What Does a Trump Victory Mean for Nonprofits and Donors Focused on Democracy? With Stephen Heintz

Stephen Heintz [00:00:02] That is a difficult practice, civic empathy, but it is essential. And I think we all need to kind of retrain ourselves in this skill and really listen to each other.

Grace [00:00:17] Welcome to Giving Done Right a show with everything you need to know to make an impact with your charitable giving. I'm Grace Nicolette.

Phil [00:00:23] And I'm Phil Buchanan. Today we're so excited to welcome to the show a friend, a mentor: Stephen Heintz, president and CEO of the Rockefeller Brothers Fund. It's a family foundation with an endowment of more than $1.4 billion focused on social change for a more just world. Specifically, that means giving to democracy, peace building, sustainable development and arts and culture. In 2014, the fund made the decision to divest its endowment from fossil fuels, which is pretty notable for a foundation that got its start from wealth made from Standard Oil. Stephen has served on CEP's board from 2005 to 2011, including a stint as chair, and we're just thrilled to have him here.

Grace [00:01:13] And we're recording this show about two weeks after the Trump victory in the US presidential election. And we wanted to have Stephen on the show because he's an expert on philanthropy and democracy. We wanted to get his advice on what donors can do if they're concerned about the state of democracy in the U.S. and abroad. And this is the second of two episodes this season that we're airing on this topic. The first one being with Eric Liu of Citizen University that we taped before the election. Stephen, welcome to the show.

Stephen Heintz [00:01:47] Thank you very much. I'm delighted to be with you.

Phil [00:01:49] Stephen, I know that many of us have been just reacting to the election results. And as someone who funds democracy building, how does it feel right now? What do you think folks, both on the left and the right, who are concerned about the state of democracy, should be concerned about thinking about doing in this moment?

Stephen Heintz [00:02:15] Well, it feels very both disturbing and disorienting because it doesn't feel like the country I grew up in or the country I have believed in in some respects. But it is a bit of a mixed picture, too. On the one hand, we actually had a very calm, well administered election, by and large. There weren't massive problems at polling places across the country. There was no significant violence of any kind. We had large voter turnout and it all went smoothly. The counts happened correctly and rather quickly. So that was really great to see. On the other hand, the results suggest that people are either less concerned about the state of our democracy than they are about the state of their wallets, which I think is the case for many Americans, or they have concerns about their democracy, but in our polarized society, half of Americans have a set of concerns that kind of go in one direction about our democracy, and the other half have concerns that go in the other. So it's a very disorienting period. And the events since Election Day, which have been breathtaking, both in speed and in implication, have really heightened what I think are the perils to our democracy coming in the next four years.

Phil [00:03:51] And I don't know about you, but I have been frustrated by the sort of postmortems that are trying to look for a single explanation. You know, if only this or if only

that, because obviously, like in everything in life, the answer is probably it's a combo platter of reasons. But one of the things that has struck me over the last few days is folks coming out and actually saying that they believe identity based, single issue, nonprofit groups are to blame for pulling the Democrats too far to the left. So Adam Jentleson, who worked, I guess, for Senator Fetterman and for Senator Reid, just had an op ed in The Times. And then there was Michael Lind, who is the author of *The New Class War: Saving Democracy from the Managerial Elite*, was on the Ezra Klein Show offering a sort of similar hypothesis. And then Ezra himself was on Pod Save America, also pointing to the groups, they're being called, nonprofits. And I guess my reaction was, boy, do they really have that much power? Is that really an explanation here of what went wrong? But I wondered your take on that as somebody who is both very much steeped in the nonprofit sector and also, you know, focused on democracy and concerned about the state of the country and the direction we're moving in.

Stephen Heintz [00:05:26] Yeah, it's a big multifaceted question. And like you, Phil, I reject the single reason assessment of why the election results turned out to be what they were. There were multiple factors of various kinds. I do think that some nonprofit groups, including some foundations, have contributed to the sense of polarization in our country. And in fact, as you may remember, I asked this question to the CEP conference in '23, because I do think we need to look at ourselves and ask, are we helping to heal the divisions in America or inadvertently, certainly not intentionally, are we contributing to the divisions by how we focus on very narrow subsets of issues or what language we use or our grantees use in their work on those issues? And I think that's a legitimate question. But to blame it on the nonprofit sector is an anti-democratic reaction. And in fact, you know, the nonprofit sector, which is what we call it today, or the independent sector, which is what John Gardner called it in the 1970s, is really the associational life that de Tocqueville noted in the 1840s. And it is one of the things that makes America distinctive. And it is critically important to our democracy. And by the way, there are nonprofit groups that have all kinds of political perspectives or groups that work on issues that are more comfortable for the right in our politics. And there are groups that are more comfortable for people on the left. So, you know, it's just not reasonable to blame this on the nonprofit sector, especially if that undermines further the trust in the nonprofit sector, which is so essential to the vitality of our democracy.

Grace [00:07:22] What advice do you have for donors now about how to give to support democracy? And one question that I often wrestle with is what differentiation should donors make between their political giving and their charitable giving?

Stephen Heintz [00:07:37] Well, to your first question, Grace, I would say the first advice I have is start giving to democracy. There aren't that many donors who are really focused on democracy as a subject of their giving. I think in 2023, we don't have the 2024 data yet of course, but last year, I think the total philanthropic giving for things to strengthen American democracy broadly defined, was about 2% of giving. And yet everything that we in the philanthropic community work on, whether it's climate change or education reform or health care or even arts and culture, all of these things really also depend on a well-functioning democracy. And so my first bit of advice is if you are not a donor in the democracy space, please become one. Second, take the long view. This is not something that gets rectified in short order. This is a crisis that has been actually about 40 years in the making. It's not a phenomenon that started in 2016. It really has long roots and we are not going to solve it in one election cycle or two election cycles. And a lot of the work has to happen regardless of elections, and we have to stick with it. And the third point I would make is that, yes, there is a significant need for institutional and process reforms about

election administration and about the institutions of our democracy, the rules and the structures and all of those things. But even if we were to accomplish a whole series of those kinds of reforms, it wouldn't be sufficient to creating the kind of vibrant, multicultural democracy we need in this century unless we also invest in building trust among citizens, in building civic culture, in bringing people together and helping them work together in their communities to solve local problems. We really need to focus on the culture of democracy as well as the machinery of democracy. I mean, obviously there has to be a bright line between political giving and charitable giving. The nonprofit community and philanthropy are by law, you know, nonpartisan, and we must really be careful about that. But on the other hand, you know, individual donors have their First Amendment rights and they can give to whatever political parties or political candidates that they choose. And I think they should do both. I think people should do both. You know, unfortunately, the importance of money in our political system is now, you know, just appalling in my view. It is, you know, hyper influential, as we've seen in this last campaign. And the power of very wealthy donors, unfortunately, far outweighs the power of small political donors. And I think that we need to both get back to the serious business of figuring out how we can regulate money in politics, but also encourage small donors to be even more active than they have been. And for those of us in philanthropy, institutional philanthropy, obviously we are giving to nonpartisan ways of strengthening democracy. But in our personal lives, we should go home and write those small checks and be involved with whatever party or whatever candidate. It's part of citizenship.

Grace [00:11:13] So if someone wants to give more to democracy. So, I hear an encouragement to think about this as an issue area, what resources can you recommend? We know that you and RBF funded this report called *Our Common Purpose* with specific recommendations for U.S. democracy around process changes and things like that. Is that a great place to start or does anything from that report change now? Now that we have a second Trump presidency?

Stephen Heintz [00:11:38] Well, thank you for mentioning that report, which was issued in June of 2020. So it's already, you know, four and a half years old. But I look at it frequently and to me, it remains absolutely relevant to the current conditions. In some ways, it anticipated the current conditions because the trends were clear even in 2018 and 2019 when that commission undertook its work. And so in some ways, the outcome of the 2024 election is not all that surprising. And I think there are 31 quite specific recommendations in our common purpose. And I think all of them remain relevant and important. And in fact, on December 11th and 12th, the American Academy of Arts and Sciences, which was the sponsor of that work, will be gathering a group of 70 or 80 champions of those recommendations. And these are the nonprofit groups that are working to advance the recommendations in states, in cities, some at the national level. And we've been working with them to support them both, helping them raise money, but also creating networks of mutual support and sharing lessons learned since the report came out in 2020. And there has been some notable progress, especially at the state level. So those recommendations remain valid for donors and the organizations out there across the country that are working every day to implement or advance those recommendations are really good targets for philanthropic giving.

Phil [00:13:17] Can you give us an example of the progress at the state level?

Stephen Heintz [00:13:21] Yes. So I think one of the recommendations that has been gaining traction is the recommendation to move toward ranked choice voting, which is a very interesting mechanism that allows voters to register not only their first choice in an

election, but their second choice and in some cases their third choice. And then if nobody gets a plurality in the first round, they begin to count the second votes and they eliminate candidates who haven't made it, and ultimately it arrives at a winner. And although it takes more time and we've seen this, for example, in Alaska, where they have ranked choice voting and the counting in Alaska took longer. But what it does is it actually provides incentives to candidates to speak to a broader segment of the voting population than they otherwise would. If they only have to speak and get a majority, then they tend to speak to the base of that majority. If, on the other hand, they know they may not win in the first round and they need to pick up some voters who voted for somebody else in the first round, they have to kind of have a message and a set of proposals that's going to be more broadly attractive. And that has been the experience in the states that have tried this. Now, it's not flawless. And there are, in these experiments because I would say they're still experimental, we are learning how to improve the system, but I think that's still a very good mechanism. I think we still need to expand the opportunity for voting. The Brennan Center for Justice, which is another excellent grantee organization, documented this year that half of the eligible voters faced increased restrictions on how they could vote in the 2024 election versus the last election. You know, the reductions in mail in balloting or in drop boxes for ballots or early voting or the number of polling stations or the kinds of places that could serve as polling stations, made it more difficult for people to vote this year for half of the voting population. And there are a lot of recommendations in the report that groups are working on to expand and make voting easier and more accessible. And those remain very important. And it varies. Some states are making real progress. Other states are sliding back. Those are things that I think are very important.

Grace [00:15:50] Where can folks go to find a list of the nonprofits that are working on some of these issues? I know you mentioned The Brennan Center. Are there others?

Stephen Heintz [00:15:57] Sure. Well, Dēmos is another one that I think is very important in this. But there are literally, you know, dozens of them. And I think if you go to the website of the American Academy of Arts and Sciences and go to Our Common Purpose, you will find some resources that can be very helpful. And it's completely nonpartisan. The American Academy is a broad tent of American citizens from all walks of life. But that's a good resource.

Grace [00:16:24] It strikes me that given how polarized we are, that even in talking about supporting democracy, depending on where you are on the political spectrum, it might mean really different things, right? Like before the election, people on the right and the left think that there are really big problems with democracy, but they might be coming at this from really different places. And so I'm curious, how would you encourage folks maybe who are more from the right perhaps like or even from the left? It's like, how do we give to this in a way that sort of is beyond kind of ensuring that our side always wins? And that could be a really hard thing to let go of, or I don't know. I don't know if there's really a question specifically in there. But it just strikes me like, how do we bring people together even around this topic? We may not even be thinking about it the same way.

Stephen Heintz [00:17:13] Yeah.

Phil [00:17:14] And I, before Stephen answers, can I jump in and say like, this is what I'm wrestling with too? Just like, because and I'll just put my cards on the table that I have a hard time, I think it's all wrapped up in here figuring out how to, and it relates to what we talked about with Eric Liu, who I know was also involved in that report that we've been discussing, this whole question of intent and when bridging is possible and when it isn't

and, you know, how do we work on democracy when there are folks who are actively trying and you're sort of in a way alluding to this, Stephen, like there are forces trying to make it harder for people to vote rather than easier and perhaps particularly harder for certain people to vote. And so it all gets wrapped up in this complicated, I don't know, sort of morass in which we want to both bridge because we have to persuade people that these issues matter, but also fight so that people are not disenfranchised and how to figure out that balance. That's something we wrestled with Eric, and and I wonder, Stephen, I'm sure you're thinking about this too. It feels confusing and hard.

Stephen Heintz [00:18:28] Yeah, it is both. And by the way, I want to give a shout out to Eric and Citizen University, which is another wonderful institution that is a grantee organization, and I encourage people to really check out their work because Eric and his team have been leading work to try to build community as opposed to building hyper-partisan division. And it is really hard work, as I know Eric shared with you. But there are things that they have pioneered that I think are really having an impact in the communities that have taken them up. The work is about rebuilding trust. Americans have lost trust in their institutions. They have lost trust in their leaders. And perhaps most tragically, they've lost trust in each other. And until we start repairing that broken trust, we are going to continue to have this fractured political experience. And that work is slow and it is quiet and it takes place in communities. It is the kind of core of the democratic spirit. And the democratic culture really is nurtured in communities. It's in our schools, it's in our families, it's in our places of worship, it's in our civic activities, our volunteer work. Those are the places where we make connections with people and we do things together and we learn to compromise. We learn to listen. We learn to adjust our own thinking. And those are the essential skills of democracy, the habits of the heart, as de Tocqueville called them. And I want to also give a shout out to a report that Eric helped lead for the American Academy, which was published just recently called *Habits of Heart and Mind*, you can also find this on the American Academy website, which really tries to provide a kind of a toolkit for ways citizens and citizens groups can do this work in their own communities. And it is fundamentally important. And this is part of the reason that I want to stress, again, that this is long term work. This is not going to be accomplished overnight. It's decades long work. And we just have to stay with it. And we have to, you know, be honest about what we find that works and honest about what doesn't work and keep trying and keep moving, but keep supporting and keep engaging.

Grace [00:20:58] It's like this issue area maybe perhaps different than others is, you know, there's an opportunity to give and then there's really an opportunity to walk the talk in a different way that other causes may not require.

Stephen Heintz [00:21:11] Yeah. And I would say grace, part of what we're dealing with here is the post-COVID environment, because we were separated from each other during the pandemic and we were asked to stay home and stay away from our places of work, our places of worship, our civic centers in our communities. We became more atomized. We were already pretty atomized going into the pandemic, but we came more atomized. And I don't think we've overcome that jolt of atomization and we're still kind of building back from there. And I do think it is about walking the talk. It is about going down to your local library and seeing what kind of programming they have and suggesting something that they may not be doing that could bring citizens together for discussion or debate or to examine a local problem like, you know, trash in a local park that citizens might work on together. And these are the kinds of things that begin to rebuild trust and community and the spirit of democracy.

Grace [00:22:20] I was wondering if you could tell us a little bit about The Trust for Civic Life? You've mentioned The Trust several times. What is it and why did you help start it?

Stephen Heintz [00:22:29] So this too I mean, I kind of have to say we're kind of treating our common purpose, this report, as kind of the go to manual for what to do to help strengthen our ailing democracy. And I really do believe it is and I should stress, not to digress too long here Grace, but that report was the result of a large commission that was very diverse in every respect, including ideologically diverse, and the key methodology that distinguished the work of that commission was that in addition to the research, in addition to the consulting with experts, in addition to studying the data, we actually went out and listened to Americans in 50 listening sessions in different kinds of communities all across the country, very conservative Americans, nonvoters, voters, progressives, business people, faith leaders, students, etc.. And it was listening to Americans that actually enabled this very diverse commission to come to consensus around these 31 recommendations. So, the listening is an incredibly important part of the restoration of trust. We need to approach each other with civic empathy as opposed to civic antipathy, which is what is practiced a lot these days. And empathy is more about trying to put yourself in the shoes of the other and understand them and listening to them rather than trying to persuade them. You know, in our information environment, that is a difficult practice, civic empathy, but it is essential. And I think we all need to kind of retrain ourselves in this skill and really listen to each other. And that happens in these community settings. So to get to your question about The Trust For Civic Life, although our common purpose had lots of recommendations about structures and methods and processes, we really did recognize that unless we start rebuilding trust and unless we really start rebuilding civic culture, all those recommendations about reforms won't get us where we need to be. So we studied the availability of civic spaces in communities across the country, places that people can come together in to do things together, whether it is the local library or the Rotary Club or, you know, other clubs and associations that citizens form. And what we found was that in rural and small town America, there is a real shortage of those kinds of spaces and places and leaders. And part of the reason is that they do not have access to financial support in the way that larger communities do. And we know that in smalltown and rural America, there is also a higher sense of disaffection from our democratic system, a sense that, you know, the democracy overlooks them, that they've been experiencing the opioid crisis, they've been experiencing the shut down of our industrial base. They've been experiencing the effects of climate change and its impact on agriculture. And yet they feel nobody's paying attention to them. And so The Trust For Civic Life was an idea promoted in our common purpose to create a national financing vehicle, to get small grants into the hands of civic leaders in smalltown and rural America who are in fact undertaking projects to bring people together to solve local problems, to create civic agency and to build trust. And I'm very pleased that we've been able to get this launched with major support coming from a really diverse mix of foundations that includes the Rockefeller Brothers Fund, but also Stand Together, which is the Koch philanthropic network, and the Omidyar Network and the Walmart Foundation and the Carnegie Corporation and the Packard Foundation. And those are the core funders and then we have a second concentric circle of funders who are the learning partners. And that's also a very interesting mix. And The Trust for Civic Life has a staff of people drawn from smalltown and rural communities in America who then did their own listening tour of smalltown and rural America to devise the grantmaking strategy for the trust for the regranting of the funds. And they've already made their first round of grants to 20 civic hubs, and they are in the process of making another 100 grants, even smaller grants to civic entrepreneurs in these kinds of communities in four specific regions, but also some that are outside those regions. So it's new, it's nascent, it's off to a very strong start. We

have a fantastic team and I'm very excited about it. But the challenge and this is an opportunity for donors; we are trying to prove the case in the next four years that this is really impactful work and I think we will. And we're gathering the data and we're gathering the narratives and the stories to make this case. But at the end of four years, we need to really scale this up. This organization needs to be big enough to work in hundreds, if not thousands of communities across the country. And because that's the kind of effort that is necessary to help rebuild trust from the bottom up. And that is really essential to the problem we're talking about.

Phil [00:28:15] Two thoughts on this. I'm not sure that they're connected, but maybe there are. One is that another dynamic here is just the rampant myths and disinformation machines that are at play. And so there's a philanthropy question in there about support for journalism, support for local journalism. But it's probably not that simple either. Like, how do you counter some of the misinformation that's out there? And then I guess the other thing that has struck me about the immediate aftermath of this election, you used the word disaffection to talk about rural voters. And that makes sense. And I want to be careful here because no voting group is a monolith and there's diversity in every every population, but one of the things that has struck me just in my professional and personal networks in the last two weeks is the sense of personal hurt, if not the sort of devastation among some people of color and women who are seeing in what they're reading about views in the electorate, even in the election results, in the mere fact that somebody who would spout the sort of hateful things that have been spouted from the podium on the campaign trail would win regardless of the complex set of reasons. That folks could put aside whatever concerns they may or may not have about that rhetoric. So I guess there's a part of me listening to this, and it all makes a lot of sense. And I worry that we're only moving in a direction of more atomization, more hurt, more fragmentation, surrounded by these bubbles of disinformation. And so, yes, it makes sense to engage with rural voters differently, of course. And yes, it makes sense to try to build citizenship at the local level while also dealing with some of the electoral issues with things like ranked choice voting. This all makes so much sense. It almost feels long odds against…and I don't mean to sound gloom and doom, but it feels like an uphill battle in some ways. So do you have confidence that we can really break through all of these dynamics?

Stephen Heintz [00:30:30] Oh boy. That's the hardest question you've asked. Let me say a couple of things while I well, I try to figure out what to say with regard to optimism. You're absolutely right. And we should not look at geographies or collections of people and think of them as monolithic. And we learned, you know, we saw this in stark reality. You know, people thought that, you know, the Latino vote, the Latinx vote, people had certain assumptions about what that group was and what they would likely do in the voting booth and obviously, we saw a lot of diversity in that voting population. And in rural America, people don't know this, really, but 20% of rural Americans are black. So all these things you can't go into this with stereotypes. You have to go into it with open eyes and really understand the mix, the style of the community, the people in the community, their needs, their aspirations. And that's why this listening process is so important. Now, I am optimistic in the long term. You know, one of the things that and I, we always refer back in many ways to the nation's founding and the period shortly after the founding. And we have to remember that what the founders did in 1776 and in the adoption of our Constitution was something that had never been done before. They gave the world a new model of governance that promised the engagement of citizens in governing in a large country. And they, of course, couldn't probably imagine just how large and how diverse our country would become in nearly 250 years. So this is, as so many people say, the American experiment. But what does that mean? This is a huge experiment in trying to make

democracy work effectively and deliver a better quality of life in a vast, multicultural, multiracial society. That in itself is enormously complicated work. And we are doing that work with some significant constraints, including, frankly, the Constitution of the United States in some respects, which is outmoded. We are the only country in the world still operating with a constitution that was written during the Age of Enlightenment. Almost every other democratic constitution has been significantly amended or altered or replaced around the world to keep pace with the changing realities. And we haven't really. And I think that's a significant issue. I am optimistic in the long term, Phil, because, as de Tocqueville said, the genius of America lies not in its being better than any other country. It lies in its ability to correct its faults. And I do think we have that ability. I think it still exists in the hearts and minds of Americans that we want to be the country that we have believed in as young people growing up. We want to be the country that other countries look to as a model of democratic governance. And we have methods to correct our faults. And that's what this debate is about. What are the faults and what are the various ways we can go about correcting them? I am optimistic over the long term, but I will confess that I think it's entirely possible that things will get more discouraging in the short term.

Phil [00:34:10] Stick with us. We'll be right back.

[BREAK]

Grace [00:34:22] I'm wondering, you know, speaking to you as the leader of a large foundation giving to democracy, there may be the potential and you listed other co-funders in The Trust For Civic Life for it to be seen as an anti-democratic force in its own right. Critics will say who are these elites who are going to come in and tell us how our democracy should be? And I'm just curious, how would you answer that?

Stephen Heintz [00:34:48] Well, I think it's a very valid criticism. I think, you know, philanthropy is the product of massive economic inequality. And we just have to own that, you know? I mean, the Rockefeller Brothers Fund exists because John D Rockefeller, through his own hard work and genius and rapacious business practices, became the richest man in the world around the turn of the 19th and 20th centuries. And his wealth was extraordinary. And it's an amazing story because in his first year of work, at age 16, he made $45 in 1866, something like that. And by the turn of the century, he went from $45 to being the wealthiest person in the world. And he started giving away right at the beginning. In that first year, we actually have his little ledger book from that first year of work, and he earned $45 and he gave $5 to charity and philanthropic purposes, which was more than 10%. But it was economic inequality that gave him the opportunity to create the Rockefeller Foundation and for his grandchildren to create the Rockefeller Brothers Fund and myriad other institutions. And we just have to own that and be honest about it. And we have to prove through transparency and accountability that we are putting that wealth to good use for the common good. And we need to be open to examination and to challenge and to debate about that equation. But that is what we have to do. And again, I think that we would lose something distinctive and important if we were so focused on the antidemocratic origins of democracy or even the anti-democratic practices that may be, you know, part of philanthropy in certain instances and want to shut it down, as some members of Congress have proposed in the past. Vice President elect JD Vance has some pretty dramatic proposals that would affect the ability of foundations to continue to work in perpetuity. And I think that would be a terrible, terrible mistake because philanthropy is, in essence, the finance system for the nonprofit sector. And the nonprofit sector is really essential to the vitality of our democracy. And it needs to have financial support and it needs to have independent financial support. So the key is being very clear

about the origins of our philanthropic capacity. B, being very transparent about what we do, who we fund, why we fund them and C, engaging in the debate about what's valid in philanthropy and what is less valid and what's effective and what's less effective. And being open to that process.

Phil [00:37:40] And we have to pay so much attention right now, I think, to the potential threats to that independence and to that civic space and to recognize that folks who want to consolidate power, governmental leaders that want to consolidate power, whatever part of the world they're in, tend to see NGOs, nonprofits as threats, and they try to shut them down. And to your point about acknowledging the history and then deciding, well, what are you going to do with the opportunity you have to make a difference now. Right? You can't change; Stephen Heintz can't change that history of how rapaciously the money was made. I mean, it's not dissimilar from what we all experience as individuals looking back at whatever legacies we're handed. But you made a really interesting decision at the RBF that very much relates to this, to divest your endowment from fossil fuels the very way in which the wealth was created in the first place. Can you talk about that and whether and how you think that might have made a difference in terms of good in the world?

Stephen Heintz [00:38:53] Yeah, it was a really interesting process because the RBF has been a significant funder in the climate space since the 1990s, well before I was at the Rockefeller Brothers Fund and we were really early in the work and it became actually the largest single area of funding for us over the years, especially in the early part of this century, the first decade and continuing today. And at the same time, because of the origins of our endowment, which came from fossil fuels – Standard Oil, John D Rockefeller's fossil fuel business – we still had holdings in fossil fuel companies. And I became increasingly uncomfortable with the moral hypocrisy in that equation. And as I said to people, including our board, it's like funding lung cancer research and being invested in cigarette companies. And so we had a really good set of discussions around both our investment committee table and the boardroom table about the challenge of divesting from fossil fuels. And we did a very serious, you know, investment analysis. We asked our investment advisors and outsourced the chief investment office to run literally hundreds of what they call Monte Carlo simulations to factor in various ways that the endowment might perform without fossil fuels as compared to with fossil fuels. And as a result of all that analysis and a lot of discussion with the board over the course of 2014, we were able to come to the decision that we would divest from fossil fuels. And we announced that at Climate Week in New York City in September of 2014. And we knew that the importance of that decision was not the dollar value of our investments in the fossil fuel industry, which were, compared to the total investments in that industry, pretty minimal. It was the symbolic gesture of Rockefellers standing up and saying it is no longer appropriate to be invested in fossil fuels because fossil fuels are contributing to the climate change that threatens the very vitality of our planet and human society. And we knew it was going to be a good story, you know, at the press conference that we had at the U.N. in 2014, but we didn't actually realize just how big a story it was going to turn out to be. It hit the front pages of newspapers all across the globe, and it was the subject of television interviews and radio. And I mean, it just really was a much bigger story than we expected. And even though it was a symbolic step, largely, it did begin to change market practices. Two things happened: One is, almost right away, we got inquiries from fund managers around the world who said we are creating a fossil fuel free investment fund to invest in X, Y and Z, and we wonder whether RBF would consider investing with us. And so we started looking at those opportunities and in fact, we did make some of those investments and we continue to make those kinds of investments increasingly. And the second thing that happened was that the movement for divestment really gained steam, and I think we

contributed to that. I do not want to take credit for it. There were a lot of people, a lot of leaders. Ellen Dorsey at the Wallace Foundation was an extraordinarily energetic advocate of divestment. We joined in that advocacy. We spoke at lots of events, including a CEP conference, I think in San Francisco some years ago, where I debated with um…

Grace [00:42:53] Was it Larry Kramer?

Stephen Heintz [00:42:54] It was. It was Larry Kramer, exactly. Thank you Grace, yeah. And then the other important step has been that this field of divestment has grown really significantly. So, when we announced our decision, the assets under management that were being divested by the small number of asset owners who were divesting was in the hundreds of millions of dollars. Now it's in the trillions of dollars, and that begins to have real market consequence, even to the point where on Tuesday the 12th of November, the CEO of ExxonMobil, Darren Woods, said that President Trump, incoming President Trump, should keep the United States in the Paris climate agreement, which is a stunning statement for the CEO of Exxon to make in 2024. And again, I'm not claiming credit, the divestment was the thing, but divestment, as part of all the rest of the advocacy, the research, the documentation, the U.N. process, etc., the U.S. legislation, etc., etc.. All of these things together have created more momentum to really address this existential threat in the climate crisis. And we continue to fund climate. In fact, two other things: One is that the performance of our endowment investments have beaten the benchmarks during the ten years that we have divested. So economic performance has been quite good, and it's been good enough to allow us to commit an additional $100 million over ten years for philanthropic grantmaking on climate above and beyond what our normal budgeting process would suggest. So for us, it's been a winner all the way around and we continue to encourage others to do the same.

Grace [00:44:50] It seems like you all really expanded the Overton window of what's possible in that time period that's so powerful. To close, I wanted to ask you, Stephen, how did you get into this work? Did philanthropy play a role in your upbringing? Like, tell us a little bit about your story.

Stephen Heintz [00:45:06] Well, thank you for asking. I wouldn't say philanthropy was part of my upbringing. I grew up in a… so I was born in 1952 and grew up in a family that was probably, at the time considered middle class, maybe upper middle class, four brothers. We lived in St Louis first, a suburb of St Louis, and then when I was ten we moved to Connecticut and my father was commuting to New York City every day for work. But my parents were very committed to civic life. And even though my mother was a Democrat and very loyal to Franklin Roosevelt and the New Deal and my father was a Republican and loyal to the Republican Party of that era that made for, you know, a very healthy civic culture around the family dining room table. And it all came to a really interesting moment for me in 1960 when I was in the third grade and it was Kennedy versus Nixon in the presidential election. And my third grade teacher decided that as a civics curriculum, she would use the election and she arbitrarily divided the class into two groups, one that would follow the Nixon campaign and the other that would follow Kennedy's campaign. And I was in the Kennedy group, and my mother, who had Democratic leanings, was very eager to help me use this as a learning experience. And I got very, very excited about it and went to a rally where Kennedy spoke, handed out buttons and bumper stickers in our neighborhood. And just, that was really the beginning of my deep, deep engagement in American democracy. And my father was not only tolerant of that, my father encouraged it even though he was going to vote for Nixon. So it wasn't philanthropy that was such a major thing around our family community, but it was

responsibility and it was about treating everybody equally and being involved in social change. We were involved in the civil rights movement and later in the antiwar movement. And those things also had their moments of family, you know, disagreement and strife. But the way that my parents modeled the reaction to those things and the discussion about them was very formative for me. And then I decided to go into politics. So my first, you know, my first career move was to run for office after I finished college and I was predictably defeated. But it was an enormously valuable experience and I got offered a really good job. I was running for the state senate and I lost, but I got the offer to be the chief of staff to the state senate majority in Connecticut. And then that led me into a 15 year career in politics and government. And I didn't really know that much about philanthropy. And then in 1989, I decided to move to Eastern Europe and try to do something helpful in the historic process of transition to democracy and market economies. And that was when I first began to see what philanthropy could do. And I was working for an NGO, and we were the recipient of funds from American foundations and others. And that was my introduction to philanthropy. And then I came back to the U.S. after a decade living and working all over Eastern Europe and was one of the co-founders of Dēmos. And, you know, had to raise the money to get that organization started. So I had a lot of experience on the other side of the philanthropic table before going to RBF. And I think that was hugely valuable. I hope it's made me a more empathetic foundation CEO to the challenges that NGOs face in both doing their work and having real impact in our world and having to spend so much time raising money from people like us. And I just have huge admiration for those extraordinary leaders who are working under very, very challenging circumstances.

Phil [00:49:23] As we close out, and thank you, Stephen, and I just want to say on a more personal note, that there are very few people who have made more of a difference in my career or in the trajectory of the Center for Effective Philanthropy than you have. You've been so generous with me personally in terms of advice and counsel at various odd hours of the day, but also in your time and service on the board at CEP and being involved in so many programs. And then also just as being a champion for the importance of nonprofits and the nonprofit sector. So we feel really indebted to you, Stephen, for all you've given to us. And I thank you for spending this time with us today.

Grace [00:50:04] Thanks for joining us.

Stephen Heintz [00:50:06] Well, that's very generous of you, Phil, and I have to really stress that the experience has been entirely mutual. I have benefited and learned as much as I may have given, probably more. And I am, as you know, a big fan of CEP and especially its survey instruments, but also its research. And we continue to do the grantee surveys and we continue to learn and we continue to get better because of them. And so this is definitely an experience of mutual benefit, very profound mutual benefit. So thank you.

Phil [00:50:39] Thanks, Stephen.

There are so many resources about effective giving on The Center for Effective Philanthropy's website, cep.org, as well as givingdoneright.org, where you'll find all of our episodes and show notes.

Grace: You can also send us a note at gdrpodcast@cep.org.

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