection
Political	Ability to influence policy and public governance	Advocacy for higher wealth taxes, e.g., #taxmenow in Germany

Deploying capital to support social entrepreneurs

Social entrepreneurs can be powerful agents of change. One option for HRIs aiming to work towards systemic change can be to support social entrepreneurs across a variety of causes by deploying their polycapital. Here, we discuss four topic areas that social entrepreneurs (all Ashoka Fellows) are currently working on, and present examples of how HRIs could use their resources to support their mission.



Career capital: Companies may directly or indirectly contribute to major global issues like income inequality or environmental pollution through their value chains. While there's no fail-safe rubric for overcoming these issues, competitive advantage is a motivation for business change. Social entrepreneurs such as Roberto José Montesinos Bruni (Venezuela), Amanda Kiessel (US), Vincent Lagacé (Mexico), Alison Lingane (US), and Mabel Gisela Torres Torres (Colombia) are already developing new, competitive models that reduce or remove a company's contribution to an issue. As business leaders, HRIs can profit from and support the scaling of these models by functioning as early adopters.



Economic capital: Several medical conditions are not researched in sufficient depth and breadth in proportion to their impact, sometimes because these conditions mostly affect marginalized groups. In this environment, social entrepreneurs such as Dorica Dan (Romania), Jeesun Lee (South Korea), Kristina Saffran (US), and José Marmoda Silva (Brazil) are stepping up to revolutionize local or global healthcare practices. Despite huge successes and receiving high endorsement rates by experts, medical progress relies on diligent long-term studies. With their monetary resources, HRIs can fund these studies to enable healthcare systems all over the world to benefit from innovation happening every day.



Social capital: Conflicts are often rooted in intersectional discrimination, which is deep-seated within stable structures. Suffering is often the most acute among the most marginalized: those furthest away from being able to overcome these structures. Social entrepreneurs such as DeVone Boggan (US), Helena Puig Larrauri (Spain), Marinalva Santana (Brazil), and Baihajar Tualeka (Indonesia) are local or global brokers for peace who build bridges across patterns of discrimination and make the voices of those most marginalized count. With their public recognition, HRIs who stem from local contexts can support these social entrepreneurs by building bridges together, acting as role models for others to follow.



Political capital: All over the world, people with disabilities struggle to fully participate in public life, as many public spaces are not designed for them. 15% of the global population experiences some form of disability and is thereby more likely to be excluded from public life in some capacity.³¹ To ensure equal participation in public life, social entrepreneurs are working hard to bring about legislative change that improves the inclusion of people with disabilities, for example by eliminating barriers in public infrastructure. Social entrepreneurs such as Lizzie Kiama (Kenya), Raúl Krauthausen (Germany), John Paul Maunes (Philippines), and Rodrigo Hübner Mendes (Brazil) are working relentlessly to form these coalitions of actors from different sectors. Through their peer networks, HRIs can support this coalition-building by engaging and bringing more stakeholders along on the journey, to support legislative change.



Build with excellence

Creating the change now

Practical guide: How to build with excellence

The final stage in the cycle of working towards systemic change is to “build with excellence.” Excellence shouldn’t be confused with perfection and shouldn’t be regarded as a barrier to action. It’s important to do the best you can today and set yourself up to become better tomorrow and every day after. This is where intentions are brought to life, so start as soon as you can.

As with the “Envision with rigor” phase, it’s crucial to work in a community at this stage, particularly relying on proximate and subject-matter leaders (see Text Box 3: Essential expertise). Their guidance and feedback will significantly support your efforts to maximize impact and work towards real change.

If you are looking for some structure to start building with excellence, we offer a three-step approach on the next page, supported by questions from the self-reflection framework (see deep dive in the “**Look with courage**” chapter) and further resources.

The deep dive below gives more details on how to deploy your resources strategically. To that end, we have sketched five different impact approaches that can be combined to deploy all types of capital to maximum effect.

Now that you are working to bring the vision to life, you can embark on the next cycle of change by going back to the “Look with courage” phase.

Build in service. Deploy your resources strategically in service of the desired impact by:

- caring deeply about the impact, even though it might not always be immediately visible or even measurable
- working in community with others
- grounding your work in the best available evidence and rationale

Build to transform. Work to fundamentally solve the challenges and opportunities you are addressing by:

- being bold enough to try
- working towards your own redundancy (for efforts that can be solved within one lifetime)
- starting now

Build to learn. Track progress and improve based on evaluations and honest feedback by:

- constantly assessing the impact of the work
- being humble in your learning journey
- sharing your knowledge and experience

These questions will support you in building with excellence (see the “Look with courage” chapter):

- Am I working towards trust-based relationships?
- Am I working towards positive, systemic change?
- Am I working towards lasting change?
- Am I working in service of change, based on evidence provided by proximate and subject-matter leaders?
- How do I learn from experience?

Supporting resources (examples):

Co-Impact (Global): [Handbook](#)

AVPN article (Asia): [Toolkit for impact measurement and metrics](#)

Resource Generation article (North America): [RG's redistribution guidelines](#)

The Whitman Institute article (North America): [Trust-based philanthropy](#)

Centers for Disease Control and Prevention (North America): [Types of evaluation](#)

Deep dive

Build in service: Deploy your resources strategically in service of the desired impact

Once you have identified the capital you can use, you can now plan how to use it and start implementing for maximum effect. To that end, we have derived five distinct impact approaches. They show that HRIs don't usually deploy only one type of capital, but several types in combination. These approaches are not mutually exclusive. Most of the HRIs interviewed utilize some or all approaches at different times to great success, tailoring their approaches to their collaboration partners, the cause, their position in the situation, the intended outcome, and the stakeholder group. Though they remained flexible, most HRIs had one to two approaches that they enjoyed using the most and/or used most consistently to the greatest effect.

These approaches are intended as a mix and match menu to capture both the variety of different ways to achieve impact and differences between HRIs in terms of strengths, passions, and means.



The financial approach

Leading type of capital: economic capital

HRIs using the financial approach use their economic capital to fuel systemic change. Our report, *Embracing complexity*, describes how to fund systemic change in more detail, a cornerstone of the financial approach.³² However, the financial approach goes beyond monetary contributions and also focuses on financial decisions more generally. Several HRIs using this approach emphasized that an investment decision is a decision about how they want the world to be. Therefore, they align their investment portfolios with their vision for change, actively divesting from assets that conflict with this and ensuring that they cover funding gaps for those working towards this systemic change.

The financial approach is the most widespread form of social engagement and hasn't lost any relevance in modern times. There is significant evidence that, despite its prominence, the social sector still faces a severe funding gap. Many HRIs reported that the financial approach was their entry point into social engagement and remained central throughout their career as a change agent. Others reported that the financial approach enabled them to use other approaches more effectively, and vice versa.

When using the financial approach, HRIs found it helpful to think about how their investments would displace other sources of funding. In this way, they try to identify channels or recipients that are underfunded, recognizing that they can take more risks with their capital than other actors.

To read more about HRIs using the financial approach, see the “Examples of learning journeys” section.

Chuck Feeney (Co-Founder of the DFS Group, US) has donated over \$8 billion in grantee-led formats, giving up more than 99% of his wealth. He is often cited as a source of philanthropic inspiration by many American philanthropists, including Bill Gates and Warren Buffet who used his example in setting up The Giving Pledge.



The business approach

Leading type of capital: career capital, economic capital

HRIs using the business approach support systemic change in a professional capacity, such as in or through the company they own or work for. They could be setting new standards for their sector, working towards systemic change via their product or service offering, or forming impact alliances with other organizations. The business approach integrates systemic change activities into the everyday life of many HRIs, primarily deploying career and economic capital.

Using the business approach, several HRIs emphasized that it is important to focus on the core business. For them, enacting change is not about applying Band-Aid solutions to society for harm caused by the business, but instead setting the business up in ways that minimize the harm caused in the first place. The business approach can incorporate elements that have already been developed and implemented in an ESG (Environment – Social – Governance) or corporate social responsibility context, but fundamental systemic change can go way beyond that.

To read more about HRIs using the business approach, see the “Examples of learning journeys” section.

Samira, a sustainability professional in consumer goods, underwent a rapid learning journey. Starting out by focusing on how she and her family could use their wealth to work towards systemic change, she now focuses on integrating that mission into her family business itself.



The peer influence approach

Leading type of capital: social capital, political capital

HRIIs using the peer influence approach tend to be exceptional connectors. Whether they're convening groups to work on a common goal, coaching peers on how to be more effective, or opening doors for change communities, they are always leveraging their personal and professional networks or their reputation to facilitate change. Peer influence is about working in small groups or on a one-on-one basis.

In our interviews, several HRIIs emphasized peer advice or reflection with peers as one of the most formative experiences on their learning journey, serving as powerful inflection points. In several cases, HRIIs stated that they act as sparring partners for peers: parking their own ideologies, hearing peers out, and helping them explore personal values and how they want to engage with global realities.

Using the peer influence approach, several HRIIs reported that they sometimes struggle with striking a balance between full transparency on their position and conveying it in nonthreatening ways. Those HRIIs who were most comfortable sitting with deviating opinions perceived themselves as most successful in the peer influence approach.

To read more about HRIIs using the peer influence approach, see the “Examples of learning journeys” section.

Farhad Ebrahimi (President of the Chorus Foundation, US) is a role model for many HRIIs. His deep-seated discomfort with the concept of consolidated wealth has led him to take various actions, including giving away his inheritance entirely. This has attracted the attention of many others who also feel discomfort with their role in increasing or upholding inequality. He perceives himself mostly as a companion on common learning journeys and a reflection partner.



The public approach

Leading type of capital: social capital

HRIIs using the public approach address a broader audience than only their peers with their messaging. They use public platforms that are either linked to their person or their position, and use formats like interviews, public events, books, and social or other media to engage with their audience. HRIIs using this approach can raise awareness for a cause, use their credibility to distribute information, or act as a role model.

The public approach can amplify change to great effect, for example, by inspiring people to make different choices or creating visibility for experts. However, it can be hard to assess the impact of these activities or receive objective feedback. These factors make it even more important that HRIIs using this approach establish mechanisms for accountability (see the “Envision with rigor” chapter).

HRIIs using the public approach were most concerned about amplifying voices from historically marginalized demographics or communities. In all cases, there's a fine balance to strike with regard to HRIIs using their own voice in public without crowding out the most relevant voices.

To read more about HRIs using the public approach, see the “Examples of learning journeys” section.

James Rhee (impact CEO, investor, and educator, US) is a very active bridge of worlds. He is a vocal public advocate for the transformative power of kindness in business life, both on a human and an economic level. To spread that message, he uses multiple channels, ranging from teaching positions and public speeches to investing in ESG initiatives and advising industry leaders on transformation.



The all-in approach

Leading type of capital: career capital, economic capital

For all-in HRIs, social engagement is their primary profession. While the most dedicated HRIs we spoke to took ultimate measures such as discontinuing the cycle of wealth accumulation or even channeling their entire wealth into social causes, all HRIs using the all-in approach invest significant time and energy in their social engagement in models that are not creating profits or even mentionable revenues.

In some cases, the all-in approach works hand in hand with the financial approach as some HRIs make it a full-time job to distribute their wealth, for example, through their family foundation. Among all approaches, it is the approach that most typically draws on all forms of capital: not only career capital and economic capital, in particular, but social and political capital too if these are the individual's strengths or preferences. When going all in, HRIs should strengthen their commitment to responsibly deploying influence (see the “Envision with rigor” chapter).

To read more about HRIs using the all-in approach, see the “Examples of learning journeys” section.

Vuslat Doğan Sabancı (Founder of the Vuslat Foundation, Turkey) is a former publisher of newspapers, accomplished businesswoman, and social activist. Traditionally focusing on gender equity, she increasingly started to appreciate the power of deep listening to bridge power disparities. Based on that, her engagement nowadays mainly revolves around developing new forms of leadership and human engagement.

Antonis Schwarz (impact investor, philanthropist, and activist, Germany) is a highly vocal critic of inequality problems in societies like Germany. For him, the most fair solution is to have strong and democratically governed public institutions, making him an advocate of the welfare state and tax justice.



How to get started

For many HRIs, the biggest challenge in working towards systemic change is their inner work. The emphasis that the HRIs we spoke to put on learning and growth to become better change agents each and every day was truly enlightening and inspiring.

If you are interested in working towards systemic change, a good first step would be to get in touch with those who are already doing the work. This could be by contacting one of our publishing partners. A majority of the publishers of this report are part of networks of people who work towards systemic change. The publishing partners are happy to:

- act as sparring partners on a mutual learning journey and provide HRIs with more material and reflection starters
- put HRIs in touch with practitioners and proximate and subject-matter leaders (see Text Box 3: Essential expertise) in any world region or topic area
- connect HRIs to like-minded individuals or further networks that suit them best

Throughout this journey, you will most likely constantly shape and refine your uniquely tailored way of working towards systemic change – at least that’s been true for the over 50 voices we heard from. In addition, you will find cohesion within the large and growing community of peers that works towards a better world for all of us. Most of our interviewees started with rather small contributions, familiarizing themselves with a particular approach and how they related to it. Even small impacts relative to your wealth or other achievements are worth the effort, especially if they initiate your own learning and growth trajectory. For more inspiration on what some of these journeys look like, see the Appendix.

If you are interested in starting the discussion, feel free to reach out to any of our partners. The following pages provide a short summary and point of contact for each partner organization, providing you with the opportunity to find the organizations that resonate most with you.

Ashoka

Founded in 1980 by Bill Drayton and with the belief that the most powerful force in the world is a big idea in the hands of an entrepreneur, Ashoka applies insights from the world’s leading social entrepreneurs to set in motion profound societal transformation. Ashoka is leading the way to an Everyone a Changemaker (EACH) world where each person actively shapes society. We are building a community of highly resourced individuals and business leaders who understand that no single individual, intervention, or organization can scale social change alone and that effective collaboration in this environment is necessary. We invite you to join us on this journey.

Njideka Harry (Engagement Global, njidekah@ashoka.org)

Marie Ringler (Engagement Europe, mringler@ashoka.org)

Odin Mühlenbein (Content, omuehlenbein@ashoka.org)

Catalyst 2030

Launched in 2020 at the World Economic Forum, Catalyst 2030 is a global movement uniting over 1,400 social impact actors to catalyze change and achieve the SDGs by 2030. Current predictions estimate that the SDGs will not be achieved until 2092 – more than 60 years beyond the 2030 target date. Our members are committed to radically changing the systems that are delaying this progress and paving the way to a safer world for people and the planet.

We are developing an alternative funding model to connect innovative funders with social entrepreneurs who have proven systems change solutions and proximate expertise to some of the world's greatest challenges. Our aim is to contribute to a growing movement, to “shift the current funding paradigm,” and create a funding ecosystem grounded in equity, partnership, and collaboration. Together, we believe we can influence the change required to achieve the SDGs by 2030.

To partner with Catalyst 2030, contact

Jeroo Billimoria (jeroo@onefamilyfoundation.one)

Matthew Patten (matthew@catalyst2030.net)

Echoing Green

Echoing Green discovers emerging social entrepreneurs and invests deeply in the growth of their ideas and leadership. For over 35 years, we've built a broad, dynamic ecosystem to support these leaders as they solve the world's biggest problems. We believe that transforming the world for the better requires an intentional, explicit, and sustained focus on advancing racial equity. For too long, racial inequity has permeated spaces that are supposed to achieve social progress and change systems – social innovation is no exception. At Echoing Green, we are building upon our existing commitment to investing in next-generation leadership to ensure that the social innovation field is an essential actor in the long-standing racial justice movement.

To learn more, visit echoinggreen.org or reach out to

Liza Mueller (Vice President, Thought Leadership, Liza@echoinggreen.org)

Generation Pledge

Generation Pledge is a growing global community of inheritors from ultra-high-net-wealth families who commit to doing the most good with their resources. To join, they pledge to give at least 10% of everything they will inherit within the first five years of inheriting, and to use all their other forms of capital (economic, social, political, and career) for impact, both before and after inheriting.

Our goal as a community is to repurpose multigenerational wealth. We're transforming the conversation in ultra-high-net-wealth families from one of wealth preservation to one about using our wealth in line with our deepest values. We are looking for inheritors who want to use their unfathomable resources to reduce suffering, increase flourishing, and reduce existential, environmental, and social risk.

To learn more, visit generationpledge.org or reach out to

Natalie Rathner (Chief Experience Officer, natalie@generationpledge.org)

Sid Efromovich (Co-Founder, sid@generationpledge.org)

McKinsey & Company

McKinsey & Company is the trusted advisor and counsellor to many of the world's most influential individual and institutional philanthropists, leading over 500 philanthropy engagements for foundation and nonprofit clients in over 45 countries over the past five years. We were honored to support our clients, particularly HRIs, in embarking on their journeys to determine their personal strategy and operating model for having the greatest social impact they can. We have worked with HRIs at all stages of this journey – from facilitating their initial exploration and self-reflection to designing and launching their philanthropic/social change entities and developing strategic plans for their most transformative initiatives and investment plays.

We believe that the days when economic growth, sustainability, and inclusion were seen as trade-offs have come to an end, as today's leaders need to achieve all three. This new paradigm of growth will be more sustainable, driving innovation while reducing environmental impact. It will also be more inclusive, creating access to opportunities for people worldwide.

This is not an easy task, but our ambition is to help organizations and individual leaders make it a reality.

To partner with McKinsey & Company, reach out to

Tracy Nowski (Tracy_Nowski@mckinsey.com)

Uwe Stegemann (Uwe_Stegemann@mckinsey.com)

Koen Vermeltfoort (Koen_Vermeltfoort@mckinsey.com)

Examples of learning journeys

Out of the HRIs interviewed, we have selected ten to represent the variety of approaches to working towards systemic change. These ten examples, presented below, cover all five of the impact approaches introduced in the “Build with excellence” chapter (see page 42) and show the spectrum of backgrounds and experiences we encountered throughout our interviews.





Neha: Embrace the learning journey

CEO of a European foundation focused on serving vulnerable communities

Primary impact approach: The financial approach

Primary polycapital: Economic capital, career capital

Neha seeks to embody the ideal of an eternally curious learner. Her approach is to humbly listen to those with experience and expertise and act with their guidance. With this approach, Neha is pioneering the principles of grantee-led grantmaking.

“If you haven’t slept a single night on the street, you don’t know what it is like. Therefore, we don’t fund organizations without people who have lived experiences in the offices and leading positions.”

Neha grew up in a spiritual family. For her, the desire to make the world a better place is deeply rooted in the notion that all individuals are interlinked and therefore share both joy and pain. Her parents came to wealth through a nursing home business but were always critical of their own wealth. With regards to her own children, Neha doesn’t see money as her legacy, but rather the love and support the family bestows on them.

Neha started her career as a strategy consultant with a leading strategy consultancy focusing on private equity, but soon realized that the consulting lifestyle wasn’t compatible with relationships, her marriage, or her general aspirations. So, she decided to join the family business.

As no one else paid attention to the recently set up family foundation, Neha took it over. When she first entered the nonprofit space, she assumed that the social sector was failing because participants lacked proper plans and strategies. However, when her consulting skills alone failed to make a difference, she realized that the sector faces real complexities. In some cases, her attempts to reduce this complexity were more harmful than helpful.

Turning to seasoned practitioners and experts with lived experience with these issues, Neha started to model some cutting-edge grant-making approaches. After an initial due diligence, she awards an initial one-year grant. Throughout the year, she gets to know grantees, building personal relationships. Her approach to philanthropy is trust-based and focuses on grassroots organizations, viewing people with lived experience as true experts. This working relationship can then become the foundation for unrestricted ten-year grants that cover anything directly related to impact, including rent, electricity bills, salaries, or marketing costs.

She was a quick learner, but her main asset became her commitment to the hard internal work it took to get there.



Chuck Feeney: A pioneer of US philanthropy

Co-Founder of the DFS Group, founder of the General Atlantic and Atlantic Philanthropies, US

Primary impact approach: The financial approach

Primary polycapital: Economic capital

Chuck is a philanthropic idol for many HRIs, including Bill Gates and Warren Buffet. He has dedicated the great majority of his personal wealth to supporting and actively listening to communities.

“The most important thing to have is clarity on yourself, your values, what you aim to achieve. And your respect for those you want to support. You are probably very smart, that’s how you made your money. But you are not necessarily the smartest person in the room, especially when it comes to the valuable knowledge stemming from lived experience with an issue.”

Chuck grew up as part of the Irish community in New Jersey, US. Progressing to university after he served during the Korean war, Chuck benefitted from state legislation that paid for education for war veterans. This shaped his appreciation for free education, one of the cornerstones of his engagement. During his studies, he started selling tax-free liquor to US Navy soldiers. This laid the foundation for the DFS Group, a large chain of duty-free shops across the entire globe, a huge success that earned Chuck and his co-founder billions.

Chuck enjoyed his wealth for a few years. But always an avid reader, Chuck never lost perspective for the serendipity, nor the disparity created by his wealth. Through The Atlantic Philanthropies foundation, he has donated over \$8 billion to various causes – more than 99% of his entire wealth.

A child of his time and inspired by history’s great philanthropists, such as Andrew Carnegie, Chuck hasn’t always been aligned with systemic approaches. His engagement mostly revolved around causes close to him, most notably education, for which he significantly supported his Alma Mater Cornell University and several other universities.

But Chuck has also been very ahead of his time. He never dictated an agenda, but instead let proximate leaders shape the topic for themselves. Through initial funding, he built trust locally, enabling him to move down the communication lines to finally meet grassroots leaders and community representatives. The Atlantic Philanthropies foundation also provides full transparency on successes and failures for others to learn from, supported by independent external assessment published on their website.

Through his authenticity and strong belief in humanity, Chuck significantly inspires many American philanthropists, including Bill Gates and Warren Buffet who claim that Chuck’s example was central in setting up The Giving Pledge.



Samira: Move beyond the Band-Aids

Sustainability professional at an Asian company

Primary impact approach: The business approach

Primary polycapital: Economic capital, career capital

Samira, a sustainability professional, underwent a rapid learning journey. Starting out by focusing on how she and her family could use their wealth to work towards systemic change, she now focuses on integrating that mission into her family business itself.

“I don’t want us to just make money and use philanthropy as a Band-Aid. I am trying to work with our family and business professionals to move from thinking about how we spend money to thinking about how we make it in the first place.”

Samira is a fourth-generation member of a wealthy family, with a family business. Though born in Asia, Samira moved to Africa at an early age. She grew up there and feels a great affinity for the continent.

Like her siblings, Samira started a professional career outside of her family’s business but felt, that she was making minimal impact in her role, despite working in healthcare. When an opportunity arose, she decided to switch careers and join her family’s foundation, eventually assuming a leadership role.

Since then, Samira has directed the foundation’s strategy towards forming trusting, long-term local partnerships. These bring the foundation closer to the communities they want to support and do so through systemic change, where possible. She believes that by listening to the voices of the communities, they are more likely to respond to their needs in a way that is meaningful and avoid merely superficial, feel-good engagements. Samira is of the opinion that every dollar spent is a decision on how we want the world to look. This is not only true of the foundation’s spending, but also of her and her family’s other assets and investments. While Samira feels that good intentions are an important starting point, how we actually use money is what really shapes the world. She therefore considers the whole spectrum of assets owned by the family, including the investment portfolios and core business, as potential vehicles for impact.

Soon after joining the family foundation, she understood that the family business was the largest asset and the main source of wealth generation. She therefore decided to focus her attention beyond how money is spent to influencing how money is created in the first place. In her new role as a sustainability professional within the business, she works with teams to think through its role in contributing to issues directly, instead of just compensating for negative impacts through philanthropy, impact investing, or corporate social responsibility. In this capacity, she is helping align her family’s business strategy and operations more closely with the values they have always aspired to.



Marina Feffer Oelsner: Build strategic networks

Co-Founder of Generation Pledge, Brazil

Primary impact approach: The business approach

Primary polycapital: Career capital, economic capital, social capital

Marina draws from her main strengths to be a catalyst for change. She constantly strategizes about how to work towards systemic change and seeks to bring along peers, such as her family or others, through Generation Pledge.

“Money is energy, it is potential. If it is stuck in the family in a way that does not represent their values and aspirations for the future, it cannot pursue its potential anymore. Ensuring that as much money as possible is working towards systemic change is my mission.”

As part of the fourth generation of one of the largest family businesses in Brazil, Marina grew up with tremendous privileges in a country with very high inequality. Exposed to this stark contrast, Marina developed a passion for human development and social impact at an early age.

In a pursuit to help people, Marina studied psychology. As a social psychologist, she focused on working with homeless people, and working in prisons and in orphanages, bringing a holistic approach to medical treatment. But she quickly realized that she wanted to aim for more fundamental contributions to societies and joined a Brazilian multinational company focusing on how sustainability policies are implemented.

Coming to the realization that her fortunate position enabled her to prioritize a meaningful career over a well-paying one, she left her position in the company and doubled down on her social engagement, engaging beyond her role as a member of the board of directors at her family's foundation.

Embracing her appreciation for the big picture, Marina started to focus on money and its power. Co-founding Generation Pledge, a global community of inheritors committed to doing the most good, she connected with like-minded people in situations comparable to hers. Building on the idea that working towards systemic change necessarily requires taking other people along, she values networks immensely, both for the ideas they generate and the reach they provide. Marina experienced the power of exchanging experiences with peers when unlocking new potential for good.

Complementing her work with Generation Pledge, Marina is heavily engaged in rethinking how wealthy families can use their assets for good. Within her family, she seeks to guide others through a self-reflection process in which they envision the world they want to live in. Creating a shared vision, they then see how they are currently working towards or against this. Taking this appraisal of the status quo, they can then identify ways in which they can make a difference.



Farhad Ebrahimi: Take peers along the journey

President of the Chorus Foundation, US

Primary impact approach: The peer influence approach

Primary polycapital: Economic capital, social capital

Farhad is a role model for many HRIs. His deep-seated discomfort with the concept of consolidated wealth has led him to take various actions, including giving away his inheritance entirely. This has attracted the attention of many others who also feel discomfort with their role in increasing or upholding inequality. He perceives himself mostly as a companion on common learning journeys and a reflection partner.

“I would make the case that all the ways in which the wealthy and powerful do good things are at best a transitional thing unless we’re addressing the root causes of how they got wealthy in the first place.”

Farhad was granted an early partial inheritance of over \$50 million at a young age. Feeling deeply uncomfortable that so much wealth could be consolidated for one individual, Farhad looked for opportunities to make a difference with it. His first steps were erratic, followed by a more focused approach that cumulated in the Chorus Foundation.

As Farhad started to realize that he couldn’t identify with many technical venture capital approaches, he soon moved away from traditional philanthropy models; these felt too narrowly top down to create the social or systemic change he was envisioning. Reflecting on the power he held in philanthropy, his foundation shifted to increasingly democratic principles, redistributing power from the foundation to grantees and proximate leaders.

Troubled by a belief that an equitable world wouldn’t allow anyone to own millions of dollars, regardless of how it had been generated, he decided to distribute the entire funds he received from his parents “with a reparations logic.” He believes that wealthy and powerful individuals can only do good things in a transitional capacity until the root causes of how these individuals got so wealthy in the first place are addressed.

But this was only the start of Farhad’s journey. Following this decision, he now sees himself as a mediator of change by supporting other wealthy families, program staff, and individual donors who have an appetite to do something different but need support. These individuals may need support because they are not aligned with their family, the board, or the CEO of their family business. Farhad’s passion is to build a base in the philanthropic sector to help people who struggle with their wealth and its effects on society. Farhad approaches this with honest vulnerability and with self-effacing humility. He particularly values discourse, even bridging differences in political views, ambitions, or starting point. He is clear and transparent on his world views, but is neither strident nor uncompromising, always maintaining his willingness to talk.



Chen: Build bridges for change

Co-Founder of a platform connecting students with liberal arts colleges

Primary impact approach: The peer influence approach

Primary polycapital: Social capital

Chen is an avid networker and bridger of worlds. She relentlessly works towards intercultural exchange and international relations, bringing people together to work towards systemic change.

“I believe in the importance of authenticity. If I come in with a hidden agenda, people notice. Putting aside my ego, I don’t come in as a savior, but to serve and learn. From this, I build real relationships and trust, my strongest currency.”

Being born with privilege in China, often Chen felt humbled by all the amenities in her life, including an opportunity to attend a private liberal arts college. Through her interactions with a private American foundation, she grappled with the negative image of privilege. Now, she appreciates her privilege as power to make a difference, if wielded with care and responsibility.

After moving back to China upon graduation, Chen took her first steps towards making a difference. She aimed to promote intercultural relationships by positioning liberal arts as a serious alternative to business degrees for students. By bringing along both colleges and high schools, she was able to create equal opportunities for interested students to talk to college administration officers.

Throughout her activities, Chen is a connector of worlds and people. Managing her family office’s global investment allocation, she focuses on companies and funds with a focus on cross-border or global strategies. She acts as a liaison and operating advisor for various leading companies, family offices, ventures, and institutions planning to enter the Chinese market. She also helps Chinese organizations trying to cross borders.

Chen connects with highly resourced families in China to initiate dialogue related to social change and the deeper meaning of life and society. She wants to encourage peers to become more sustainable, more creative, more self-aware, and more confident in this space. She strongly believes that if China can transform in that sense, it would make the world a better place.



James Rhee: What if we valued goodwill?

Impact CEO, investor, and educator, US

Primary impact approach: The public approach

Primary polycapital: Career capital, social capital

James is a very active bridge of worlds. He is a vocal public advocate for the transformative power of kindness in business life, both on a human and an economic level. To spread that message, he uses multiple channels, ranging from teaching positions and public speeches and investing in ESG initiatives and advising industry leaders on transformation.

“We need to stop thinking about things in a dichotomous way. We are learning the hard way right now that there is little difference between your personal life and your business life, your philanthropic life and your professional life.”

After graduating from Harvard College, James took his first career steps as a teacher before acquiring a JD with honors from Harvard Law School. Following that, he worked for leading investment banks and private equity firms for over a decade. Motivated by a deep-rooted dissatisfaction with the traditional private equity model of extracting maximum short-term value, James founded his own investment platform and assumed the CEO position at Ashley Stewart, which faced imminent liquidation. In only two years, Ashley Stewart was transformed culturally, digitally, and financially, as showcased in his recent TED talk.

With Ashley Stewart in safe waters, James expanded on his learnings by founding Red Helicopter, “an initiative right at the intersection of impact investing, ESG, and financial literacy.” One of the core concepts he explores is the element on balance sheets that accounts for the premium buyers are willing to pay over the fair market value of a company: goodwill. James’s years of experience as a private equity professional and CEO confirmed his intuition that one-dimensional traditional accounting and finance measurements like goodwill create behavioral priming mechanisms that undermine the broader social compact within which capitalism resides. Red Helicopter’s mission is to accompany business leaders as they explore how to balance “money, life, and joy to create real and sustainable value.”

Beyond his private equity and entrepreneurial career, James is also the chair of entrepreneurship at a leading historically black university and a leadership expert and senior lecturer at a leading global business school, and serves among leading CEOs on several industry-wide boards. James also works within the private sector – for example, as a regular contributor to one of McKinsey’s most reputable internal leadership programs.



Nihar Kothari: Change mindsets

Executive Editor and Director of Rajasthan Patrika, India

Primary impact approach: The public approach

Primary polycapital: Social capital, career capital, political capital

Over the years, Nihar has increasingly appreciated the power of changing mindsets for systemic change. As one of India's largest media companies, Rajasthan Patrika enables him to engage and empower its audiences by sharing facts and contextualizing them by publishing opinion pieces from global thought leaders.

“A lot of my work is to think about how we operate as a media company. It’s a thin line between an NGO and a company. We make decisions that hurt our bottom line badly, but we understand that it isn’t just about business.”

Rajasthan Patrika is India's third-largest media company and a family organization in its third generation. Founded by Nihar's grandfather in 1956, Rajasthan Patrika started out with the mindset that it should not assume a dominant position and actively supported other, especially local, news outlets. Over its six decades of operation, Rajasthan Patrika has run hundreds of change campaigns and redefined the role of an independent media company in social change.

Upon assuming more responsibility at Rajasthan Patrika and appointed as Executive Editor and Director after some time, Nihar oversaw a lot of socially motivated initiatives. Starting his learning journey, he supported several mitigation-focused initiatives.

After making a personal connection with Bill Drayton, the founder of Ashoka, Nihar started to value the idea of systemic change. Nihar is very engaged in empowering democracy and democratic processes through Rajasthan Patrika, which he assesses as a conducting medium between the state, the private sector, and the public. At times, Rajasthan Patrika even assumes a watchdog-like role in covering the ins and outs of federal and local politics in depth.

In that role, Rajasthan Patrika often leans on investigative journalism, through which it can not only shape public opinion, but also public legislation. Bringing together experts, both those with lived experience and those with technical or academic expertise, Rajasthan Patrika promotes free information and knowledge. In this way, Nihar hopes to inform public opinion and shape mindsets based on the facts laid out and contextualized in opinion pieces by global thought leaders featured in his newspapers. In combination with its hundreds of socially driven campaigns over six decades of existence, Rajasthan Patrika redefines the concept of an independent media company.



Vuslat Doğan Sabancı: Listen generously

Founder of the Vuslat Foundation, Turkey

Primary impact approach: The all-in approach

Primary polycapital: Career capital, social capital, economic capital

Vuslat is a former publisher of newspapers, accomplished businesswoman, and social activist. Initially focusing on gender equity, she increasingly started to appreciate the power of deep listening to bridge power disparities. Based on that, her engagement nowadays mainly revolves around developing new forms of leadership and human engagement.

“A barrier to generous listening is our tendency to express ourselves rather than understand one another, or an urge to “fix” issues rather than listen to them.”

Vuslat is an economic journalist by training and former chair of the board of directors at Hürriyet Publishing, the leading news publishing group in Turkey.

At the start of her social engagement career, Vuslat focused on human rights, particularly gender equity. In 2004, she initiated the campaign “No! To Domestic Violence,” breaking a taboo in Turkey related to denouncing domestic violence. With broad social backing, coverage of domestic violence in Turkish media changed, incidents were recorded differently by police, and Hürriyet supported the establishment of Turkey’s first ever 24/7 domestic violence hotline. In 2012, Turkey was the first country to ratify the Istanbul convention, a human rights treaty of the Council of Europe against violence against women and domestic violence.

Ever since then, Vuslat has been an active voice for human rights, gender equity, and freedom of expression. This takes all forms, such as when she sought to increase female’ education by encouraging children to talk to their fathers about sending girls to school.

Throughout her activities, Vuslat has emphasized the importance of a mobilized society, perceiving herself as one voice among many. But she also readily acknowledges that her voice has special weight, both in national and international context. Vuslat deeply believes that the most powerful skill she can acquire and refine is to generously listen – not only to words but to the person behind those words. With this in mind, she founded the Vuslat Foundation as a way to promote listening as a key leadership and interpersonal skill. She has partnered with academia, including MIT and Tufts University, and established the Generous Listening and Dialogue Center at Tisch College to further interdisciplinary and applied research on listening, dialogue, and good conversation. Furthermore, she regularly convenes an alliance of like-minded influencers, media leaders, changemakers, and thought leaders to advocate and spread their common messages, stories, and research. Her particular interest in listening as a tool has made her a champion of connectedness and self-reflection, mirrored in the “Look with courage” section of this report.



Antonis Schwarz: Tax me, now!

Impact investor, philanthropist, and activist, Germany

Primary impact approach: The all-in approach

Primary polycapital: Political capital, career capital, social capital, economic capital

Antonis is a highly vocal critic of inequality problems in societies like Germany. For him, the most fair solution is to have strong and democratically governed public institutions, making him an advocate of the welfare state and tax justice.

“Philanthropy should not become the fig leaf of a hugely unjust system. We need to have progressive taxation to counteract the tendency for large fortunes to grow disproportionately more than the economy and the average wage.”

Antonis realized he was an HRI when he was still a teenager. His family’s decision to sell their business ensured a sizeable inheritance for Antonis when he became an adult. However, he quickly found that there was no playbook for how he should use this wealth – if he wanted to make a difference and address the discomfort he felt from inheriting his unequal position, he would have to choose his own path.

At first, Antonis supported projects and charitable causes that were focused on his own personal passions. A lifelong skater, he sought to build an indoor skate part for his hometown, feeling Munich’s skaters were left without adequate facilities for the winter months. These projects weren’t always successful – plans for the skate park were shelved after the earmarked space was bought up for apartment buildings.

Thinking finance might provide a good career path, Antonis attended a leading business school, but decided against a corporate path when finding it gave him no real meaning.

It was at this point that Antonis decided to double down on his social engagement. Becoming interested in addressing corruption and poor governance in his mother’s home country of Greece, Antonis established a watchdog organization that would hold the government accountable to parliamentary votes. This interest in political engagement thread through his other activities, from supporting the global successors of the Occupy Wallstreet Movement to political performance artists in Germany.

More fundamentally, Antonis is a vocal critique of the system underlying his wealth. As an avid impact investor, he claims that it “doesn’t matter if you own 99% of a coal plant or 99% of a solar farm” if the underlying issue of inequality remains unaddressed. Antonis doesn’t simply want to play by the rules, but instead change them. He therefore urges his peers to speak up for both the welfare state and tax justice as a solid fundament for true impact. This cumulates in his active involvement in #taxmenow, a petition for higher wealth-related taxes in Germany and Austria.

Appendix

Methodology

We mainly used a qualitative approach in the development of this report, involving:

- A review of existing reports and literature on systemic change, philanthropic engagement, and the involvement of HRIs in social initiatives beyond finance.
- A review of the data collected over the last four years that informed our report series on systemic change, especially over 100 interviews with seasoned practitioners, proximate leaders, and ecosystem experts on social entrepreneurship and systemic change.
- Four interviews with leading scholars in the field of ethics and philanthropy.
- More than 50 semistructured interviews with either HRIs from all over the world or advisors to HRIs, particularly those with a focus on philanthropy.

The concepts presented in this report were developed based on the literature review and prior work of publishing partners, including more than 100 interviews conducted for prior reports in this series. The sources of responsibility (see “Why HRIs work towards systemic change,” page 8) and the self-reflection framework (see the “Look with courage chapter,” page 24) were drafted with leading ethics scholars.

All concepts were then validated and refined, informed by more than 50 interviews with HRIs and advisors acting as ecosystem experts. Our interview partners come from a variety of backgrounds and generations, ranging from under 30 to over 90 years in age. We talked to financial investors, business leaders, inheritors, nobility, serial entrepreneurs, and heads of family empires. Furthermore, the interview partners came from 18 different countries across five continents (Africa: 2, Asia: 8, Europe: 31, Latin America, including Mexico: 4, North America: 14). We interviewed 28 men and 31 women. The average interviewee was comparably young, in their early to mid-40s.

We identified suitable interview partners through a snowball system, starting with individuals already working towards systemic change in the publishing partners’ networks. Although this led to some homogeneity in our interviews, we still observed that every HRI developed their own, unique approach to working towards systemic change. We aimed to capture this diversity throughout the report. Due to the selection process, all of our interview partners were socially engaged in some capacity and questioning how to deploy their power in ethically sound ways.

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Summary of prior reports

The world doesn't lack social issues. To sustainably solve them, we need to move beyond mitigation and change the underlying social systems that cause them.

To support this effort, Ashoka and McKinsey convene a group of leading networks in the realm of systemic change on an annual basis, showcasing the impact of systemic change and how different stakeholders can contribute to a strong ecosystem that works towards a better future.

From small to systemic

In 2019, McKinsey estimated the financial benefit of systemic change at €18 billion per year for the German society. This number is based on Ashoka Fellows' assessment of the potential economic benefit of systemic change in Germany at scale.

One of the social enterprises involved in this effort is Discovering Hands, founded by Dr. med. Frank Hoffmann who developed a method through which blind women can detect early stage breast cancer. If all women between the ages of 35 and 50 had access to this practice, it could save German society €80 million to €160 million in healthcare costs per year, a figure which includes training and diagnosis costs. Not included here are the jobs created for blind women who are usually excluded from employment, the reduced harm for breast cancer patients, and the public image shift of disabled people.

Embracing complexity

In 2020, the series turned to foundations as the first key stakeholder in the systemic change ecosystem. *Embracing complexity* formulates five principles for how to fund systemic change that were directed at, but not limited to, foundations.

1. Embrace a systemic mindset
2. Support evolving paths to systemic change
3. Work in true partnership
4. Prepare for long-term engagements
5. Collaborate with other stakeholders

Embracing complexity is grounded in a broad consensus beyond the publishing partners (Ashoka, Catalyst 2030, Co-Impact, Echoing Green, Schwab Foundation, and Skoll Foundation). It is in line with over 70 publications by other authors, the opinions of more than 50 further foundations and intermediaries, and over 100 social entrepreneurs from all over the world.

New allies

In 2021, the report series covered how governments can create a conducive ecosystem for social entrepreneurs working towards systemic change. Based on successful governmental initiatives from all over the world, *New allies* presents best practices that politicians, public servants, or other government officials can use to set their societies up for social innovation. Several steps proposed don't even rely on fiscal contributions, but revolve around organization, communication, access to data, and the willingness to explore new directions.

Endnotes

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- 7 See Yu-Ru Lin and Drew Margolin, “The ripple of fear, sympathy and solidarity during the Boston bombings,” *EPJ Data Science*, 2014, Volume 3, Number 31.
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- 9 See Stephanie Koolen-Maas, *In the moment of giving: Essays on contemporary forms of private and corporate philanthropy*, Erasmus University Rotterdam, March 20, 2020; and Catherine Happer and Greg Philo, “The Role of the Media in the Construction of Public Belief and Social Change,” *Journal of Social and Political Psychology*, 2013.
- 10 In this report, we sought to speak with individuals with a net wealth of at least \$30 million.
- 11 See World Social Report 2020: *Inequality in a rapidly changing world*, United Nations Department of Economic and Social Affairs, 2020.
- 12 See William Foster et al., “Making big bets for social change,” *Stanford Social Innovation Review*, Winter 2016, Volume 14, Number 1: 26–35.
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- 15 See Martin Gilens and Benjamin I. Page, “Critics argued with our analysis of U.S. political inequality. Here are five ways they’re wrong.”

- 16 See Raj Chetty et al., *The fading American dream: Trends in absolute income mobility since 1940*, working paper, number 22910, December 2016.
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- 21 See Mohsen Mahaghegh, *Evolution of Wealth Inequality In the U.S. Entrepreneurship and Financial Intermediation*, June 19, 2019.
- 22 *Embracing complexity: Towards a shared understanding of funding systems change*, Ashoka and partners, January 21, 2020.
- 23 See René Bekkers and Pamala Wiepking, “A Literature Review of Empirical Studies of Philanthropy: Eight Mechanisms that Drive Charitable Giving,” *Nonprofit and Voluntary Sector Quarterly*, 2011, Science, 1993, Volume 40, Number 5.
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- 27 See Cynthia Rayner and François Bonnici, “The Systems Work of Social Change: How to harness connection, context, and power to cultivate deep and enduring change,” OUP, 2012.
- 28 For example, targeted universalism claims that initiatives aimed at universal betterment for a larger population provide better outcomes for everyone if those most marginalized are targeted by tailored implementation. See John A. Powell, Stephen Menendian, and Wendy Ake, “Targeted Universalism: Policy & Practice,” Haas Institute for a Fair and Inclusive Society, May 2019.
- 29 See Eva Vivalt, “How much can we generalise from impact evaluations?” *Journal of the European Economics Association*, 2020.
- 30 See Global Outlook on Financing for Sustainable Development 2021: *A new way to invest for people and planet*, OECD, November 9, 2020. We expect this number to have grown as a consequence of the COVID-19 pandemic.
- 31 *World Report on Disability*, World Health Organization, 2011, p. 29.
- 32 See *Embracing complexity*.



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