WINDING DOWN *The* ATLANTIC PHILANTHROPIES

2009–2010:
BEGINNING THE ENDGAME

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Winding Down The Atlantic Philanthropies
2009–2010: Beginning the Endgame
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FOREWORD

This is the second in a planned series of reports on the concluding years of The Atlantic Philanthropies, the largest endowed institution ever to decide to put all its charitable assets to use in a fixed period of time and then close its doors. The pages that follow cover events from late 2009 to early 2011, some five to six years before Atlantic expects to make its last grant commitments.

In the late months of 2011, the Foundation underwent a significant leadership transition, which brought both a new chair and a new CEO, along with other consequences that are still unfolding as this goes to print. For the most part, those changes were not contemplated at the time events in this report took place, and therefore do not play a role in the story it tells. Instead, this report seeks to give an account of Foundation activity as it was understood at the time, from the perspectives of people then leading the institution. To avoid confusion, when referring to people who later left Atlantic, the report will make clear that they are being referred to by the titles they held in 2010.

It is likely that some of the trends, decisions, and assumptions described in this report will be modified by the time another year has passed. The next report in this series will have the responsibility of resuming the story and thereby tracking and explaining those changes.

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INTRODUCTION

Early in 2011, Atlantic founder Charles F. Feeney became the 59th
signatory to the Giving Pledge, an invitation to the wealthiest
Americans to donate most of their wealth to philanthropy. In most
respects, Mr. Feeney's subscription was purely symbolic. Decades
before Pledge founders Bill Gates and Warren Buffet issued their
invitation, Mr. Feeney had already donated virtually all of his personal
wealth, irrevocably, to the foundation he created, which eventually
became known as The Atlantic Philanthropies. Still, his endorse-
ment was critically important for at least two reasons. First, Chuck
Feeney was arguably the embodiment of the Giving Pledge idea: by
surrendering all but a tiny fraction of his net worth in 1982 (a gift of
cash, securities, and enterprises that would eventually be valued in
the billions of dollars), he had set a standard of generosity probably
unequaled in modern philanthropy.

Second, his enormous financial sacrifice was followed, some years later,
by a further commitment: to see all of his donation put to charitable use
within his lifetime. This commitment to what he came to call Giving
While Living had the effect of taking the principles of the Giving
Pledge to a deeper level. It encouraged people of wealth not only to
part with a significant percentage of their assets, but to take a personal
and immediate role in the philanthropy that their donations made pos-
sible. "I cannot think of a more personally rewarding and appropriate
use of wealth," Mr. Feeney wrote to Bill Gates on February 22, 2011,
"than to give while one is living — to personally devote oneself to
meaningful efforts to improve the human condition. More importantly,
today's needs are so great and varied that intelligent philanthropic sup-
port and positive interventions can have greater value and impact today
than if they are delayed."

Beyond the effect that Mr. Feeney's challenge would have on the rest of
the charitable world, it would also have a more immediate, existential

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effect on the foundation he created. At Mr. Feeney's urging, the Board of The Atlantic Philanthropies voted in 2001 to begin disbursing all of the institution's remaining assets and go out of business by the end of 2020, when Chuck Feeney would be nearing his 90th birthday. To reach that goal, Atlantic's final multiyear grant commitments would have to be made in 2016.

As a result of that decision, by the time Mr. Feeney added his name to the Giving Pledge roster, the Board of his Foundation, its Investment Committee, and its executive and financial officers had already devoted nearly a decade of planning to ensuring that the investment portfolio would provide a reasonably steady flow of grant and operating funds over the institution's remaining years. By 2008, these plans were robust enough that even the market cataclysm of late 2007 would shrink the projected annual outlays only somewhat, without fundamentally disrupting the orderly winding down of the endowment. Trustees and senior managers had also taken steps to ensure that employees would remain enthusiastic and committed to their jobs, confident that the Foundation would work with them to prepare for a future beyond Atlantic. And the staff had set out on a thorough review of the Foundation's program strategies, the last of which would be completed and approved by the Board at the end of 2009.

What they had not yet done, according to a memo that Atlantic's then-CEO Gara LaMarche circulated to the Board in 2008, was formulate "a plan for leaving the fields and countries in which we work in a manner that protects and sustains the investments we have made." Each of the four program strategies then under development did grapple with this challenge, at least to some degree. And all of them were being written with an eight-to-ten-year horizon in mind. Virtually all of them envisioned creating some solid body of work, or setting in motion some well-fueled campaign or process, that would outlive The Atlantic Philanthropies and make a lasting difference in their respective fields. The enduring achievements implicit in these plans included

- helping to create new laws and sturdy organizations and movements to promote human rights in the United States, the Republic of Ireland, Northern Ireland, and South Africa;
- mobilizing networks of organizations to promote active and healthy aging in the United States, Ireland, and Northern Ireland;
- compiling rigorous, authoritative evidence on the best ways to serve young children and their families in the Republic of Ireland;
- contributing to a larger and better-trained nursing workforce in South Africa;

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- helping to build modern systems of health care, research, and public health in Viet Nam;

and several other ambitious goals touching large populations and national systems.

Yet the strategies then being written devoted nearly all their attention to ensuring that these efforts would be smart, well-executed, and effective. Although they expressly concentrated on goals that could be accomplished in the Foundation's remaining lifetime, and many of them described the kind of legacy that might result, almost none of the plans specifically envisioned how the various efforts would *end* — what the final grants would be for, how grantees would survive the disappearance of such a large funder, how unfinished work might be carried on, and which activities would simply be impossible or unnecessary to sustain once Atlantic had closed its doors.

To be sure, not all these questions could be answered conclusively eight to ten years in advance. But by the time of Mr. LaMarche's 2008 memo, many staff members, and more and more grantees, were starting to conjure their own theories about what the end-stages of the various grant programs would probably look like. Several were asking — in increasingly urgent terms — for at least some working hypotheses and broad guidelines to help them think about their options for terminal grants. Would there, for example, be a wave of endowments at the end? Might some of the Atlantic programs be transferred to other institutions and continue operating? Might there still be time and money left to pursue some new areas of work? Would some offices or programs have an earlier closing date than the rest of the institution? Should some lines of work with the weakest prognosis be wound down soon, to free up resources for stronger ones? No program strategy made specific provision for (or against) any of these ideas, and nearly all were written as if they would continue in full effect until — as one senior officer jokingly put it — New Year's Eve 2020, at around 11:59 p.m. (Another employee in the room, seizing on a loophole, added: "Viet Nam Time.")

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The jokes concealed more than a kernel of seriousness. As more and more employees were pointing out toward the end of 2008, it can take several years to wind down a line of grantmaking in a constructive way — and especially in a way that makes a lasting impact. To complicate matters further, many grantees, especially outside the United States, were vitally dependent on Atlantic funding and could not be weaned from that support easily or quickly. At the end of 2008, two senior officers, General Counsel David Sternlieb and then-Financial Controller David Walsh, reported that 36 percent of the Foundation's grantees were substantially dependent on Atlantic grants, defining "dependency"

as cases in which a grantee derives one-third or more of its annual budget from Atlantic. In some countries, they found, the dependency ratio was much higher: "roughly 50 percent in Bermuda, Northern Ireland, and South Africa, and 60 percent in the Republic [of Ireland]."[1] It would take years to help these grantees replace that amount of support — or, as seemed likely in many cases, to help them shrink in proportion to the lost income. Mr. LaMarche agreed: "We won't have a meaningful legacy, much less the kind we might wish for ourselves," he had written to the Board, "if we don't think about this now — if we don't imagine the end of Atlantic, and work back from there."

Just over one year later, near the end of 2009, the Foundation received a report summarizing the steps it had taken thus far in the process of planning its final years, beginning with the Trustees' decision in 2001 to complete their work within the next two decades. The report, the first in a series, ended with a description of the unfolding process of imagination and planning that Mr. LaMarche called for in his memo, and concluded with a senior manager's prediction that Atlantic would "have, in the next year or so, a plan for how the [programme] work will proceed, how it will narrow toward the later years, and how the work, the goals of our work, will drive all the other organizational functions toward that end…. [F]rom here on, the focus is going to be on the work, how we want it to end, what we want it to accomplish, and then plan around how we get there with all the resources and activities of the Foundation pulling together."[2]

This report, the second in the series, takes up the story around the time that prediction was made, in late 2009. Unlike the previous report, which devoted roughly equal attention to financial management, human resources, and program planning, this installment concentrates primarily on program, for four reasons. First, events in the financial markets in 2009 and 2010 did not materially change the way Atlantic's assets were being wound down, nor were there significant new expectations or demands on financial resources during the year that would lead to any substantial change in course. Second, although there were important developments in Atlantic's Human Resources department, including the selection of a new director at the end of the year and the articulation of fundamental H.R. principles, the main

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1. David Sternlieb and David Walsh, "Spend-Down: The Sustainability Challenge," unpublished memorandum, Nov. 11, 2008. In the Sternlieb-Walsh analysis, a grantee is deemed "dependent" if it receives regular program support from Atlantic in an amount greater than one-third of its annual expenditures. The analysis did not include one-time support (such as for an evaluation or an exit grant), special-purpose grants outside the program themes, or funds intended for re-granting.
2. Tony Proscio, "Winding Down the Atlantic Philanthropies — The First Eight Years: 2001–2009," Center for Strategic Philanthropy and Civil Society, Sanford School of Public Policy, Duke University, July 2010, p. 57, available at http://cspcs.sanford.duke.edu/content/winding-down-atlantic-philanthropies-first-eight-years-2001-2009-tony-proscio.

consequences of these developments would not become apparent until 2011 and beyond. Among other things, the intention to create Personal Development Plans for each employee, to deal with their needs and goals in preparing for life after Atlantic, would not get under way until some time in 2011. Third, the most significant single change in Atlantic's operation in 2010 was a reorganization of its program. By year's end, most frontline programmatic decisions were set to be made country-by-country, rather than under broad, international themes like Aging or Human Rights. Key procedures for recommending and reviewing grants were also overhauled during 2010. Although these changes were not made solely because of Atlantic's limited life, that was one important motivation for them. And they will have profound consequences for the way the Foundation envisions, plans for, and manages the activity that will bring its mission to a close.

The fourth and most important reason for focusing this report primarily on program matters is the one emphasized by the senior manager who was quoted earlier: the Foundation is determined to let the program strategies — "the goals of our work" — determine how "all the other organizational functions" draw to a close. Program will dictate what the other organizational divisions will need to do, not the other way around. As another employee put it, "the way we handle the [Foundation's] real estate and other assets, the way we resolve a lot of legal issues, the way we think about personnel needs, contracting, all the business of running the foundation until the lights go out — all that stuff has got to be organized around making the most of our grant programs. Once we know what we want to accomplish in, say, South Africa, by when, with what resources, that will be the time to decide what to do with the South Africa office space, the South Africa evaluations and other contracts, the transition plans for staff in South Africa, and on and on."

This report therefore follows the same logic. It concentrates on an examination of late-term program planning from two perspectives: first, the institution-wide effort to "imagine the end of Atlantic" and to launch an orderly process of translating that vision into concrete plans; and then a closer look at two particular programs, Population Health and Children and Youth, to understand the challenges and opportunities they face as they envision their final stages of grantmaking. (Future reports in this series will take a similar close look at the remaining three programs: Ageing, Reconciliation and Human Rights, and the Founding Chairman's Grants) Two shorter sections will then conclude this report, summarizing the year's events in financial management and human resources.

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In late 2009, Atlantic's senior leadership began tackling what one executive described as "a series of decisions that we are going to have to make … in order to have the greatest impact in our remaining years." One major decision in that series, after updated program strategies were approved at the end of 2009, was going to be how the remaining flow of grants would be analyzed, reviewed, and presented to the Board. As the Foundation approached its terminal phase of grantmaking, senior managers at the time reasoned that program reviews would need to focus more and more keenly on endgame decision-making: How would each proposed grant contribute to the ultimate achievements envisioned in the strategies? How would each of them prepare grantees for the end of Atlantic funding? How would they affect the odds that unfinished work would continue after Atlantic's exit? The formal grant review process as of 2009, many felt, was not only less than ideal for answering these questions, but had generally become, in words used by various officers, "mechanical," "blinkered," and "oppressive." The template for written grant recommendations was long and, many thought, belabored; the review procedure struck many as stifling and bureaucratic, and the results rarely produced the kind of "strategic, long-range discussion about impact and sustainability that we're going to need from here on out," as one senior executive put it.

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A program staff member involved in reforming the process pointed out that an overhaul would have become necessary even if the Foundation were planning to operate in perpetuity: "The whole thing had just become overgrown; it just kept building up and building up over the years. Every time there was a perceived problem anywhere in the process, we'd add a new step to avoid that particular problem. And then another issue would turn up, and we'd add something else to deal with that. Eventually it got to be practically interminable. You'd just finish one Board meeting and you'd have to start working on the write-ups and the whole rigmarole for the next one." For several

years, the target of much of the staff's frustration was a Programme Investment Committee, or PIC, whose preliminary review of grants was considered especially daunting. A working group had been formed in mid-decade to design a "PIC-less process" for reviewing and recommending grants, but by 2009, many officers were coming to believe that the problem lay deeper.

"PIC itself was not the problem," one of them reflected in late 2010. More fundamentally, in this person's view, the problem was "that program executives spent volumes of time putting together these documents that had to satisfy all kinds of overlapping requirements and then had to be pushed up and up and up through PIC and the rest of the system until they got to the Board. They were too dense, too detailed, too disjointed. And by the time they were done, they lost all focus on the things that mattered most: *How does this grant relate to the underlying strategy? How is it going to contribute to impact? To the sustainability of the effort? How will it position this work for the time when we are no longer there?* That information was maybe buried in there someplace — or maybe not — but if so, it was buried under a million other things."

So program staff spent much of 2009 on what one participant described as "a re-thinking process that was pretty involved, which started with developing criteria for how we should be structured and organized internally." The first major result of that re-thinking came in early 2010, when the Foundation instituted a new grant-review process in which, according to one of its architects, "our grant documents now reflect our best thinking about the strategic tie between a grant and a goal, and between a grant today and the end of our grantmaking down the road. They are designed to highlight questions of grantee capacity and sustainability, including what proportion of the grantee's money comes from Atlantic, and who the other donors are, or what other donors might be interested, and just generally who our allies are in the field. They are designed to highlight questions that are pertinent to good grantmaking generally, but also more pertinent to grantmaking in the final stages."

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Other observers, however, note that the process is new and still evolving, and some staff members are reserving judgment on it. Further, as the Foundation draws closer to its penultimate and final rounds of commitments, the questions that the reformed process will have to raise and answer are likely to continue changing. Even people who consider the new process a significant improvement over the one that preceded it are not always confident that it will be up to the particular challenges of end-stage grantmaking.

At a minimum, said someone who helped design the new process, "it's a more open forum, in which discussion and debate are expected and valued." All of the changes, this observer reiterated, would have been advisable regardless of the Foundation's expected lifespan. "But if you're preparing to finish all these lines of work, the first thing you need is a process that focuses your thinking around that, and doesn't bog you down in the minutiae." Whether that improvement will meet all the Foundation's needs for reviewing its last phases of work is a question that will take more time and experience to answer.

THINKING GEOGRAPHICALLY

The next major change in the way Atlantic managed its program would come in the form of a gradual but profound redrawing of its organization chart. Ever since 2002, when the Board decided to focus the Foundation on four broad themes — Children and Youth, Ageing, Population Health, and Reconciliation and Human Rights — most grantmaking had been conceived and managed internationally under those four headings. A Programme Director managed the worldwide budget in each field, and strategies were conceived in a way that linked grantmaking across multiple countries. At least in theory, decisions about programs for children in Ireland and those for children in New Mexico were made under a single overarching set of strategic guidelines, and their various budgets were apportioned from a single allocation. Efforts to promote reconciliation between Catholics and Protestants in Northern Ireland were, at least formally, competing for the same budget as projects to ensure rights for gays and lesbians in South Africa. In practice, frontline Programme Executives retained considerable autonomy in choosing priorities, and strategic plans accommodated wide latitude among national contexts and needs. But at the level of Board governance and top executive decision-making, the unit of analysis was the programmatic theme, not the country in which any given activity took place.

This approach had taken shape for two main reasons. First was a desire among many Trustees in 2001, supported by then-CEO John R. Healy, to bring more focus to a grantmaking program that had previously ranged across more than a dozen loosely defined fields. Choosing a few disciplines in which the Foundation would try to excel was seen as an essential step if the goal was to rack up significant achievements in less than two decades. The second rationale for organizing around programmatic themes was a desire to promote international learning. Despite the obvious differences between easing Catholic-Protestant tensions in Northern Ireland and advancing gay rights in South Africa, many of the component techniques are actually similar. Building effec-

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tive organizations to promote rights, mobilizing coalitions of support, mapping an effective course of legislative advocacy or litigation, mastering the arts of negotiation and reconciliation — all these challenges were in some ways universal. Lessons from one place could be beneficial to another. (Not coincidentally, Northern Ireland and South Africa had an important history of sharing lessons on reconciliation, including a small portion with Atlantic support.)

Both of these considerations remained valid in 2010, and the idea of international programs therefore retained considerable appeal. But as Atlantic's end date started to come into view, a new set of questions were prompting a re-thinking. "This became a very practical, elementary kind of question for us," a top executive at the time said around mid-year. "How are we going to pull this thing off? How are we going to bring all this activity to a conclusion that actually makes an impact, that leaves something of lasting value behind? Well, to begin with, how do you define impact? How do you define value? It's defined in a place, in a context, in a particular system. We're not going to change *childhood*, as some kind of big abstraction. But we hope we can change the way young children grow up in disadvantaged areas in Ireland, or the odds that children will be healthier in underserved communities in the United States. And how will we know whether we succeeded? By the way the systems of those particular countries and communities respond to what we've done. Who can tell me whether our work on nursing in South Africa is paying off? Our Population Health Director based in Viet Nam? Or someone in South Africa? I would argue both, actually — but ultimately, it's going to be decided in South Africa."

With those thoughts in mind, the Foundation in 2009 took a first, tentative step toward vesting more responsibility in national offices. As a kind of experiment, it initially created the post of "Country Representative" in Ireland, Northern Ireland, and Viet Nam, to provide a national perspective — but not formal control — on local grantmaking decisions across programs. This was a relatively easy step, given that the designated representative in each place was already a senior manager (a Programme Director in Northern Ireland and Viet Nam, and a Senior Vice President in the Republic of Ireland) and each was a figure of considerable stature in his respective country. Each had already held the largely administrative position of "Head of Office," responsible for managing each office's local business and accounts. But the brief experiment served mainly to prove that a much bigger step was called for. It revealed, most of all, that the important questions about strategy and priority were increasingly situated at the national level, and that the national level would therefore be where pivotal decision-making authority ought to reside.

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The prime exception to this rule, so far, has been the United States, whose size and concentration of philanthropic activity make "country" a more complicated unit of analysis than in other places. The second-largest country where Atlantic is active, Viet Nam, has a population just over one-quarter the size of the United States. And in Viet Nam, nearly all of Atlantic's current grantmaking is concentrated in just one sector: health. By contrast, the U.S. grants fall in at least three areas of programming, ranging from the vast systems of American education and youth services to the large but thinly funded network of U.S. human rights organizations to the still-emerging field of aging, whose growth in the United States has been significantly attributable to Atlantic's support. Each U.S. program operates in a distinctly different world, with its own system of law and public policy, its particular mosaic of constituencies, and its distinctive pipelines of funding. This has led some to conclude that, within the United States, program teams ought to remain the primary units of decision-making, though with greater effort by senior managers to foster cross-program activity. Others, however, point out that the breadth and complexity of the U.S. programs would be the very reason why some form of "integrated management," as one employee put it, "would be even more important than elsewhere. If the goal is more cross-program work, you could argue that's going to take more effort and more direction in the U.S. than in the other geographies." In any event, at least as of the end of 2010, the American programs continued to report separately to the Senior Vice-President for Programmes.

But in nearly all the Foundation's other major locations — in Viet Nam, South Africa, Ireland, Northern Ireland, and Cuba — Mr. LaMarche had decided by mid-2010 that program strategy should henceforth be under the oversight of a Country Director who would have authority over priority-setting and budgets. Programme Directors would continue to have some international responsibility, primarily for promoting communication, networking, and learning among their colleagues and grantees worldwide. But most of the major impending decisions — among other things, about how the various programs would wind down, at what pace, in what order, with what expectations about terminal grants — would now mostly be coordinated country-by-country. Summarizing the change with a hypothetical example, one senior officer speculated, "A few years from now, a Country Director might say, 'OK, we have four years left, and given what we still expect to accomplish — and recognizing some things we *can't* accomplish in that amount of time — it looks like we need to do more on children and less on aging.' Or vice-versa. Those are decisions that are very hard to make when the main form of organization is by programs. Every program is going to protect its turf. But in reality, the actual turf we're

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working on is countries. When we leave the world, we are leaving countries more than we are leaving issues."

The new structure would start officially in January 2011, but unofficially it was already gearing up by the late months of 2010.

SPELLING OUT PRINCIPLES AND ASSUMPTIONS

At its second meeting of 2010, in June, the Atlantic Board set aside an hour in executive session for an unstructured brainstorming discussion on what members thought "the end of Atlantic" should be — what kinds of achievements would constitute (in the words of one early foundation document) "a legacy worthy of the generosity that brought us into existence." Although the impetus for the session had come from Board members themselves, senior managers prepared a short memo to help frame the discussion, based on three broad questions:

- If Atlantic were to close today, how would it be remembered? What would you like to add to that legacy?
- How can we involve grantees in our planning?
- How does our role as a funder and our relationship with grantees need to change as we move into our final years?

The goal of the session was not to arrive at firm answers, or even concrete suggestions of possible answers. It was meant solely to prompt Trustees' imaginations and begin what would presumably be a longer discussion. Yet most participants agreed that, although these were reasonable hopes, the session did not come close to fulfilling them. The issue, as one Trustee put it, "was just too open-ended and vague. This is a very practical Board; we're not the kind of people who do well with these kinds of paint-the-rainbow discussions." And although the goal had been far from "painting the rainbow" — it was in fact supposed to lead to some initial assumptions or guideposts from which staff members could formulate more specific plans and proposals — the discussion did end up drifting, with several members musing, in no particular order, on grants or programs that had impressed them, or that struck them as closest to the Foundation's core principles. Others speculated about new types of grantmaking, such as endowments, fellowships, or donations of capital assets, that might be appropriate to the final years of operation. Mr. Feeney, who took a central role at the meeting, raised questions about how to focus on what he had often referred to as the "highest and best use" of the remaining funds, and whether the current program strategies were in fact meeting that standard. But the session ended with little more than an agreement to continue the discussion.

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Reflecting on the meeting several months later, one participant concluded that establishing options for the final years, and laying out possible paths for completing the work of the various programs, was really the responsibility of the staff, which could devote sustained, multidisciplinary thought to developing and fleshing out possibilities for the Board's consideration. "There have naturally been several ideas that have surfaced from Board meetings," one staff member said, "for example, an interest in supporting long-term leadership, perhaps through fellowship grants. The Board has always played a major role in raising opportunities and stimulating strategic thinking. But Boards as a rule can't be expected to hammer out the mechanics of how a program fits together — or, in this case, how it closes down. That's what we have staff for." The Board could more easily make choices and raise additional issues or ideas, executives reasoned, if there were first a few concrete propositions set before them.

Senior staff members had in fact already been at work developing a set of propositions and a proposed framework for planning that would guide the Foundation through its remaining years. The first step, as top executives saw it, would be to establish what one of them called "baseline principles" and another called "underlying assumptions" that would set at least rough boundaries on the next stage of planning. As the brainstorming session had made clear, the possible scenarios under which Atlantic might conceivably wind down were, at least in theory, almost limitless. It could begin closing down programs or offices almost immediately, concentrating more and more resources on the ones that survived, or even setting aside some of the freed-up resources for whole new areas of activity. Or it could hold all current grantmaking to a reduced level, in the hope of making large, endowment-like grants at the end. Or it might take any of a dozen other courses. But realistically, the grantmaking program was not a tabula rasa; it was based on financial models, strategic plans, and funding relationships that were already mature and in which Atlantic had invested heavily, with both its financial resources and the soft capital of its credibility and leadership. To be realistic, and to honor strategic and financial commitments the Board had already made, planners would need to work within a narrower range of options. A first step, therefore, was to be more explicit about the boundaries within which the next set of choices would be made.

That effort came together between the June and September Board meetings, when, as one senior staff member at the time put it, "we tried to set out those things that we thought it was important to have a common understanding of. These weren't non-negotiables cast in stone, obviously. Circumstances could change and events or new informa-

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tion might cause some of these things to be re-opened. But we needed to have some idea of which ideas were more or less settled and which ones still had to be thought through." The result was a presentation by Marcia Smith, then Atlantic's Senior Vice President for Programme, to an executive session of the Board's September meeting, containing a rough timeline for the final stages of activity and a set of nine "assumptions" about the remaining years of the Foundation's life.

Following a format that Mr. LaMarche had originally laid out in his 2008 paper, the timeline divided the years 2008 through 2020 into three main phases. The first, already under way, was a period of planning and organizing that would culminate in a set of terminal plans, which senior executives envisioned being finished by the end of 2011. These plans would spell out how each national team outside the United States, and each U.S. program, would focus its strategy and think through its final commitments during the timeline's second phase, ending in 2016. Other organizational units, especially Human Resources, would develop parallel plans to support the national and programmatic teams in those same years. The final phase, from 2017 through 2020, would consist mainly of disbursing and monitoring the final grants, collecting and disseminating lessons learned, and closing down Atlantic's physical operation.

The remainder of the presentation listed nine assumptions, quoted here verbatim, about the future of Atlantic's program planning and operations:

- We will remain in all geographies until 2016, given current political conditions, though the programme mix in each may change.
- We will concentrate on fewer areas of focus within each programme and geography between 2011 and 2016.
- Programme staff will identify areas of impact and focus under the leadership of CDs/PDs [Country Directors and Programme Directors] and senior management and in consultation with the Board.
- If our portfolio performs as expected, we will maintain a relatively even level of grant commitments until 2016: $290 million in 2011 and 2012, and $325 million each year from 2013 to 2016.
- Toward the end, we will award fewer but larger grants. Among other things, we will focus on strengthening individual leadership through mechanisms such as fellowships.
- We will cease active grantmaking by the end of 2016 and close the doors to Atlantic as we know it in 2020.
- We will strive to maintain and improve the ratio of operations to grant spending through 2016, after which operations spending and grant payouts will decline significantly.

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- We will create an exit and development plan for each individual [employee] that balances the needs of the organization and goals of the individual.
- The composition and role of the Board will adjust as the strategies are implemented and final grants are made.[3]

"A lot of what we presented was not new," Ms. Smith explained later. "But the reason we did a full presentation, with not just assumptions but a timeline, was because we thought we ought to be explicit about what we understood to be the fundamentals. In some cases, they'd been written and discussed, but not necessarily incorporated into the way the staff and Board members were thinking and talking about our work." It was a way, another staff member said, of "making the unspoken things spoken, just in case there was anything that had been unclear or overlooked."

REACHING FOR CLARITY

Even if most of the assumptions were not altogether new, several of them had been matters of some ambivalence among members of both the Board and the staff. The Board discussion no doubt helped to clarify many of the uncertainties, but it did not dispel them completely. For example, members of both groups still questioned whether Atlantic would really "remain in all geographies" until the end. Some continued to speculate that one or more national offices might close before 2016 or 2020. Also, some staff members — and many grantees — had hoped the Foundation might award a series of very large grants toward the end, either as endowments or as capital funds that could be invested and would last many years. At least one Trustee had envisioned carving out portions of the endowment and the program portfolio and conferring them, as a package, on some recipient organization that would carry on that part of the Foundation's work. Ms. Smith's list of assumptions did not rule any of these things out (the phrase "fewer but larger grants" could include major gifts of various kinds), though the expectation of "a relatively even level of grant commitments" would make it mathematically unlikely that there would be a great burst of endowments or large capital grants at the end, or that significant parts of the portfolio would be carved away in the meantime.

Ms. Smith's presentation drew no substantive objections at the Board meeting, and the discussion was generally supportive. It was meant to evoke a general consensus, not to lead to a formal vote, and for that purpose both staff and Board members regarded it as a success. Some

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3. Marcia A. Smith, "Executive Session: Spend-Down Planning" (slide presentation to the Atlantic Philanthropies' Board of Directors, 21 September 2010), slides 3-5.

Trustees, both at the meeting and later, expressed a desire to revisit the assumptions regularly, on the grounds, as one Board member put it, that "all of these assumptions are based on current conditions, and conditions can change." "The reaction was generally favorable," said another Trustee, "but it was just the opening round. We'll need a lot more documents developed, and further discussion as we move ahead."

But others who participated in the session, and staff members who took part in preparing the presentation, believed that the assumptions were intended as *premises* for future rounds of documents and discussion, not to be the topic for ongoing debate themselves. "There have to be some things that are considered settled for some period of time," a staff member said, "or else you can't move on to the next things. I think we made a lot of progress on that. Of course the Board may raise some of these questions again. But the time for making basic decisions is short; there are a lot of follow-on decisions that we are going to have to make in the next few years, and they need to proceed from some common understandings. These aren't just ideas; they're meant to be principles, and if they are revisited, it should be because something significant has changed."

These differing interpretations of what happened at the September meeting may be the natural consequence of highly engaged Trustees slowly coming to grips with the reality that, at some point in the near future, it will be too late to revisit some key choices. The September discussion and its attendant uncertainties reflect, among other things, a unique challenge in bringing a philanthropic enterprise to a close: The nearer the institution comes to its end date, the harder it will be to change course in any fundamental way. Trustees understood, and some argued forcefully, that any significant changes in the Foundation's direction, strategy, and aims needed to be taken soon, to allow time for those changes to be translated into a smooth stream of grant decisions in the remaining years. That understanding would bring about further significant review of the program, and have profound consequences for Atlantic's governance and executive leadership, in the months ahead. But for now, staff and Trustees broadly agreed that the success of the Foundation's late years depended mightily on establishing a settled and consistent program strategy for the last five to six years of activity. And they were committed to bringing that about.

Foundation programs and strategies often entail making multiyear promises to governments and other funders, forging difficult alliances among grantees and other organizations, adding new staff to grantees' payrolls, enrolling disadvantaged and vulnerable people in services that they may come to rely on, and other acts with long-term consequences. They often can't be halted or upended on short notice. At some point,

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when a foundation's life is short, decisions with these kinds of multiyear implications become close to final, because unwinding them would take longer than the foundation has left. With six to ten years of activity still ahead, Atlantic had not reached that point at the end of 2010. But Ms. Smith's timeline showed that the Foundation was approaching a phase of planning and budgeting whose key decisions, once made, would set in motion activity that would be increasingly hard to reverse. Setting premises for those hard-to-change decisions — the ostensible purpose of the September presentation — was meant to be a first step, an early sign that the nature of decision-making at Atlantic would gradually be changing.

UPDATING THE STAFF

Unlike Trustees, Foundation staff are immersed in these realities day-to-day, and are consequently more attuned to — and in some cases more anxious about — the limits and uncertainties that limited life introduces into a foundation's work. Consequently, soon after the Trustees' September meeting, Frederick A.O. Schwarz, then the chair of the Board, and Mr. LaMarche and Ms. Smith, along with other senior officers, took a prime opportunity to present the timeline and assumptions to the whole staff.

Atlantic periodically gathers nearly all of its 130 employees from around the world at a meeting to review recent events and think together about the months ahead. During the 2010 meeting, for the first time ever, the agenda set aside an hour to discuss how the Foundation would begin planning for the end of its life. Although the topic had arisen at earlier staff meetings, and senior officers had discussed some of the major issues with smaller groups of employees, an afternoon session on October 6 would be the first opportunity for the whole staff to hear, at the same time, how the Atlantic Board and top executives were thinking about the last six to ten years of their institution's life. At the core of the session was a replay of the presentation Ms. Smith had made to the Board two weeks earlier.

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The issue of how the Foundation planned to complete its grantmaking had been the subject of broad speculation, and in some cases uneasiness, among staff members for some time. In interviews for this report, and for the one that preceded it in 2009, several staff members had expressed concerns not so much about their own jobs, which they all knew would end in a few years' time, but about the future of their program strategies and grant commitments, and (at least by implication) about the odds that they would be able to complete their work successfully as planned. Ms. Smith's presentation dealt with some of these

questions — the ones that could be answered at this point — but senior executives also expected a number of issues to arise from the floor that could be dealt with only in broad or hypothetical terms. To prepare for these matters as well as possible, they prepared a set of talking points in the form of possible questions and answers. In the actual discussion, most of the expected issues never arose, though a few did:

Q. Is there still going to be a Spend-Down Committee (there was talk about setting up a committee a year ago)? Who will be managing the spend-down planning?
A. The work will likely entail active involvement by two groups. First, the programme leadership, who — working with senior leadership and in consultation with the Board — will shape our programme plans for our remaining years and will make decisions on how and when to exit certain areas of the work. The second is the Senior Leadership group, which together will work to ensure that all the various streams of [concluding] work — including programmes, human resources, investments, legal, communications, and operations — are coordinated with staff across the organization as decisions are made.

Q. Will certain offices and/or programmes close before 2016?
A. There are no plans to close any offices prior to 2016. As far as programmes go, it's difficult to predict how the work will evolve under the [new] country structure, and we expect that the programme mix in each country may evolve and that more cross-programme work will emerge over time. But again, there is no intention to close any single programme before 2016.

Q. Will some people's jobs be eliminated before 2016?
A. It is possible that some roles may become unnecessary as time moves on, but it is not possible at this stage to predict which roles and in what time frame.

Q. When and how will we find out our personal timeframe and exit plans?
A. This will be part of the larger planning process so the timing is linked to the overall [final-years] plan in each geography and area of the organization. Your manager and H.R. [the Human Resources department] will discuss with you the details of your exit plan and timing when this information is available.

Q. Will we endow certain grantees?
A. We have no specific plan in place at this point, but part of the work of the programmes and geographies going forward will be to determine how best we can ensure the sustainability of our grantees

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and the fields we work in beyond Atlantic's lifetime. It is possible that we may consider strategies such as endowments or fellowships as part of that work.

Q. When will we have a more fleshed-out plan for spend-down?
A. We expect that plans will evolve and unfold in a few phases. Between now and the end of next year, we will focus on organizing ourselves for the final years of operation. As part of that work, the geography and programme teams will spend part of next year developing five-year plans. While we know that these plans will need to stay somewhat fungible so we can respond to new opportunities, they will provide a roadmap for how we will focus our work in each area and geography between now and 2016. … As we make progress, we will continue to keep you regularly updated.
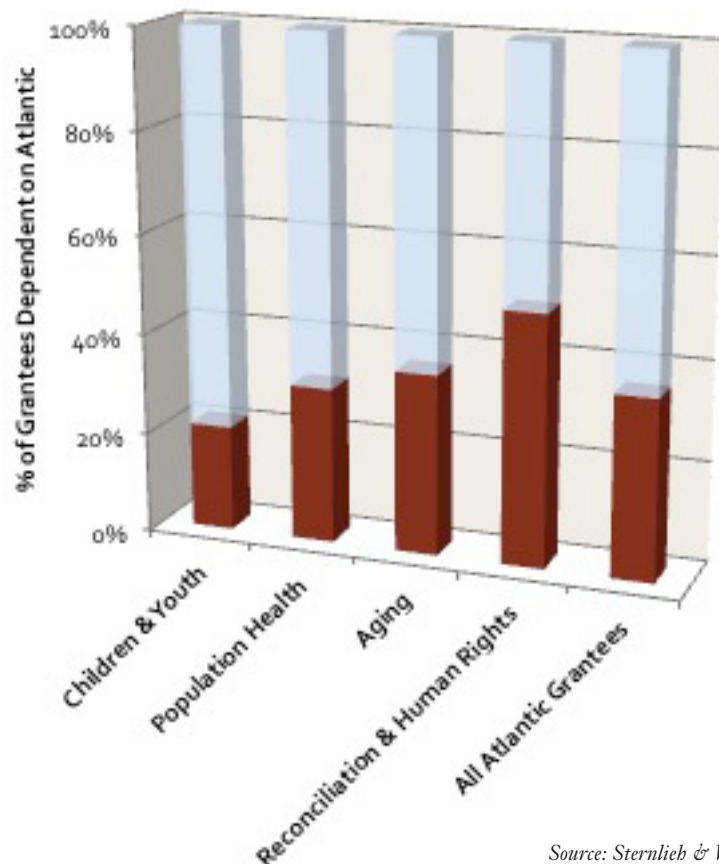
SEEING THAT CAUSES ENDURE

The topic of grantees' sustainability — their prospects of surviving not only the withdrawal of Atlantic funding, but other adversity a decade or more into the future— arose often in both the Board and staff discussions in the autumn of 2010. On one hand, Atlantic had for most of its life been deliberate about finding funding partners for every major initiative that it supported, and most elements of the program had explicit plans for long-term funding built into their written strategies. On the other hand, these funding plans and relationships sometimes related only to the specific activity that Atlantic was supporting, not to the survival of the larger organizations carrying out those activities. As the Sternlieb-Walsh analysis pointed out, the long-term uncertainties were greater in programs like Ageing or Reconciliation and Human Rights, where other sources of support were relatively scarce and governments were often not realistic sources of major funding. (As one Human Rights staffer put it, "we obviously don't want the government as the primary funder of organizations whose purpose is to hold the government to account.") In countries such as Ireland and South Africa, where private philanthropy was less robust than in the United States, and where government budgets were under stress, grantees' dependency on Atlantic ran particularly high. Even in fast-growing Viet Nam and philanthropy-rich America, it was far from certain that Foundation grantees would be able to hold the interest of major funders, whether public or private, once Atlantic's money and influence had faded away.

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Nor were all the challenges solely about money. Some of the organizations carrying out Atlantic-supported projects would need experienced management consulting and other technical advice to help them re-engineer their organizations for a (probably leaner) post-Atlantic existence. Some might need to merge or downsize; for others the choice might be to expand or die. Outside the United States, most of the countries where Atlantic operates have few technical resources or consultancies that could help organizations understand and manage those kinds of challenges. Building a management- and technical-support system would therefore be another aspect of sustainability that would need attention. Solutions and experiments were beginning to emerge in a few places but still had much farther to go.

Admittedly, in a few cases the work Atlantic was supporting might well be substantially finished by 2020, making sustainability somewhat less of a concern. For example, long-running experiments in early-intervention services for disadvantaged children and families in Ireland would have reached the end of their trial period by that time. Analysis of the data would be well under way or complete, and the intended outcome of the project — solid evidence of whether these services are effective — would by itself stand as an important

Dependency on Atlantic by Programme

Source: Sternlieb & Walsh

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contribution by Atlantic to the field of children's services worldwide. Yet even in that case, Foundation staff clearly hoped to do more than publish a research report and walk away. If the study found early-intervention services to be valuable, they would prefer to know that the Irish government was committed to keeping these services afloat and expanding them to reach more families. So even when projects could be regarded as time-limited and on track to produce complete, tangible results by 2020, the greater aspirations behind those projects might still be far from realized. And of course, in the majority of the Foundation's areas of interest — improving primary health care in Viet Nam, securing basic rights for poor rural families in South Africa, promoting civil liberties in Ireland and Northern Ireland, expanding productive opportunities for older adults in several countries, and dozens of other interests — Atlantic's work would not be finished, in any important sense, when the last of its grants was disbursed and spent. What would happen after that?
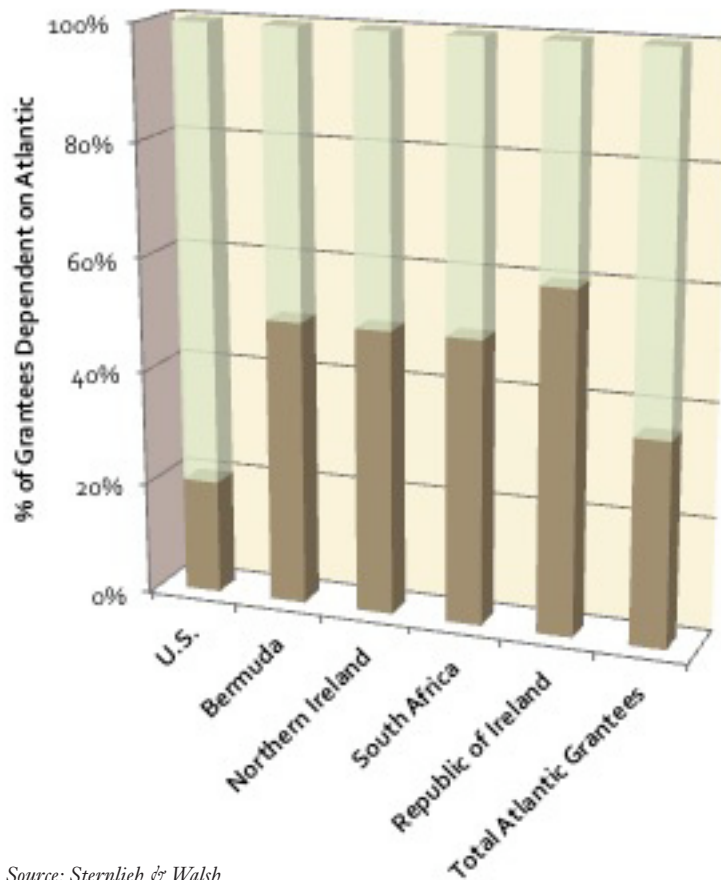
To some extent, each program and field of activity had begun formulating its own answers to that question, although several of these were still tentative and exploratory. But as discussions about final grants, impact, and legacy intensified in 2009 and 2010, many staff members and top executives came to believe that ensuring grantees' capacity to endure and grow beyond Atlantic's lifetime should be an institution-wide concern. In September 2010, the Foundation created a Capacity-Building Unit that it described as a team "of communications, advocacy, organizational development, and fundraising experts who provide support for the foundation's programs and grantees, and recommend external resources on the ground in each country where Atlantic operates." The Foundation hired Fran Barrett, a nationally recognized leader in nonprofit management, to set up the unit and begin mobilizing an institution-wide response to the sustainability challenge that would last through 2016 and beyond.

Overall, it could be argued that 2010 was the year in which the main locus of planning for the end of The Atlantic Philanthropies emerged from the individual program teams to encompass the Foundation's full institutional management and Board. In some of the Foundation's supportive services— especially financial management and strategic learning and evaluation — terminal planning had already been under way for some time at the institutional level. But in the grantmaking divisions — the work a senior officer described as "driv[ing] all the other organizational functions" — the vision for Atlantic's last years, its final achievements, and its hopes of leaving a legacy had not yet been

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addressed institution-wide in any sustained way. Instead, these issues had thus far all been worked out in separate silos, program-by-program. Those individual efforts would need to continue, of course, and probably even expand as the end approached. But beginning in 2010, the programs' separate decisions would increasingly fit into an overall institutional context, leading to more integrated planning, cross-program philanthropy, and coordinated attempts to brace the Foundation's fields of investment for the inevitability of its departure.

But that story essentially remains to be written, beginning with events whose practical effect will not be felt until 2011 and beyond. To appreciate the issues that individual programs have been grappling with up to now, the next section describes how two of the programs, Children and Youth and Population Health, have approached the demands of finishing their work and grappled with the particular challenges that a limited-life mission poses in their respective fields and countries.

Dependency on Atlantic by Geography

Source: Sternlieb & Walsh

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**A. CHANGING COURSE FOR CHILDREN
AND YOUTH IN THE U.S.**

Soon after Atlantic decided, in 2002, on the four fields in which it
would concentrate its grantmaking, teams of program employees set out
to draft detailed strategies in each field for the Board's review. Members
of these teams recall a careful effort to focus on possible lines of grant-
making that would particularly suit what was then a 15- to 20-year
projected lifespan. "Limited life was the overall framework for all that
planning," one participant said, "and we didn't seriously consider any-
thing that didn't fit into that." Yet although all the final plans outlined
work that would accommodate a roughly 15-year schedule, almost
none of them dealt specifically with how and when each effort would
end. One reason, several people suggested, is that other than choosing
challenges that could plausibly be met within two decades, these initial
planning exercises were not much different from those undertaken at
most perpetual foundations. They sought to outline significant goals, to
plan a vigorous pursuit of those goals, and to make a lasting difference
by the time they were done. Exactly how and when they would finish,
with exactly what amounts of outlays in exactly which years, as one staff
member put it, "would just have been guesswork at that point. It was
too far away for that kind of precision, and no one really expected it."

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One exception to that rule, however, was in the program then known
as Disadvantaged Children and Youth, or DCY. In early 2003, as staff
members planned the central component of the program in the United
States, initially known as Integrated Services in Schools, they created
a precise working timetable for virtually the whole expected life of the
initiative. It was specific as to annual objectives, grant amounts, and per-
formance measurement for each of the first ten years, and only slightly
more general in envisioning a gradual conclusion to the program begin-
ning in Year 11. (Program plans for Ireland and Bermuda, and some

other elements of the American program, were similarly decade-long in scope, but at that stage were less precise about year-by-year activity, or about the future beyond Year 10.) "We made a detailed plan," a key participant in those years explained, "with significantly large sums every year, predicated on grantees meeting mid-term metrics that we had specifically targeted for years three, four and five. … We set it up to ramp up, measure results year-by-year; there was a peak period and then a wind-down trailing down to the end. There were cash-flow projections absolutely modeled out. There were strategic milestones associated with all the pivotal points."

This level of detail, as staff members recall it, was kept mostly in the background and used as a kind of internal road map. It was not presented in full to the Board (although a program update in 2005 did present five years' worth of annual budget and outcome forecasts, drawn from the longer-term framework.) But it had a critical effect on the way much of the U.S. DCY program was structured and managed in the early years.

The initiative mapped out in this plan was later re-named Elev8. It began with an RFP in 2005, from which four sites were chosen: the cities of Baltimore, Chicago, and Oakland, and the state of New Mexico. A year of site-by-site planning followed in 2006. In each place, the model called for the Foundation to make large, multiyear commitments based on service agreements with multiple providers and public school systems, including detailed matching or co-funding agreements with other philanthropies and with state and local governments. The plans for each site placed particular emphasis on preteens and early adolescents, age 10-16, who were having trouble in school and beginning to "exhibit signs of disconnection." Atlantic grants would "support proven programs, demonstrate their robustness, and link them to the policy world."[4] A prime objective was to bring some 50 major direct-service and intermediary organizations into closer cooperation with one another and with state and local governments, school systems, and community groups in each site, establishing patterns of coordination and interaction that the Foundation hoped would endure and be replicated elsewhere. Operations began two sites at a time, starting in 2007, with New Mexico and Chicago the first out of the gate. Oakland followed soon thereafter, and Baltimore was last.

Throughout the whole Disadvantaged Children and Youth strategy, one point of particular emphasis was before- and after-school activi-

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4. These quotations and other descriptions of the original Elev8 initiative are taken from "The Atlantic Philanthropies: Disadvantaged Children & Youth in the U.S. — Strategy Memo Draft, May 21, 2003," unpublished internal memorandum. The first quotation is from page 1, the second from page 2.

ties. These were, at the time, a fast-growing branch of the American youth-services field, and they were attracting increasing support from governments and foundations. Atlantic's interest in out-of-school-time programs extended well beyond Elev8, because of mounting research showing that these programs could be beneficial in improving young people's development. But out-of-school-time activities played an especially prominent role in Elev8's vision of integrated services, because they provided a point of strategic convergence where schools, families, youth groups, social service agencies, and community development organizations could work together on common goals.

By strengthening and weaving together these various strands of work, Atlantic hoped to create a rich array of programs, activities, and adult guidance, concentrated in places of particularly acute need and specifically aimed at young people whose life paths were verging on trouble. The service organizations would work together in a few carefully chosen communities within each city or state, with coordination and technical help from designated intermediaries. Together they would create a web of services, all targeting essentially the same children in the same communities, using the local schools as anchors. They would incorporate education, after-school, mentoring, health, community service, and other efforts to promote healthy physical, intellectual, and social development. Atlantic would support the integration and expansion of this network of activities in each place and fund rigorous evaluations of many of their activities. One major element, for example, was the creation of school-based health centers in each locality — a significant capital investment for both the Foundation and the local education and health systems, but also a major step toward ensuring that children could get health services where they spent most of their day. Along the way, grantees would mobilize local organizations and families, helping them to become more active participants in the provision and improvement of services. In the longer term, this growing constituency was intended to become a voice of advocacy for better services and public policy, with the support of major national policy and advocacy organizations that would also become grantees of the program.

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The design was something like a finely engineered machine, in which the component parts were carefully selected and fitted together. These included premier national organizations like Big Brothers Big Sisters and Boys and Girls Clubs, rising stars like the Knowledge Is Power Program [KIPP], and smaller but expanding high-performers like Citizen Schools and The After-School Corporation. In the first year or two, some grantees and Foundation staff spoke of the model as a "Gold Standard," whose "pure" execution — with the complete roster of organizations on site, working together in exactly the prescribed

ways — was essential for success. Although this vision of total standardization was relatively short-lived (local intermediaries occasionally ran into trouble integrating all the approved organizations into their communities exactly as planned), Elev8 was at heart a kind of all-or-nothing proposition. It was not meant to strengthen school-based health centers, counseling services, or after-school programs as particular entities; it was meant to demonstrate the value of weaving *all* of them into a coherent whole.

The vision was as expansive and ambitious as the implementation plan was precise and complex. But it was always somewhat controversial within Atlantic. Indeed, many people believe the initiative was rushed toward a premature implementation for fear that support for it might erode (as, in fact, it did). What Elev8's early supporters saw as an audacious "big bet" — exactly the kind of high-stakes philanthropy that the Foundation's limited life was intended to make possible — others came to regard as an enormous gamble. The vision of local schools as hubs of family and community services had been frustrating reformers for at least four decades (the Ford Foundation had supported an early version of this same model in New Haven, called Community Schools, as early as 1962, with mostly disappointing results). For most of that time, successes had been few and fleeting, and it was not clear why the current moment would prove any more fertile. By the time full implementation began, in 2007, doubts about the expansive ambitions behind Elev8 were coming to the fore, and its lifespan was shortened by two years. A year later, as the staff and Board prepared for a new round of strategic planning, the remaining timeline was cut in half. The intricately designed ten-year initiative was now a four-year foray, with plans beyond these first four years left deliberately unspecified (although many grantees say they were given reason to believe their support would continue beyond Year 4).

By 2008, senior officers and Trustees had lost confidence that Elev8's many intended alliances and goals would be achievable, and even if they were, many doubted that they could truly create the advocacy engine the original designers foresaw. Many things had happened in the intervening four or five years that made the intricacy and precision of the initial framework seem far-fetched. For starters, there had been adverse fiscal or political developments in some of the chosen jurisdictions, and the focus of national policy had been drifting away from some of Elev8's central preoccupations. Meanwhile, senior managers increasingly doubted the wisdom of the original ten-year calendar, which they believed left both the Foundation and the grantees too little latitude to respond to changes in local or national priorities along the way. While a few individual pieces of the initiative were showing real promise, par-

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ticularly the out-of-school-time programs,[5] the totality struck many people as overly complex, rigid, and unwieldy. When a new director, Donna Lawrence, took over the Children and Youth portfolio that year, she set off on a thorough review of Elev8 to determine which parts should be preserved and which pared away.

When she submitted her findings in mid-2009, Trustees were pleased to see that they were not nearly as bleak as some skeptics had feared. "In spite of some significant operational challenges," she reported, "Elev8 carries the seeds of a dynamic, influential initiative — one which, with some revision, can continue to be a cornerstone of the [Children and Youth] Programme going forward."[6] She had particular praise for the initiative's "high-quality school-based health centers that provide comprehensive, confidential adolescent health care, including dental and mental health services."[7] Seven such centers had already been built in New Mexico and Chicago, and seven more were in the works across all four sites.

Nonetheless, the "operational challenges" included a number of basic design flaws that Ms. Lawrence and other senior managers believed would call for far-reaching revisions. Among other things, the rush to launch the initiative in conformance to the ten-year timetable had meant that the Foundation had struck less favorable deals than it might have with local school districts and other public authorities. The original plan had also concentrated most of its attention on young people's social development, while national debates were increasingly centered on educational achievement. "Elev8, apart from other significant reforms, cannot improve the quality of education provided in the schools," Ms. Lawrence wrote. "Our failure to articulate the reality that comprehensive school-based services are necessary but not sufficient has meant that Elev8 remained apart from main currents of education reform and significantly limited our ability to impact national debates."[8] But the most general and fundamental problem Ms. Lawrence found was with Elev8's rigidity: a "top-down," "prescriptive," approach tied to "national, rather than local, providers" that "underestimated the unique social, structural, and political challenges in each community" and "unintentionally displaced local

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5. A later evaluation would confirm many of these positive views of the out-of-school-time work. A report by the Harvard Family Research Project ("The Atlantic Philanthropies Integrated Learning Cluster: Evaluation Review," Harvard Graduate School of Education, unpublished draft, September 2010) concluded that, among other things, these grants "demonstrated how to foster collaboration," "helped grantees develop relationships with policymakers [and] practitioners across the country," and "resulted in significant increases in the depth and reach of professional development opportunities in the OST field." (pp. 17-18.)
6. Donna Lawrence, 'Next Steps in Children and Youth Programme Strategy — Phase 1: Transforming Elev8,' unpublished memorandum, The Atlantic Philanthropies, 11 June 2009, p. 4.
7. *Ibid.*, p. 9.
8. *Ibid.*, p. 12.

providers." The specificity of the original blueprint "left no room to address other issues of concern to the children and families who were the targets of the initiative."

Yet for all these perceived shortcomings, Ms. Lawrence's overall picture was of an essentially sound idea, even if one that was hemmed in by too restrictive and detailed a preliminary design. She envisioned not an end to Elev8 but a "re-tooled" effort with much less uniformity from place to place and more flexibility about how long it would continue. "Re-tooling Elev8 would involve work to redesign three aspects of the initiative: the community-level operational components, the intermediary structures, and the vertical thread from the Elev8 sites to national policy."[9] With those changes, she predicted, Elev8 could become "an integral component of the enduring local advocacy capacity for children and families that we hope will be Atlantic's legacy."[10]

It should be noted that a similarly ambitious approach to Children and Youth had also been taking shape in Ireland in these same years. Like the original design of its U.S. counterpart, the Irish branch of the program involved the co-location of multiple service providers (center-based child care, mentoring, literacy, parental counseling, and more) in areas of concentrated need, with guidance from intermediaries and sophisticated evaluations by university-based researchers. It included a parallel effort to strengthen the communities' ability to advocate for their own interests. In Ireland's strategy, the particular emphasis was on a mix of services intended (a) to strengthen families and promote healthy development in young children so as to prevent later problems, and (b) to intervene early when problems start to become manifest. In a diagram or Logic Model, the Irish program's approach to prevention and early intervention for young children would have seemed just as complex as the U.S. model, where the emphasis was on slightly older children. But there were significant differences beyond the age groups being targeted.

First, and most important, Ireland is a much smaller country (its entire population is roughly equivalent to that of two Elev8 sites) with a national Office for Children and Youth Affairs that is far more influential in children's policy and service provision than is any single public agency in the United States. The Irish government was a key partner in the design and evaluation of Atlantic's DCY program from the beginning and was committed to seeing it through. Second, the program's goal was not primarily the integration of services, as it was in Elev8. Instead, the aim was to instill research and evidence more deeply into the way Ireland's govern-

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9. *Ibid.*, p. 15.
10. *Ibid.*, p. 4.

ment agencies and nongovernmental service providers approached their work. That goal did not depend on the imposition of an unwavering "Gold Standard" model in all locations, but could accommodate considerable variation from site to site and over time. Unlike its American counterpart, the Irish program did not begin with a fully formed implementation plan stretching out over the ensuing decade. Instead, it started with considerable exploratory work and evolved organically over its first several years. It has put a premium on adaptability and local leadership, offering extensive technical and organizational support to help community organizations and service providers adopt and apply research findings to their local needs as the intervention progresses.[11]

In Elev8, by contrast, many of these advantages were lacking or in doubt. There was no overarching U.S. government authority to join Atlantic in designing and implementing an initiative. While Atlantic was by far Ireland's largest philanthropy and a singularly influential voice in national affairs, its American efforts would take place amid a vast and crowded arena of heavy hitters in children's services, including many big foundations, national nonprofits, think tanks, academic institutions, civic and religious groups, and public agencies at every level. The U.S. demonstration sites were also much more diverse than those in Ireland. They were spread across nearly 3,000 miles and included sharply different government systems, funding arrangements, and political environments, while their Irish counterparts were clustered around a single city and subject to nearly identical public authority. Yet the design and goals of the U.S. demonstrations were in many respects more rigidly uniform than was the case in Ireland.

The original designers of the U.S. program were almost certainly right that achieving a meaningful integration of national and local service providers, funders, intermediaries, and researchers across this vast landscape would take at least ten years and dozens of millions of dollars. And by the time the first sites started operating, the plan was already a couple of years along in its execution. Unless the Foundation remained confidently committed to the goal, and willing to absorb the risk that the vision might be too ambitious or need much more time to jell, program managers would have to pull back and redesign Elev8 very quickly. They would otherwise risk leaving themselves too little time to design and implement an alternative.

For the remainder of 2009 and into 2010, Foundation staff struggled to revamp Elev8, and with it much of the U.S. children's program. By the

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11. Information in this paragraph and the one before it draws heavily from an evaluation by Diane Paulsell, Patricia Del Grosso, and Mark Dynarski, "The Atlantic Philanthropies' Disadvantaged Children and Youth Program in Ireland and Northern Ireland: Overview of Program Evaluation Findings," Mathematica Policy Research, Inc., January 30, 2009, particularly pp. 4-7.

time the revisions were done, and a new program strategy was approved by the Board in late 2009, Elev8 was a shorter, more flexible initiative with narrower goals and more opportunity for local actors to shape tactics at the front lines. It remained a core element of the Atlantic strategy for Children and Youth and incorporated that strategy's two nationwide goals: promoting reform to school disciplinary policies and expanding health coverage for young people. Clarifying and updating that broader strategy, including elements outside of Elev8, constituted a second phase of work for Ms. Lawrence and the staff, which was largely completed at the end of 2009. Implementation began in 2010.

One thing that had not changed, of course, was the finish line. The Elev8 initiative was originally designed to run at full force for ten years, through 2013, and then spend a few years closing down, along with the rest of the Foundation. At least in theory, the new program design — including some or all of the Elev8 activity — could entail grant commitments all the way to 2016. Yet now that deadline would be at most seven years away, not ten or 15. And in reality, the timeline would be even shorter, because the new goals, partners, and methods would all have to be phased in or reoriented gradually. Many grant commitments from the old strategy were still being honored. Grantees would need time to absorb and adjust to the new plan, and some would not fit in. Their expectation of support from Atlantic beyond the first four years — along with assurances they may have given to other funders, governments, constituents in the field, and allies at the front lines — would have to be revised. What the original plan foresaw as an "exit risk" — the danger that Atlantic's departure might be destabilizing for some of the participating organizations if it withdrew support too suddenly — would now be an immediate challenge to be managed, not a remote possibility. By one estimate, honoring commitments and making exit grants to organizations that didn't fit the new strategy took up close to half the budget for the U.S. children's program in 2010, and a declining portion in 2011 and 2012.

Yet even then, as one observer notes, "it's going to be a more abrupt and smaller exit than they were expecting." The Elev8 grantees had been made aware, some years earlier, that the initiative might well come to an end when their fourth year of operation was over. So they were at least prepared for a change, even if not necessarily sure what might lay beyond it. Grantees in other parts of the program, including some out-of-school-time organizations outside of Elev8, had less notice of a shift in course. They would need some transitional support and time to determine whether they could continue or would have to close.

In 2010 and 2011, Elev8 grantees began to get the news that further Atlantic support , beyond the four years they had been promised, might

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now be a possibility, even if at a significantly reduced level. Yet that welcome news came to many of them as just one more shock along a path that they had once thought had been fully mapped out for at least a decade. "It's been sort of a roller-coaster ride," one grantee said, "from 'This is going to be the biggest commitment ever!' to [rumors of] 'We're closing the whole thing down!' to now, 'This is going to be smaller but better.' And look, this isn't our first grant ever. We know foundations change their minds sometimes. We can work with this, and we're still proud that they want to keep working with us." Said another, "They're still giving us support to do some very important things that we really wanted to do. And they're being careful to prevent it from being an abrupt drop-off [in funding]. So it's not quite what we were expecting at first, but we can still do valuable things."

In planning for the abbreviated time span remaining, Atlantic staff members felt they would have to be doubly vigilant to focus their efforts, as one of the key planners put it, "on where we could, in the time we have left, have a significant impact. The spend-down was really looming over that piece of it. … It was clear that the timeframe of a limited life forced us to keep going back, over and over, and thinking, How do we focus in a really narrow, strategic way?" The limited time horizon was one important reason why the Children and Youth Programme chose school discipline and health care as its main areas of focus. Both were issues that affected a large number of children and that had a good chance of producing measurable successes in the time remaining.

Even perpetual foundations find it difficult to re-focus their strategies significantly while a program is in mid-course — despite having the freedom to extend the timeline or to revisit the schedule in later years. In many foundations, the tendency when facing a program whose original design starts to look over-ambitious, or one that runs into greater-than-expected obstacles, is to wait, watch, and sometimes even double down. As consultant Gary Walker wrote to the James Irvine Foundation in 2007, "The forces, structure, and incentives of the philanthropic world are geared toward staying the course — or expanding the course. The call for more time, resources, and technical assistance is not an unusual large-foundation response to an initiative's early or mid-course problems."[12]

At Atlantic, the immovable arithmetic of a declining endowment made that sort of temporizing much less attractive. As a result, once the Foundation reached the conclusion that the odds of success on its cur-

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12. Gary Walker, "Midcourse Corrections to a Major Initiative: A Report on the James Irvine Foundation's CORAL Initiative," The James Irvine Foundation, May 2007, p. 17.

rent path were too low, it changed course swiftly and dramatically. The experience of Elev8 seems to suggest that although a limited life may impose unique pressures on foundation staff and Trustees, and sometimes prod them toward above-average ambitions, it also hones their critical senses, and piques their resolve to make changes sooner rather than later. As one staff member put it, "If you're driving toward a cliff, you are going to be much more conscious of how fast you're going, and how much time you need to stop, and when you'll need to turn the wheel, than if you're just coasting along on a straightaway that runs on forever and ever in front of you."

B. BUILDING AN INFRASTRUCTURE — LITERAL AND FIGURATIVE — FOR POPULATION HEALTH IN VIET NAM

Chuck Feeney made the first Atlantic grant for Viet Nam in 1997, donating $100,000 to a then-tiny nongovernmental organization called the East Meets West Foundation. Mr. Feeney visited Viet Nam the following year and made further grants to East Meets West to renovate a library and build a burn unit and pediatric care centre at Da Nang Hospital. University libraries and dormitories, schools, and other health facilities followed, often with East Meets West handling frontline construction management and Mr. Feeney taking a direct role in decisions about design and equipment. Along the way, Mr. Feeney also invited Atlantic grantees from other countries, including the United States, Ireland, and Australia, to come to Viet Nam and establish training or advisory relationships with their counterparts there. Many of these kinds of relationships continue to the present. None of them grew out of any broad strategic vision, at least at first. Following a maxim generally attributed to Mr. Feeney — "One good project usually leads to another" — the program initially took shape in increments, as each successive grant turned up additional opportunities and new ideas for accomplishing more.

Four years after the initial Da Nang Hospital grants, as Atlantic was designing new programs and strategies for its final two decades, the Board began to consider ideas for what was then called a Public Health Programme for Viet Nam. Several elements of the proposed plan closely tracked Mr. Feeney's original model: support for major institutions, creation of buildings and campuses that would significantly advance the country's public health capacity, brokering agreements with institutions from other countries to offer technical assistance and training, and securing commitments from the Viet Nam government to sustain and expand on Atlantic's accomplishments. But by this time, in 2002-2003, the Foundation's Board and management were

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particularly looking for ways to narrow and focus their grantmaking as they began the process of winding down the endowment. So the new plan for Viet Nam zeroed in on public health in particular. Although the Foundation's work continued to include other objectives — university libraries, hospital and medical school infrastructure, improved emergency services — its primary goal was to help build Viet Nam's budding public health movement, starting with the Ha Noi School of Public Health, into a prestigious, advanced, and influential component of the nation's health system. On a parallel track, the program sought to improve public health policy in areas like injury prevention, tobacco control, and HIV/AIDS, as well as the government's support of public health and primary care more broadly, so as to raise life expectancy for large populations. It was still not a fully fleshed-out strategy, but it established points of emphasis — strategic nuclei, in a sense, from which future work would build outward.

In later years, beginning with a full strategic plan adopted in 2004, other components were added and a few were dropped. Many of the new ones — including major new facilities for national institutions in pediatrics and epidemiology, pilot projects to improve primary and preventive care in Viet Nam's provincial health system, and a special initiative in eye care — continued to follow the original Feeney model. These components included substantial support for new or improved facilities and equipment, in addition to skill- and capacity-building efforts for staff and management, plus commitments from the national Ministry of Health for ongoing support. Many included international arrangements for technical assistance or joint ventures.

Over time, some lines of work came to an end, including the initiatives for university libraries and eye care, but only after leaving behind significant new capacity, including new or expanded institutions and facilities, of lasting importance in Viet Nam's education and health systems. Other work created durable changes in Vietnamese law and society. For example, work on injury prevention ended with a definitive success in 2007, when all motorcycle and motorbike drivers and passengers were required to wear helmets. The new law was the result of years of advocacy, policy development, and economic groundwork by an international coalition that included Atlantic and its grantees. Atlantic's eight-year, $20 million effort involved support for research on the human and economic benefits of a universal-helmet law, mobilization of leaders and citizens around the cause, and even support for the creation of an industry to manufacture lightweight, attractive helmets, something that had been unknown in Viet Nam until the mid-2000s. Here, too, capital projects were a critical factor: Chuck Feeney made the seminal grant to the Asia Injury Prevention Foundation for a fac-

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tory to manufacture safe, fashionable helmets that have since become an affordable status symbol.

Atlantic's top two objectives for population health in Viet Nam — support for major institutions and centers of excellence in public health, and creating replicable models of provincial health care, including new or upgraded facilities, human resources, and equipment — have survived two succeeding strategy updates and are largely unchanged to this day, at least in their fundamental approach. As a result of this sustained effort, Atlantic's influence is visible up and down the hierarchy of public health and health care in Viet Nam. At the community level are scores of new or substantially upgraded commune health stations — local clinics that care for disadvantaged families, including the urban poor, underserved ethnic minorities, and residents of remote villages — that are intended as demonstration projects for nationwide replication. At the top of the system are the leading national and regional institutions in public health such as the Ha Noi School of Public Health, the National Hospital of Pediatrics, the National Institute of Hygiene and Epidemiology, and public health faculties in three major medical schools.

Connecting these top- and bottom-level approaches is a strategy aimed at the whole system of health care in Viet Nam. The approach focuses on major constraints or bottlenecks in the health-care continuum, where a lack of capacity in one area not only results in diminished care for patients, but places greater stress on other parts of the continuum. In Atlantic's strategy, superior care at the commune health stations not only raises health outcomes for underserved people close to where they live, but it also reduces pressure on major regional hospitals by preventing or treating basic illnesses at a more appropriate place and level. Likewise, an improved primary, preventive, and public health policy leads to fewer preventable illnesses, a healthier population, and some relief for Viet Nam's crowded tertiary-care institutions. As a 2008 evaluation report put it, "Atlantic does not just pick up the bits and pieces of work that fit the foundation's mandate, as many do, but looks at the whole picture strategically. The package of strategic planning, infrastructure, training, management, equipment, information systems, etc. is on the table. Add-ons continue to be made as staff learn what works and what is missing."[13]

One of those recent add-ons (or, more accurately, an expansion of prior effort) has been an intensified focus on the sustainability of the

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13. "Profile of Atlantic Philanthropies as a Donor: Population Health Programme in Viet Nam," Mary Byrne McDonald, Ph.D., principal investigator, Social Science Research Council, 26 September 2008, p. 9.

various institutions, initiatives, and demonstrations Atlantic has supported in the past decade or more. For example, the latest update to the Population Health Programme strategy, approved in 2009, asserts that "The issue of sustainability [for improvements to commune health stations] will also be addressed through discussions with the Viet Nam Government, which we will press not only for the required initial investments, but for the long-term operational costs of the system. Given the considerable momentum of this initiative, convincing the government and international development agencies to scale up the model nationally is a realistic goal prior to Atlantic's spend-down target date."[14]

This passage on sustainability is practically the only place in which the plan makes specific reference to Atlantic's limited lifespan or gives any sense of an approaching end to the program. Unlike the early plans for Children and Youth, for example, with their detailed timelines and schedules of activity and their efforts to link multiple grantees in coordinated webs of activity, initiatives in Population Health have tended to be modular and detachable, progressing project-by-project, institution-by-institution, layer-by-layer. The timing of one project or initiative does not necessarily depend on that of another, and each contributes to the overall goal in its own way, on its own schedule. One province's commune health stations can be improved even if the work in another is delayed; capacity and training in one national or regional institution can be a huge success even if that in another runs into trouble. Most lines of work could end altogether, as the eye-care and library initiatives have done, and still have made a significant enough change in their fields to be fairly deemed a legacy.

The program's goals are, of course, more ambitious than simply completing some number of successful projects. The various parts *are* intended to fit together, to amplify one another, to be replicated, and to move the national health system and its component parts bit by bit. As an evaluator put it, "Rather than providing narrowly targeted inputs that ignore other points in the system that impact those inputs, Atlantic has taken a systems approach." But what is distinctive about the population health work is that this systemic vision is just one higher-level criterion for success. The individual projects *could* stand on their own and still be important, valuable, and durable. "In some sense," one program staff member said, "we've never really needed to worry about [the Foundation's limited life]. Every project could, in theory, be the last, and nothing would be wasted. Of course, in that case, we would end up achieving less than we hope for, and much less than we're capable of.

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14. Marcia Smith and Le Nhan Phuong, "Update: Population Health Programme Strategic Review," memorandum to The Atlantic Philanthropies Board of Trustees, 24 February 2009, p. 208.

Some of the things we've done up to now have been sort of low-hanging fruit. Having done that, we can now take this model into areas that are more difficult, where the risks are higher, and establish it in harder-to-reach areas, in ethnic minority communities, in areas that have been neglected. But every step along the way is its own achievement, and each new step makes it stronger and extends the social-justice implications farther."

The ability to score successes in near-term increments is partly a side-effect of a program built initially on high-impact capital projects. Each project, if strategically chosen and well executed, with sound provision for long-term maintenance and operation, is its own discrete step in a longer chain of reform. For example, referring to one commune health station in rural Khanh Hoa Province — now operating in a new building designed, built, and equipped with Atlantic support — a program staff member reflected on the longer-term prospects for this single project: "This staff director at the commune health centre, once she had the nice building, now had more people coming in, and they're delivering more service, and the services are better and getting better outcomes. So now she's saying, 'We need A, B, and C to meet this increased demand and maintain this level of quality,' and she has been forceful about advocating that to the [provincial] directors. To me, that's the change — not so much the building that we built, although it all started with that. But the change is empowering the staff to address the director and say, 'This is what we have in mind, and this is what we need to do for the health of the people.' And that's how progress will come."

It is also somewhat easier to take a project-by-project approach to reforming whole systems when working with a strong centralized government. Although privatizing and diversifying very quickly, most of Viet Nam's health care system is still centrally run by a national ministry with a cadre of powerful provincial directors. Health-system reform in Viet Nam is not like trying to improve after-school services or children's access to health care in the United States, where it is necessary to persuade multiple independent agencies and layers of government and a vast array of private and civic organizations to work together. A policy change by the Viet Nam government — if persuasively negotiated and consistently adhered to — is all but sufficient by itself to bring about enormous changes in the way health care is provided nationwide. That is especially true when, as in Atlantic's program, citizens' groups and mid-level professionals are also equipped to advocate for further improvements and hold government to its commitments.

A third factor that makes the Viet Nam environment different from that of other countries where Atlantic works is the economy's strong rate of

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growth. Even in the relative bust years of 2008-2010, Viet Nam's real rate of GDP growth never fell below 5.5 percent — a rate that Ireland, the United Kingdom, and the United States could, in those years, only dream of. In this context, questions of sustainability may pose all of the usual political and planning challenges — building a constituency, cultivating leadership, formulating arguments, fueling a movement — but the underlying arithmetic of funding and sustaining social change is basically favorable. As a result, the government has been willing to discuss increased investments even beyond what Atlantic staffers initially predicted. "I never expected the government to be as cooperative as they have been recently," one staff member said, "in terms of being willing to sit down and talk to us about co-funding and long-term issues. … I think part of it is that we're helping the government achieve many of its own social goals. Rapid growth here has produced a lot of income inequality, and the government understands that under those conditions, stability in the country depends on delivering benefits for the lower rungs of the economic ladder. I think the government sees us as helping them figure out how to achieve that." To be sure, each new demonstration project still has to be executed efficiently and then nurtured, evaluated, and promoted for replication. None of that is easier in Viet Nam (and some of it is harder) than elsewhere. But if all of that is persuasively done, the government can almost certainly afford to replicate the success, and it seems increasingly motivated to do so. The same is not so true in other places.

As an exercise in time-limited philanthropy, the Population Health Programme in Viet Nam is similar in many ways to Atlantic's earlier success promoting advanced research centers in Ireland (a program that likewise started with Mr. Feeney's personal initiative). Ireland's Programme for Research in Third-Level Institutions, or PRTLI, likewise began with capital investments in major centers of excellence, and won long-term operating commitments from a national government enjoying the fruits of rapid economic growth. Atlantic's investments made possible new and expanded work in these institutions, building up a sector that had previously been neglected and underdeveloped, and helping it to attract and train outstanding people who would further advance the cause. Each investment was, to an important extent, a discrete and important contribution to Ireland's economy and educational system, all by itself. But collectively, they helped raise advanced research to a national stature it had not previously enjoyed. Eventually, it was possible for Atlantic to withdraw from the field, because other public and private funding had grown enough to sustain the momentum. Even amid Ireland's current economic retrenchment, where higher education and research will surely share the general fiscal pain, there is at least a vigorous debate about the economic value of preserving the PRTLI

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legacy — a discussion that would have been much harder to imagine without Atlantic's seminal investment.

DIFFERENT APPROACHES TO AN IMPENDING SUNSET

It is hardly remarkable that two programs as different as U.S. Children and Youth and Viet Nam's Population Health would have adopted markedly different strategies and goals. The point of setting them side-by-side is not to compare the two lines of grantmaking, but to see how their different constraints and opportunities led them to view the *end results* of their work, and to think about the way that work would conclude, in sharply contrasting ways.

In a complex, crowded, and atomized field like children and youth in the United States, it proved difficult at first to find a niche where Atlantic could make a sizable contribution, achieve something tangible in fewer than 20 years, and then leave behind sustainable activity when it departs. The choices the program team initially made included complex and risky elements. In the original Elev8 initiative, they attempted to draw a large number of grantees into a well-integrated web of activity in a few demonstration sites. But in a fully engineered model of that kind, once Foundation leaders began to doubt the premises of the effort, small adjustments would not have made much of a difference in the cost, the duration, or the odds of success. At that point, program staff had to redesign Elev8 significantly; narrowing its focus, reducing the number of moving parts, and reorienting it toward goals that could either be achieved in the shrinking time remaining or could be built into a movement that would carry on beyond Atlantic's life. With every passing year, their latitude to make meaningful changes diminished sharply.

The initial strategic choices were much less difficult in Viet Nam's health care sector — as Mr. Feeney first discovered simply by touring the badly under-resourced facilities at Da Nang Hospital in the late 1990s. There, the challenge was not in finding a productive area in which to make a mark or a constructive way to get started; there were many of those waiting to be pursued. Nor was it hard to find the right partner — first and foremost, it would have to be the government — to provide near-term leverage and long-term sustainability. (Other international donors were also working in Viet Nam, but not at a scale so large that they dominated any major field.) And ensuring tangible benefits within 20 years would not require an exotic or complex strategy. It would have been significant if the Foundation simply had improved some facilities, secured commitments to maintain them, and helped

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strengthen a handful of influential institutions. Beyond that, altering the broader health-care system, enlarging the field of public health, raising the standards of professional training, emboldening grassroots leadership, and other systemic goals became part of a steadily escalating vision. But those elements came later; they were not a starting point, but were additional and cumulative. In this kind of gradually expanding strategy, where the complexity of the model increases only bit by bit, changes of direction on any given front or at any given moment are comparatively easy. If plans for one kind of facility turned out not to be feasible, or if another seemed more promising, project plans could be altered without veering from the underlying strategy. If one level of intervention proved more fertile than another, resources could be shifted its way without changing the essentials of the program.

It would be too simple to conclude from these two examples that a foundation with a limited life is better off with programs whose strategy is modular, incremental, and project-oriented rather than entirely designed in advance. Such choices depend most of all on an institution's mission, the opportunities that present themselves, and the leaders' confidence in the likely outcomes of their approach. But the comparison of these two experiences at least suggests that, when contemplating a limited life, a foundation is not necessarily best served by fully formed, long-term program plans that prescribe every major step, and depend on faithful and timely execution, from beginning to end. It does become necessary, at some point, to begin "imagining the end," as Gara LaMarche put it in 2008, and making year-by-year plans for "leaving fields and countries" in an orderly way. That time is now approaching for Atlantic, as the country and program teams begin thinking about their last five years of grant commitments. But at least in the case of Elev8, attempting that kind of endgame planning ten or 15 years in advance arguably created an illusion of clarity rather than the real thing.

PERSONNEL

In November 2010, Atlantic circulated to every employee an "H.R. Statement of Principles," which the senior staff had been discussing and drafting for nearly six months. The statement set forth the Foundation's values concerning its relationship with staff and its commitments to the people on its payroll. Among several sections touching on such fundamentals as Diversity and Equity; Respect and Transparency; Recruitment, Retention, and Promotion; and Compensation and Benefits (among other topics) was a section headed "Spend-Down." A senior staff member described it as "the first official statement on Atlantic's limited life from a Human Resources perspective, to the best of my knowledge." Another said it "represented a kind of assurance that the organization recognizes the special demands that limited life requires of people — the hard work, the pressures, the short future here — and that Atlantic intends to reciprocate the loyalty that people bring to their jobs."

The section is brief enough to quote in its entirety:

> We will treat employees equitably and act transparently in all of our spend-down planning regardless of level, role or geography. That commitment includes
> - Carefully considering and planning for the impact of the spend-down on each staff member.
> - Keeping staff fully and regularly informed of the planning process.
> - Informing affected staff as soon as we know the timing of the impact of spend-down on them so that we can partner with them in planning for their future.
> - Treating staff fairly and equitably in relation to retention strategies, severance packages, notice periods and preparation for career post-Atlantic.

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The statement offered no specifics, but was "more about the psychological relationship" between the Foundation and its personnel, as one manager put it. Still, it established a tone of mutual loyalty and of concern about employees' futures, and it committed the institution to an open and deliberative means of conducting personnel matters for its remaining years. The statement expressly set out to dispel one anxiety that several staff members had reported hearing (or had expressed) in water-cooler conversations: that the Foundation might be making confidential plans to retain or out-place a few high-ranking employees and leave others to fend for themselves. Key phrases in the statement, like "regardless of level," "each staff member," and "fairly and equitably," addressed these concerns head-on, while also giving a more general assurance of even-handedness and transparency from both the Human Resources team and senior managers. The document also helped to counter some employees' supposition that planning for the end stages of Human Resources policy must already be far advanced, even if undisclosed. In reality, as the statement clearly implied, "planning for the impact of the spend-down" had not yet progressed very far, and employees would be made fully aware of the planning process when and as it unfolded.

Beyond that, the lack of specifics, one senior staff member pointed out, was all but unavoidable at this stage: "The truth is, while we have had conversations and maybe two or three meetings about [the H.R. implications of] Atlantic's limited life, it has been at a very, well, I'd call it a generic level. I'd call it conversations, really, as opposed to any planning." That would soon change, as Senior Vice-President Marcia Smith had made clear at the annual staff meeting. The Human Resources department, she said, would begin in 2011 to organize a process of creating "Individual Development Plans" for every Atlantic staff member. These would help employees to plan the next stage in their careers (or their retirement) and to pursue — possibly with help from the Foundation — the skills they would need to make the step.

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EDUCATION AND TRAINING

In offering to "partner with" employees "in planning for their future," managers were aware of the danger of seeming to promise too much. "We are not a university," one staff member said, "and we can't give the impression that we're going to be able to provide whatever education or training everyone might need in order to do the next thing they want to do." Consequently, the articulation of principles was followed by another policy statement specifically on "Training and Education." It was an overall policy on the subject, not focused mainly on the end

of the Foundation. In fact, most of it set forth provisions on acquiring skills that are required for or related to a person's job at Atlantic. But it made clear that resources for training and education are limited, that requests would call for more than one layer of review, and that training required for Atlantic-related work would take priority in a limited budget. Even so, the policy concluded with the promise of further provisions specifically related to the end of the Foundation's life: "This policy sets out rules for the ordinary course of business. We expect staff development will increasingly be a key strategic tool as Atlantic approaches its finale. We will revise and amend it to suit organizational and staff needs as we move closer to spend-down."[15]

"That's really the most we could say right now," one of the drafters of the policy said around the time it was released. Preparation for the final years "is just now barely getting under way, and we will be saying something different in a year about that. This [policy statement] is mainly relevant to my future *in Atlantic*. And then there is a different thing, which will be relevant to my future *post*-Atlantic. We haven't made that distinction clearly [when discussing training policy] in the past, but it will be made now, going forward. What is most important is that people can rely on what we say about what we will do and spend on development for them." A reliable statement on end-stage training, this staff member added, would have to come after the Foundation has a better sense of what the Individual Development Plans may call for, and what kinds of educational and training support would be needed and affordable.

PREPARING FOR 'D-DAY'

To some extent, the Individual Development Plans would need to be informed partly by the personnel needs of the programs and country teams in Atlantic's remaining years. But those needs won't be defined until late 2011 at the earliest, when the country teams' final five-year planning process is ended or at least far advanced. In the meantime, however, what one staffer called "generic" personnel development planning could begin right away, focusing on choices that every employee will eventually need to make, and the corresponding forms of support they might request, as their inevitable departure date nears — whenever that may be.

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"We can't focus on the actual end date for anybody yet," this staff member explained, "because we really can't predict that right now. But what we can do is recognize that for every employee there will be a

15. "Training and Education," internal policy memorandum, The Atlantic Philanthropies, 2010, p. 2.

day, call it D-day, when their particular time is up. We can then think about D-day minus three months: What do we have to have in place for [that employee] at that point? What do we need at D-day minus six months? We can go backwards from a notional date, and educate ourselves about what we ought to have ready, what [employees] should be able to expect, what they should be preparing to do on their own. And we need to start that planning with the person at 18 months before any possible D-day, or two years — I don't know. Maybe in some cases we won't know that far in advance. But those are the questions we can be asking now. Later, when the [country and program] plans are finished, we may have a clearer sense of when some of those D-days are going to happen, more or less. Human Resources isn't in control of that. But we know we will have to be ready for it, and that's where we have to start planning now."

Even apart from the uncertainties about timing, the challenge of writing Individual Development Plans for every employee on a staff of roughly 130 people in seven countries might appear overwhelming at first glance. But it's possible, even likely, that employees' needs and interests will cluster into some manageable number of general categories, within which plans may be relatively similar. For example, a number of staff members, especially in the United States, have well-established careers in the foundation or nonprofit sector and may expect to continue on that already-established career path. Others have professional credentials (physicians, attorneys, accountants) or technical or administrative skills that could carry them in many possible directions with only minor help from the Foundation. Some intend to retire or to reduce their work schedules in the next several years. Admittedly, there are others — such as program staff in Ireland, for example — who will face a difficult employment economy with few opportunities to stay in philanthropy, and planning in those cases may take more effort. Yet even there, at least some of the variables will be similar from person to person, and many Irish staff members may want the same kinds of help. "We can actually begin grouping people's needs and interests almost in a matrix," one manager speculated, "in terms of where they are in their career and their thoughts about the future. I imagine there will be subsets, and particular kinds of thinking and planning we'll have to do for groups of people — but it won't be as intimidating as, 'Oh, my God! We have to do 130 completely different development plans!'"

Overall, as 2010 came to a close, the only thing that seemed certain for Atlantic's Human Resources staff was that the unit's scope of work was about to change significantly in the coming year. Precisely what shape its new challenges would take, and how they would all be met,

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were matters that would not become clear for several more months, at a minimum. But for the first time since the Board decided to bring the Foundation to a close, the practical implications of a limited life had officially, and probably permanently, taken a central place on the H.R. team's routine agenda.

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Amid a generally strong year in world markets, Atlantic's total investment fund returned 9.1 percent in 2010. After expenditures of roughly $450 million, the endowment ended the year at $2.82 billion, a reduction of $211 million from the end of 2009. Both the investment returns and the expenditures were in line with the Foundation's expectations.

Still, the effects of the 2008-09 recession had taken a toll on Atlantic's grantmaking budget, even though its investment portfolio had suffered less than that of many other endowed institutions and had recovered quickly. (It lost 15.8 percent in 2008, a year when the Standard and Poor's 500 index declined by 37 percent; Atlantic's investments rebounded with a 13.1 percent gain in 2009.) As a result of both the recession and higher-than-budgeted commitments in previous years, the Foundation had had to reduce its grants budget to $310 million in new commitments for 2010 and $290 million for each of 2011 and 2012, from a pre-recession target of around $360 million annually. This reduction was actually somewhat less dramatic than it seems from the raw numbers; a portion of it was merely a side-effect of changes in the way disbursements were accounted for. In any event, by the end of the third quarter of 2010, executives were projecting that the budget could rise to a level of $325 million a year in 2013 and continue at that level for the remaining four years of active grantmaking.

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Chief Investment Officer Philip Coates wrote to the Board's Investment Committee in early 2011 that, "In terms of asset size, the situation continues to look manageable, assuming we can generate 5-10 percent returns per annum," an assumption safely in line with past performance. He noted that the need to maintain liquidity would be "more challenging," given the danger that a steady shrinkage of the endowment could leave a higher and higher percentage of less-liquid assets to be dealt with over time. Still, he reported, "decent progress was made on this in 2010, and we expect strong liquidity in the coming two to three years."

CONCLUSION

For the past decade, Atlantic's financial staff and the Board's Investment Committee have been intently focused on drawing the institution to an orderly, well-managed conclusion. For them, the slowly approaching end of Atlantic has been a daily reality, a sort of ongoing countdown, that shapes most of their other concerns. On the program side of the Foundation, however, while there has been ample *awareness* of the impending sunset, and much discussion about how it might take shape, there has not been as much actual *involvement* in it. For most of the time since the Board decided to expend the full endowment and close the Foundation, Atlantic's main preoccupation in its program management has been on strategy and quality, not on exiting. The long timeline for winding down — 15 years between the initial decision and the expected final commitment — made that choice possible, and arguably preferable, for many years. But in 2010, the emphasis began to shift.

To be sure, every country and program team has for years devoted time and effort to thinking about grantees' sustainability after Atlantic's departure. They have sought to engage other funders who might be interested in carrying on some of the work. They have commissioned research and evaluations on nearly all the major lines of grantmaking to mine the lessons of Atlantic's experience. All of those are essential parts of a responsible exit. But they are all common activities at perpetual foundations as well. And most of them have taken place within the separate programs, not at an overarching institutional level. Even at lower levels, closer to the front lines, plans for the future have rarely confronted the Foundation's terminal decisions head-on: how the final acts will take place, what the last grants will be for, which lines of work will be helped to continue and which will end, where Atlantic will focus its dwindling human and financial resources in the last years.

It has simply been too soon to answer most of those questions, and perhaps it still is. The cautionary lesson of the early Elev8 planning,

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in which long-range specificity collided with a number of unexpected developments, shows how risky it can be to try to manage distant events too precisely too far ahead of time. In 2005 and 2006, a Foundation-wide task force attempted to draw an institutional road map leading all the way to the final stages of activity, but it disbanded after raising, but not resolving, a number of important questions and challenges.[16] Some members of the task force believed they could have accomplished more if they had soldiered on. But several others — as well as the Foundation's top leadership at the time — concluded that the effort was unavoidably speculative at that stage, and therefore premature.

Similarly in Human Resources, planning for employees' post-Atlantic futures has gained little momentum until now, not least because employees themselves had not been especially exercised about it. As one employee succinctly put it, "If you had asked me three years ago what I would be doing today, anything I told you would have been totally wrong. So do I really want to have a big conversation now about what I'm going to be doing in 2014 or 2017 or whatever? Maybe I should, but I don't really think it would mean much."

Judging purely from anecdotes and incidental conversations, that attitude appears to be changing as this report is written. One reason could be that the end is drawing closer — although as the employee just quoted points out, it is still too far away for most people to feel any real pressure. In fact, when staff members do acknowledge thoughts about changing jobs, it is nearly always for the same reasons that such thoughts emerge in other work places: a desire for change, dissatisfaction with current responsibilities, or a tempting opportunity opening up elsewhere. But there is another, more immediate reason why Atlantic employees will probably soon be thinking about their futures more than they have so far: The topic is going to come up more and more often in the Foundation's routine business.

Beginning in 2011, country and program teams were taking the first steps toward plans that will govern the critical final round of commitments from 2012 through 2016. In these plans, some lines of activity will no doubt be designated to wind down sooner than others, and with them, some corresponding jobs. It will be nearly impossible for staff to engage realistically in this kind of planning without being reminded of significant life changes ahead. At the same time, the Human Resources staff will start designing and rolling out its approach to Individual Development Plans — yet another reminder that big questions and changes are looming. Regular updates on end-stage planning from

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16. For a fuller description of this effort, see the predecessor to this report: Tony Proscio (op. cit.), pp. 49-57.

senior management and the Board, such as the session at the staff's 2010 annual meeting, will likewise keep the topic alive and in the atmosphere.

All of these developments, starting in 2011 and intensifying thereafter, will likely influence the tenor of discussions at every level: institutional, country, program, cross-program, and among the support functions. Approximate timetables will become increasingly firm; ranges of strategic options will narrow; exploratory lines of work will either show promise or be discontinued. As this report is written, what Mr. LaMarche once described as "imagining the end of Atlantic" is about to become less an act of imagination and more an exercise in forecasting, planning, allocating resources, and in relatively few years' time, execution.

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