



## Poverty or Abundance? *Which mentality guides your organization?*

**I've spoken with thousands of foundation leaders over the past 15 years, and I've found that one thing that holds many back from achieving the dramatic success and deep impact that they seek. They have a poverty mentality.**

A poverty mentality is a belief that money should not be spent on internal investment unless the need is urgent, opportunities are limited by capacity, improvement is always incremental, we should do more with less, and we don't deserve the best, fastest, or most efficient path to success. It is based on fear of failure and a misguided belief that maintaining a Spartan operation equates to delivering value for grantees and communities.

An abundance mentality is a belief that internal investment is important, opportunities are a reason to grow capacity, advances can be made in leaps and bounds, success can be replicated and improved, we can handle most situations and challenges (or bounce back quickly), and we deserve to make investments in order to realize the greatest outcomes. This mentality is based on the belief that the more you put into life, the more you get out of it.

Interestingly, I don't believe the poverty or abundance mentality really have much to do with money. Instead, it has everything to do with attitude and outlook. If you think small, you will act small, and your results will be small.

Here's how the difference between a poverty mentality and an abundance mentality play out in the field:

Foundation leaders with a poverty mentality will say things like:

- We're just a small organization; we can't afford it (even on something of strategic importance to the organization).
- The money we spend on professional development or technology is money we're taking away from our grantees (even if investing in yourself would make you a smarter, more effective grantmaker better able to achieve your mission).
- Our grantee budgets cannot include more than 12% for administrative overhead (regardless of the project and what they are trying to accomplish).
- We don't provide our staff with laptops when they travel for business – what if they break? (It doesn't matter that customer service suffers when grant proposals stack up, emails go unanswered because employees can't efficiently make use of their travel time.)
- What is the cheapest way we can do this (regardless of quality, time, or discomfort)?

Grantmakers with an abundance mentality will say things like:

- Who are the top experts in the country (or world) who can advise us?
- How much more impact could we have if we added additional staffing capacity to our grantmaking initiative? Who are the best people we can get, and what is the most strategic use of their time?
- If our program was to become a national model, what would that look like? What can we put in place now to accomplish that?
- If we really want to make a difference on this issue, we need to make a multi-year commitment.
- What tools, resources or technology will help our staff and grantees become more effective?
- Let's magnify our impact by leveraging relationships and partners.



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## *Poverty or Abundance?* continued

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- Let's survey our grantees to better understand their experience with us, so that we can improve.
- It's OK if this corporate funding initiative also benefits our competitors. It will improve outcomes for everyone and we will learn a lot.

Notice that very few of the abundance examples actually would require large amounts of money, especially relative to the impact they could deliver. Talking to experts could be free if you leverage connections, and additional staffing could actually save time, money and effort in the long run. It's about looking at the world with a sense of preserving comfortable practices rather than unleashing the possibilities.

I spoke once with the leaders of a donor support organization that wanted to triple their number of donor members, and dramatically influence the hundreds of millions of dollars of annual giving of its members to be more in line with the goals of this organization (progressive issues, systems change, movement building, etc.). The organization had no idea what percent of current donor annual giving supported organization goals, how much influence (if any) it currently had on donor giving, or the barriers these donors experienced in funding activities related to the organization's goals, like community organizing, policy advocacy, systems change, etc. The organization absolutely needed this information in order to meet its goals, yet CEO balked at the idea of investing \$75,000 to find out. "We are a small nonprofit organization and we can't afford it" was the response. This is a poverty mentality.

Luckily, my colleagues and I are fortunate to work with many forward-thinking organizations that employ an abundance mentality. For example, when Blue Shield of California ended the year with a surplus, it created a grantmaking program to support accountable care organizations and celebrated the fact that it would benefit even their competitor insurance companies. The Annie E. Casey Foundation invested in a public report of a program that was only a third of the way through its planned timeline to share the lessons they were learning in real time. I might add that just the process of producing that report helped the foundation find and make adjustments that will doubtless save dollars and increase impact down the road. And the George Gund Foundation saw the importance of advocacy and communications in launching a new city-wide pre-K initiative and invested in the success of those activities, thus enhancing its earlier investment in bringing the initiative to life.

Reflect for a minute on the personalities and accomplishments of the organizations you know that operate with a poverty mentality, then think about those who embrace an abundance mentality. Which one would you rather lead or be part of?

Me, too!

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