





FOUNDATION OF EQUALITY

**Ford Foundation President
DARREN WALKER
is throwing down
the gauntlet to business
to join organizations
like his and tackle
the really big issues**

**Interview by Brunswick's
DAVID SUTPHEN and
MARIA FIGUEROA KÜPÇÜ**



HEALING THE WORLD'S ILLS requires a broad commitment to diversity and a pledge to bring the entire resources of individuals and corporations to bear on specific problems. That is the message Darren Walker would like to send to both the corporate world and the philanthropic community.

Now in his third year as President of the Ford Foundation, one of the world's leading private charitable organizations, Walker is credited with refocusing the organization on a commitment to combat social inequality. In that battle, intolerance is the principal enemy.

"Combating narratives of intolerance requires powerful counternarratives that embrace – and truly celebrate – diversity and inclusion," he wrote in a 2015 op-ed on *CNN*'s website. He notes that discrimination against women and minority communities of all types is symptomatic of a larger problem. "We cannot focus solely on the economic piece of the puzzle, or look at racial or educational inequality in isolation. Doing so treats symptoms while ignoring the disease."

Walker knows how big the challenges are. He was instrumental in organizing 10 foundations that together raised nearly \$370 million to help the city of Detroit emerge from bankruptcy, an allegiance referred to as the "Grand Bargain." To succeed in such challenges, philanthropy needs the full support of the business community.

Walker personally has been a beneficiary of Ford Foundation support: he was among the first young children enrolled in the US national early education program, Head Start; he received public grants to go to college; and he worked as COO at a Harlem nonprofit. All of those opportunities were sponsored by the foundation.

The Ford Foundation's mission is to tackle inequality. It explains its work on issues that include (from top left) [civic engagement and government](#), "Inequality inhibits people's voices and makes government less effective"; [creativity and free expression](#), "Cultural change often precedes transformations in other spheres, heralding new social, political and economic thinking"; and [internet freedom](#), "The digital world is not neutral, and its benefits are not equally shared"

FORD FOUNDATION: THE FIRST 80 YEARS



Edsel Ford (left), son of Ford Motor Company founder Henry (right), establishes the Ford Foundation in 1936 with an initial donation of \$25,000. The funds are to be used “all for the public welfare.” After their deaths in the mid-1940s, large bequests from both Fords transform the foundation into the world’s largest philanthropic organization at that time.

He also spent nearly a decade on Wall Street, working as a lawyer and bond salesman, and has a keenly developed understanding and respect for corporate leadership.

Today, the foundation runs a \$12 billion endowment; its grant-giving budget in 2015 was around \$500 million to support its work globally.

We spoke to Walker in the foundation’s New York City offices, where he discussed ways boards and corporate executive suites can be more effective partners to philanthropy and to society.

What do you think is the biggest misconception that corporates have about philanthropic players such as the Ford Foundation?

They often don’t believe we are having a big impact or making a big difference in the world. Partly that’s because we do a poor job of telling our story.

Philanthropy has suffered from the misconception that if you do good, charitable mission work, everything else will be just fine. But we’ve got to do a better job of communicating the importance of the work we do and how relevant it is for solving big issues like climate change or inequality or gender violence or many of the ills that face our world. Philanthropy is critical to solving those problems.

People who work in the private sector are inclined to think philanthropy and nonprofits are “soft” jobs. Well, I worked at a big global law firm, Cleary Gottlieb Steen & Hamilton, and at UBS, and I have never worked harder than in this sector. People pick this career path because stock options aren’t as much of a priority. For them, what’s really important is making a difference in the world.

What would you like to see on the corporate board agenda?

The demands on a CEO today, particularly at a publicly traded company, are enormous and almost

overwhelming, depending on the industry. The skill set includes both high cognitive intelligence and high emotional intelligence. A CEO needs an ability to speak in the boardroom and on the shop floor, to travel in really diverse circles and to be comfortable in all kinds of diversity. That is a huge remit and not something that CEOs had to do in the past.

For boards, having to focus on profitability and stock price as the sole metric of success places them in a very difficult situation. A company today should be focused on shareholders, but also customers and employees and the communities where they do business. And it’s really hard to serve all four of those stakeholders. Just focusing on stock price distorts things and makes boards behave in ways that they probably would not, if left to their own devices.

Let’s say a group of Fortune 500 CEOs asked you, “From your perspective, what should we focus on?”

Corporations today can play a critical role in solving big problems in society, and definitely one of the things they should focus on is how to leverage their resources and assets to solve them.

A company doesn’t have the same perspective as a nonprofit mission or organization. A CEO wakes up every day and says, “How do I make the best widget, at the best price, treat my employees well and return value to shareholders?” That’s as it should be. But the CEO also needs to think about, “How do I make the widget in a way that does the least harm to the earth, and that returns a value that’s not just financial?” And that’s really hard.

So much of what is termed “corporate social responsibility” is really superficial and low impact. Really robust CSR programs can be transformational, but we need more of them. A lot of CEOs would like to spend more time building better CSR programs, but they just don’t



1954 EQUALITY IN SOUTH AFRICA

The foundation establishes fellowships for scholars, funding research that documents and exposes the devastating impact of South Africa’s apartheid policies



1969 SESAME STREET

The Children’s Television Workshop receives grants from the foundation to educate preschoolers, including a new series called “Sesame Street”

get prioritized enough, or the board just doesn't necessarily appreciate the value they create. So I would like more attention paid to, "How do we have more effective, high-impact CSR programs?"

Can you give an example?

I have found that the best CSR programs are the ones where the company truly wants to utilize all of its assets, not just a sliver of one department and one person's time.

For example, we partnered with Citibank in a conditional cash transfer program, where support is linked to the recipient's actions. We used this anti-poverty program to help promote financial literacy among people who really need it, to help them build their household income and economic security. I think we need more programs like that.

So you want companies to bring all their assets, not just write a check?

Right. Bring your marketing, bring your R&D, bring your HR, bring your IT. Bring your whole self as a company, all of the assets that you have to deploy to help solve a big problem.

We need the corporate sector to help solve problems today. There is no way that government and philanthropy can do the work that has to be done without the corporate sector.

What makes a good board?

Today, for a board to be effective and have impact, different perspectives have to be present. It's not just about race and gender – those are critical, but it's also about the diversity of lived experiences, of backgrounds and geography. It's political and representational perspectives.

When putting a board together, you have to think almost as a curator. You want to make sure you populate that table with people who will do their best work individually and who, as a

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group, will add up to something really great and dynamic. That means making sure each board member feels they are adding value, that they are having an impact and that their time is well spent. These are high-value individuals. They are not interested in being on boards where they are simply "potted plants" or tokens. You need to know them individually and to make sure that they are motivated and inspired, that they feel that they are both learning and giving.

Some companies may be on the threshold, recognizing the need for that kind of thinking about diversity but not sure where to begin.

What do you say to them?

Well, it's a positive sign to admit you don't know something and then to acknowledge that you need help. That's the first step. You've got to find the people who can bring you the best intelligence, information, networks and resources to fill any gap you might have. And then go beyond that. I think a lot of CEOs articulate a desire for diversity and inclusion, but they don't internalize it into their practice. They don't place it within the incentive structure of the organization.

Have there been examples in your life where you've had to help build that bridge?

It has happened that I'm the only African American or the only openly gay person on a board and we're thinking about how do we diversify and everyone turns to me and says, "So, how do we do this?" That can feel like a burden, but my experience has been, boy, I pull out my contact list and get to work, just helping them fill those gaps.

But what I'm really interested in is how to help CEOs move from seeing this merely as compliance, to seeing it as something that adds value to you as a CEO and to the governance of your enterprise. It can't be just, "We've got 10 directors and we have



1976 PIONEERING MICROFINANCE
The Grameen Bank launches with support from the foundation, giving landless people, mostly women, access to credit. Grameen later wins the Nobel Peace Prize in 2006

1979 MONITORING HUMAN RIGHTS
The foundation supports several international human rights groups, one of which later becomes Human Rights Watch

2006 COMBATING THE STIGMA OF AIDS
The foundation launches a \$50 million global initiative to address discrimination that often accompanies an HIV/AIDS diagnosis



2014 "GRAND BARGAIN"
The foundation helps orchestrate a \$366 million program to assist the bankrupt city of Detroit, and makes the largest individual contribution



“Philanthropy has suffered from the misconception that if you do good, charitable mission work, everything else will be just fine”

to have a black seat and a seat for a woman.” That’s not good governance. That’s tokenism. You need to move beyond that, to really internalize it and to provide space for the kind of discourse you want at the board table and also informally, among the board members.

So part of that is promoting healthy conversations between board meetings?

Yes, absolutely. The quality of fellowship among the directors is one of the things I think a lot about with the Ford trustees. Boards are often presented with difficult decisions. A board where people know and trust each other, and aren’t just quasi-strangers who meet once a quarter, is likely to be a more effective board. When they’re comfortable with one another, I will have their candid, honest engagement. And that’s what I need.

We visit places around the world where the foundation is active, and I always encourage trustees to bring their spouses. Because it allows them to bring their whole selves. You get to really see the full picture of someone when they’re with their family. And that brings you closer. It gives you a deeper sense of the person and what drives and motivates them. It builds fellowship and trust.

What’s your biggest fear about the philanthropic space right now?

I mentioned earlier that I wanted corporations and board members to bring their “whole selves” to help tackle big issues and make a difference.

When I turn that same challenge back to us – are we bringing our whole selves? – I’m not sure. I’m afraid we maybe underplay our assets for social impact. We have to look at how we use our investment assets, our endowment, for

environmental, social and governance outcomes. We want to have more social impact through our investments.

Foundations sit on billions of dollars of assets in our investment portfolios. But most of us never ask the question of how we might get the most out of that balance sheet. So, I worry that we leave a lot on the table that could be deployed to exponentially grow our impact.



DARREN WALKER

Darren Walker is President of the Ford Foundation. For more than two decades he has been a leader in the nonprofit and philanthropic sector, working on social justice issues, including education, human rights, urban development and free expression. Before joining Ford, he was Vice-President at the Rockefeller Foundation, and had a decade-long career in international law and finance at Cleary Gottlieb Steen & Hamilton and UBS. He also led the creation of affordable housing as COO of Harlem’s Abyssinian Development Corporation.

DAVID SUTPHEN is a Partner and Head of Brunswick’s Washington, DC office. He advises on strategic communications, reputation and public affairs, with a focus on media, technology and diversity.

MARIA FIGUEROA KÜPÇÜ is a Partner and Head of Brunswick’s New York office. She advises on social purpose, campaigning and stakeholder engagement and leads the US Business & Society practice.

BUILT BY FORD: THE MODERN MBA

The first Master in Business Administration program was offered by Harvard Business School in 1908. After World War II, when the GI Bill allowed thousands of returning veterans to get a college education, the MBA degree became a popular choice in the US and began appearing as an option at schools in Canada, Asia and Europe.

Noting that rising popularity, an influential Ford Foundation report from 1959, “Higher Education for Business,” helped

make the MBA the equal of other graduate programs. Their recommendations included a stronger emphasis on the social responsibilities of American enterprise, an effort that was picked up by other philanthropic and educational institutions.

Today, the foundation continues that work by supporting organizations such as The Aspen Institute’s Business and Society Program, which trains executives and educators in sustainability and values-based leadership.