



Robert Wood Johnson Foundation

2012 President's Message

RISA LAVIZZO-MOUREY, MD, MBA
President and Chief Executive Officer

Spring 2012

The Push for the Summit: Creating Health Care's New Terrain





This year marks the 40th anniversary of the Robert Wood Johnson Foundation's emergence as the nation's largest philanthropy dedicated exclusively to improving the health and health care of the American people. We've been around long enough to be regarded as a principled, reliable, effective force for the kinds of change that make a difference in the lives of patients, families, and communities.

**What most people do not know,
however, is that our story began in
a most unusual way...**

**BUNGLING BURGLAR BLOWS
BILLION BUCK BREAK-IN**

NEW BRUNSWICK, N.J., DECEMBER 6, 1971

On a dark and almost stormy night, a vigilant reader of *The New York Times* carefully and quietly removed the outward-mounted hinges from the rear door of a modest two-story frame house on a quiet residential street in New Brunswick, New Jersey. This was 142 Livingston Avenue, the early home of the Robert Wood Johnson Foundation. A small brass plaque mounted over the door at the top of five marble front steps gave the only clue to the work going on inside. It announced, simply, “Foundation House.”

Thick clouds and a low ceiling masked a fading full moon. The glow from the street lamps gave the burglar just enough light to unhinge the door.

The police later reported that no one heard or saw a thing.

The intruder propped the door against its frame and stepped into the gloom of the deserted kitchen. Inside there wasn’t much furniture apart from a single desk and single chair in a single empty room. The only obvious items of value were a solid bronze Williamsburg chandelier and a roll of 8-cent postage stamps in the desk drawer.

But the burglar was after bigger pickings—treasure beyond imagination, more than one billion dollars. It had to be here. After all, that morning’s paper said it had just arrived in the form of 10,204,377 shares of Johnson & Johnson common stock, an amazing bequest from the estate of Robert Wood Johnson II.

According to the news story, this ordinary house one block off Joyce Kilmer Avenue, literally overnight, had become the extraordinary home of the second wealthiest foundation in the country.

What the bungling burglar didn’t know was that our true wealth was never to be measured in cash, but in answers sought, problems solved, systems improved, adversaries turned into allies, lives made better, communities made healthier, and America made stronger.

In fact, had our intruder come with a great idea for bringing better care to more people at an affordable price, well, we could have talked business then and there, leaving the busted door as collateral damage. Instead, our empty-handed housebreaker vanished into the night, not the first to realize that newspaper articles can be misleading.

Robert Wood Johnson Foundation Promise

W

e believe that good health and health care are essential to the well-being and stability of our society, the vitality of our families and communities, and the productivity of our economy—indeed, they are fundamental measures of our success as a nation.

Helping all Americans lead healthier lives and get the care they need is the mission of our philanthropy. Our strategy is to identify major health challenges, seek bold, transformative solutions, and sustain our commitments until success is achieved. Our guiding principles flow from a sense of responsibility to all our constituents. In particular:

- **TO THE NATION, WE PLEDGE TO TACKLE THE GREATEST CHALLENGES TO GOOD HEALTH AND HEALTH CARE FOR AS LONG AS IT TAKES TO ACHIEVE LASTING RESULTS;**
- **TO THE MOST VULNERABLE AMONG US, WE PLEDGE TO PURSUE SOLUTIONS THAT ARE EFFECTIVE, AFFORDABLE, AND EQUITABLE;**
- **TO OUR GRANTEES AND COLLABORATORS, WE PLEDGE TO SET CLEAR GOALS, FORGE STRONG AND CREATIVE PARTNERSHIPS, AND MEASURE OUR WORK BY TRANSPARENT, EVIDENCE-BASED CRITERIA THAT MEET THE HIGHEST STANDARDS OF PERFORMANCE AND INTEGRITY.**

Through our actions we pledge an unyielding commitment to the philanthropic vision of our founder, General Robert Wood Johnson, whose remarkable business career and passion for improved health and health care made this work possible.

**This promise is made by the Trustees and staff of
the Robert Wood Johnson Foundation.**



Robert Wood Johnson Foundation

“GREAT LEADERS ARE IDENTIFIED BY THEIR ABILITY TO PERCEIVE THE NATURE OF THE GAME AND THE RULES BY WHICH IT IS PLAYED AS THEY ARE PLAYING IT. IN OTHER WORDS, (YOU ARE) DISCOVERING THE NEW TERRAIN AS YOU ARE INVENTING IT. IN THE VERY PROCESS OF MAPPING THE NEW TERRAIN, YOU ARE CREATING IT.”

BRIAN ARTHUR, *Economist*

2012 PRESIDENT'S MESSAGE

THE PUSH FOR THE SUMMIT: CREATING HEALTH CARE'S NEW TERRAIN

M

y home is about four miles from the Foundation. It's a pleasant walk along quiet streets, wooded foot paths, and an old canal. Our local elevation is barely 160 feet above sea level, so the going literally is a walk in the park. Until summer 2011, that is, when I lugged 40 pounds in a back pack, both ways, most days, for several weeks. I was getting in shape for what turned out to be a walk of a very different kind—straight up Mount Kilimanjaro, the legendary “Roof of Africa.”

In recent years, my love of hiking has led me up higher and higher slopes—the Green Mountains of Vermont, Machu Picchu in Peru, the Mount Rainier of my Seattle childhood. Now I felt a compulsion for something more—a milestone experience to mark the convergence of my own life's major paths. I was 30 years out of medical school and coming up on my 10th anniversary at the Robert Wood Johnson Foundation (RWJF). I was blessed with a terrific family! The Foundation, where I have the best job in the world, was turning 40. I wanted to celebrate, to soar, to honor life itself. The climb-of-a-lifetime had great appeal.



With great anticipation, last August, my 30-something daughter, Rel, and I set out for the snows of Kilimanjaro. From the western approach, it was a trek of 42 miles, spread over eight days that dished out the toughest challenges I've ever faced. With the looming mountain breaking the horizon's edge, we set off in shorts and T-shirts across a low, flat plain, rising gradually through sopping rain forests and grassy savannahs to another-worldly alpine desert leading up to a four-mile-high arctic habitat.

Each day, the air was thinner, the grade sharper, the camps rougher, the fatigue more severe. Finally, in parkas, gaiters, and high-tech hand gear, out-climbing clouds and glaciers and even some of our fellow trekers, we crested the rocky summit. More moonscape than landscape, it was lonely, beautiful, terrifying, and spectacular. Someone said it was like “wing-walking on a 747.”¹ Exhausted, gasping for breath, disoriented by lack of oxygen, we were allotted only 15 minutes to glory in the summit before survival demanded we begin the descent. What they say is really true—going down is harder than going up. Several days and 8,000 miles later, back home and not yet fully rested, my mental and emotional Kilimanjaro tapes kept replaying in random bits and bytes. **I thought of Samia, our amazing guide, and the checklist which he hounded us to follow:**

- ✓ **Measure each pace—Step. Pause. Step. Pause.**
- ✓ **Keep progress slow, but steady.**
- ✓ **Always onward. Always upward.**
- ✓ **Maximize progress. Minimize risk.**
- ✓ **Know your limits.**
- ✓ **Know when to stop/rest so you don't have to stop/halt.**

From Day One the formula felt surprisingly familiar to me. It wasn't until I was back on the job in Princeton that I realized these are the same basics RWJF has followed over the past four decades. That's when it hit me: As we push our philanthropy to higher and higher levels, the one mountain that really matters is the mountain RWJF's been trying to move all along!

“TO THE NATION, WE PLEDGE TO TACKLE THE GREATEST CHALLENGES TO GOOD HEALTH AND HEALTH CARE FOR AS LONG AS IT TAKES TO ACHIEVE LASTING RESULTS.”

FROM THE RWJF PROMISE

We so far have invested a total of \$9 billion, delivering on our promise to make health care better and to improve the health of individuals and families, entire communities and populations. Ours is an ambitious commitment that is terrifically hard to execute. The obstacles to social change on such a wide scale are considerable. The entrenched status quo—economic, political, public, and private—generally wants no part of it. Special, vested, and self-interests intuitively resist it.

RWJF is the only national philanthropy solely dedicated to improving health and health care. Next to Gates and Ford, we are the country's third largest grantmaking foundation. What counts more than size is that we try to be fiercely independent, nonpartisan, and openly accountable to the public good.

Among our signature characteristics: We convene stakeholders, form collaboratives, forge alliances of “strange bedfellows,” respect the “wisdom of crowds,” and favor real results to fleeting headlines. To inform our strategies and tactics, we invest heavily in research that identifies problems and solutions. We recruit and advance change agents and push them into the lead. We support the pioneers who convert needed change into durable reality.

We are not interested in change that merely tinkers at the margins. Nor are we interested in an effort that is susceptible to the vagaries of partisan politics, election calendars, and insular special interests. What we are interested in is collaborative partnerships with leaders and organizations from across all sectors with the vision and commitment to *co-create* solutions that up to now have eluded society's capacity to conceive and execute.

Fortunately, we are blessed with private resources substantial enough to support the heaviest of lifting and sustain it long enough to secure success. Along with other large philanthropies and household-name nonprofits like American Heart Association, American Cancer Society, the YWCA and YMCA, we are among the leaders of America's “civic sector.”

While some of us are national forces, most are community-based and hometown-centered. The sum efforts of our hugely diverse and separate activities are fundamental to how American society mediates social pressures, attends to the differing needs of the population, improves the common good, and enriches the nation's body and soul—without seeking profit or public praise. Indeed, the civic sector's collective impact is so essential to American life that it is considered the “third great force” in the fabric of our nation, along with the two other sectors, the public and the private.

In our practice of philanthropy, this is where the “Kilimanjaro Effect” comes into play. Step by step we progress onward. We may have to “discover the new terrain” and new ways to traverse it. It may take us a generation, or two or three, but we have the will and the means to hang in there until momentum occurs, progress is secured, and evidence confirms that the change we seek is producing positive results. If it is not—well, we have learned the hard way to know our limits, when to step, when to pause, when to stop, suspending the climb for a better route on a better day. Ours is a spirit of resilience and resolve our founder and namesake built into our philanthropic DNA from the very start.

“THEY CALL ME A PHILANTHROPIST. I SAY IT’S GOOD BUSINESS.”

ROBERT WOOD JOHNSON, 1893–1968

Robert Wood Johnson’s father and uncles created Johnson & Johnson (J&J) in the 1880s, shortly before their manufacture of the world’s first antiseptic wound dressings turned the small family venture into one of America’s earliest global businesses.

Young “Bobby” was raised to run the family business. He took over the company in the depths of the Depression. The family’s wealth sheltered him from the financial hardships of the time—but not the emotional distress. He’d worked on the factory floor. He was friends with co-workers and their families. Their suffering affected him strongly.

Early in the Depression, he gave J&J workers a 5 percent annual “hardship” bonus. When someone asked for help, he reached into his own pocket. When he heard of an employee falling on hard times, he “made arrangements.” When a long-time employee became a grandmother, he paid her way to see the baby. The Depression convinced Johnson that big business had an obligation to improve the common good. Hoping to inspire a new age of heightened social consciousness among other corporate leaders, in 1935 he published what he called a “new business philosophy.” He wrote...



ROBERT WOOD JOHNSON

“It is to the enlightened self-interest of industry to accept and fulfill its share of social responsibility.”

Not long after, he personally endowed his own small family foundation to help local people down on their luck. Many applied to Johnson's foundation and few were denied. An orphan boy's teeth were fixed. Poor families received food and clothes. A down payment was made on a house for a minority policeman and his family of eight kids. When the stock's dividends weren't enough, Johnson reached first for the petty cash fund, then for his own wallet. "If you didn't watch him, he would give away the factory," a colleague was heard to say.

His health was never robust. Rheumatic fever as a little boy left him with chronic cardiac problems as an adult. He spent a lot of time as a hospital patient. In the process, he had his own epiphany about what really matters in care at the bedside—especially when it was *his* bedside. Propped up in a hospital bed, with pad and pen, he'd write out his prescription for how he believed health care *ought* to be.

RULE 1:

Patients must always come first, especially those from the most vulnerable of our populations. That was non-negotiable. He meant it. To this day, "patients first" informs how we conduct every aspect of the Foundation's work.

RULE 2:

Nurses must bear a greater responsibility for patient care. Today, strengthening nursing remains an RWJF legacy commitment. Our landmark Future of Nursing campaign is a direct descendant of Johnson's early actions to empower nurses at nearby New Jersey hospitals.

RULE 3:

Hospitals must apply proven business practices to improve how they deliver care and relate to their own employees. "While hospitals have special problems," he wrote, "many are similar to those faced by workers in business, and it is reasonable to think that they can be resolved by methods industry has found useful."²

40 YEARS
OF IMPROVING
HEALTH AND
HEALTH CARE

9-1-1

A frightening, unforgettable childhood experience actually contained clues to one of the first health care mysteries RWJF helped solve, way back in the 1970s. My little sister's name is Evelyn—but we all call her “Rel.” One day when we were kids, Rel ran full tilt into a door jamb. It was scary. She was knocked unconscious. Fortunately, both Mom and Dad were doctors. As they were resuscitating her they were yelling for me to call the police. And the fire department. And the ambulance. Each was a different call. It felt like it took forever. Thank goodness, they reached Rel in time.

Back then, you see, first responders were real slow responders. There was nothing like the 9-1-1 emergency response system we take for granted today. Each year tens of thousands died as a result. Accident trauma was the leading cause of death for everyone from birth to their late 30s.

The reason: No one had two-way radios. People in trouble had to call each responder separately. Rescue workers couldn't talk to the hospital, or to their own headquarters. They couldn't even talk between themselves! Trauma victims were wheeled into the ER—where doctors and nurses had no idea they were on the way, or what was wrong with them. It came down to political turf wars between jurisdictions and first-responders over who'd pay for integrated communications.

This was in our Foundation's earliest days. Our tiny staff gathered around a big dining table in the old house that served as our offices (the scene of that early bungled burglary) and came up with

a plan. We told the locals that we would pay for new communications so long as they settled their local differences. They did and we did.

We were the catalyst that gathered the key players on common ground and helped them agree on common solutions. Four years and \$65 million later (*in today's dollars*), a paramedic unit was within 10 minutes of half of the population. Today it's a routine fixture of everyday American life.

9-1-1 was our first big success. It taught us how to do the right thing at the right time in the right way. We also learned that if the need is great and the temperature acceptable, leaders from all sectors will work together, even those more used to fighting with one another. We call them “strange bedfellows.” Today, 9-1-1 is our classic template for how we help business and community leaders do together what none of us can do on our own.

Here we are, more than 75 years later, still hard at work applying Johnson's three rules to how patient care should be delivered. Active behind the scenes, we are similar to the global chemical company, BASF, which describes itself this way: "We don't make a lot of the products you buy. We make a lot of the products you buy better."

Well, RWJF may not make or deliver your health care or, for that matter, run your local disease prevention or personal wellness programs. But we do help make a lot of your health care and public health services better—along with your own individual health and the health of your family and community.

The term "retrospective" in medicine describes the medical and lifestyle history the physicians obtain from the patient. In music, a retrospective is a collection of greatest hits. At RWJF, a "retrospective" examination of major initiatives is a mix of both, using investigative analytics to ensure we are getting a truthful assessment of where we've been and what we did. To that we add a grace note of our own to guide how we will play going forward.

We've grown into this process of transparent, hard-nosed, third-party scrutiny. Back in our earliest days, when we were still figuring out how to match the mechanics of our work to the mission of the Foundation, we typically took our grantmaking strategies and evaluations one program at a time.

Gradually, learning by doing, we saw the wisdom in strategically bundling related programs to accomplish together across a spectrum of need what they could not do on their own. The benefits followed quickly. Our leverage for change was more muscular—and more measurable. Our confidence and ambitions matured as well, manifesting in long-lasting national programs, such as our landmark campaigns to: (a) fashion a new, integrated system of chronic care; (b) reduce tobacco use; and (c) transform care at the end of life. In its own way, each program's journey to this day strongly affects how we do our work.

**"A FIELD IS NOT JUST A CATEGORY OF ACTIVITY, BUT A FORCE TO
CONTEND WITH, AS FUNDAMENTAL AN ELEMENT TO PHILANTHROPIC
STRATEGY AS THE MARKET IS TO BUSINESS STRATEGY."**

HIRSCHHORN, KELLY AND GILMORE, UNPUBLISHED PAPER, 2002

To get an impartial measure of our major works over time, we commissioned, and are posting on rwjf.org, the *RWJF Retrospective Series* of outside, independent evaluations of the entire body of each of these three sentinel work streams. A fourth retrospective, on our much-discussed efforts in the addiction and substance use field, will be ready in 2013. The evaluations and their conclusions are powerfully honest and honestly empowering—so long as we carefully listen to what they tell us and respond appropriately. Doing so demands public transparency and honest self-revelation that increasingly are becoming common civic sector "best practices."

RWJF RETROSPECTIVE SERIES

Chronic Care:

The Power of Learning the Hard Way

40 YEARS
OF IMPROVING
HEALTH AND
HEALTH CARE

We invested more than \$1 billion over 30 years to improve the lives of persons with chronic illnesses and disabilities by introducing a new “integrated, coordinated approach” to the whole service system itself.

The need was obvious and great, the vision broad and ambitious, the stated goal breathtaking in scope. Unfortunately, we never did sort out which was the higher priority: helping individuals receive better care—or overhauling the system itself.

Strategies, tactics, and resources accordingly were inadequate and uncoordinated. Rather than addressing the system as a whole, they instead were directed to selected disparate and unrelated “parts” of the puzzle. The initiative quietly closed out in 2010.

An instructive observation from the evaluator: It takes consistent, strong direction from Foundation leaders to develop a coordinated, strategic approach.

Regardless, separate elements of the initiative continue to advance positively the definitions and practices of appropriate chronic illness care. In particular, the program’s “chronic care model” stands out.

FINDING: Introducing fundamental and lasting change across an entire system of care demands strategic planning, achievable objectives, coordinated tactical actions, staying power, and resources commensurate with the size of such a target.

Learn more about the RWJF Retrospective Series at www.rwjf.org/pr/product.jsp?id=72061.

RWJF RETROSPECTIVE SERIES

Tobacco:

The Power of Taking a Stand

Twenty years ago we put our reputation, financial assets, and human capital behind a make-it or break-it initiative to reduce tobacco use in America. It's hard to overstate the magnitude of what we walked into.

Over the centuries every attempt to persuade people to quit tobacco failed. The opposition in the latter 20th century was just as rigorous as in the 15th century.

As a nation we overcame all that—though it's taken most of a generation, nearly \$700 million of RWJF funding, and a broad-based collaboration involving hundreds of organizations and institutions.

Most significantly, we helped unify a fragmented and disorganized smoking cessation and public health field. We created a center of gravity to attract and support the effort, with a strategic approach, sustained over a long time, which doggedly pursued a single goal on many combined and coordinated fronts.

Our most effective tactic: Developing the clinical and policy research that armed advocates with the hard evidence to successfully make the case for change. We also defined the science of using pricing and taxation policies as a lever for social change.

The results are obvious wherever you live, learn, work, and play. An estimated 5.3 million fewer people smoke; more than a million deaths related to spit-tobacco and smoking

have been avoided. For the first time in American history, smoke-free is the rule rather than the exception in most places wherever people gather together.

This is perhaps the most formidable movement ever mounted in the United States. Large numbers of our population were convinced to live healthier by rewriting their own book of personal behavior and social norms. The effect on our Foundation has been profound. It defines who we are, what we stand for, and how we do what we do.

FINDING: RWJF can have a profound impact on social norms and public health by making a strong public stand and supporting it with solid, timely research and strategic communication.

Learn more about the RWJF Retrospective Series at www.rwjf.org/pr/product.jsp?id=72061.

RWJF RETROSPECTIVE SERIES

Care at the End of Life:

The Power of Leading From Behind

40 YEARS
OF IMPROVING
HEALTH AND
HEALTH CARE

Between 1996 and 2005 we spent about \$170 million mobilizing key forces in health care to design a new multifront, evidence-based system of hospice and palliative care.

It was a tough sell at first: Many families and physicians so badly wanted to cure the gravely ill that they unintentionally discounted the pain and discomfort of the dying patient. A parallel disconnect among medical and provider communities was so strong that early hospice and palliative care practitioners functioned in isolation.

Our first step was to conduct groundbreaking research that documented for the first time the excruciating circumstances of death in America. The findings were wrenching: The lives of loved ones often ended away from home, alone, and in pain, after weeks of futile treatment, with little advance planning, and at high cost to family, facility, and society itself.

A follow-up, narrowly focused experimental clinical trial raised high hopes that it could “fix” end-of-life care for 2,650 seriously ill patients. “The intervention aimed too low and fell apart in one of RWJF’s most high-profile disappointments. “No effects,” the study’s leaders glumly reported to a stunned Foundation staff.

Contrary to most foundations’ common practices, however, we chose to publicize details of our own failure, using it to make a case for fundamental change and an all-out effort to build the field.

This single act is considered the tipping point that converted palliative care from an outlier to an established necessity of care at the end of life.

Along the way, we led, not from the top-down, but from the rear-forward, creating opportunities for collaboration, guiding the search for common ground, and supporting the new field in building its own evidence-based policies, practices, and clinical standards.

The effect is lasting. The provision of palliative care is permanently built into the system. Today, more than 5,100 hospice programs serve almost 2 million patients a year.³ As a result, patients and families now can experience a kinder, gentler end of life—an accepted part of life itself.

FINDING: By leading from behind, RWJF helped introduce hospice and palliative care into mainstream American concepts of care at the end of life and built a major field within health care that did not exist before.

Learn more about the RWJF Retrospective Series at www.rwjf.org/pr/product.jsp?id=72061.

FIVE THINGS TO KNOW ABOUT BUILDING A FIELD

(1) A FIELD HAS AN IDENTITY WITH DISCERNIBLE EDGES; THOSE IN IT KNOW THEY ARE IN IT.

- It is populated by individuals with different roles. There are leaders and followers, knowledge producers and knowledge appliers. Professional fields have trained practitioners, researchers, and educators as well as institutions where training, research, and education occur.
- Fields are stronger when its members share a common set of goals and work in a complementary manner to achieve them.
- The wider the variety of players in a field, the greater its strength and its possibilities for making lasting change.

(2) A FIELD HAS A BODY OF KNOWLEDGE AND PRACTICE, WHICH, AS IT MATURES, BECOMES MORE ORGANIZED AND MORE DEVELOPED.

- Quality in the field can be understood and measured such that its absence is recognizable.
- A field needs places where the work happens and places where people, knowledge, and practice intersect.
- A field can foster collaboration and focused action.
- A field often has strong emotional overtones leading practitioners to become advocates who work to sustain its identity.
- A field grows and always changes.

(3) A FIELD IS MORE THAN A COLLECTION OF STRUCTURAL ENTITIES FOCUSED ON THE SAME ISSUE; ITS STRENGTH COMES FROM THE CONNECTIONS THAT HOLD ITS PARTS TOGETHER.

Field building never starts with a clean slate; no one would invest in it unless there was already something happening to work with. It has both structural elements and dynamic forces that make one notice that it even exists in the first place.

(4) FIELDS HAVE STRUCTURAL ELEMENTS INCLUDING PEOPLE, INSTITUTIONS, KNOWLEDGE, NETWORKS, RULES (E.G., POLICIES, REGULATIONS, HOW RESOURCES ARE ACCESSED).

The amount of structure varies as do the characteristics of the structure; for instance, the field might be densely populated with institutions or people. And its rules might include ideas about who is in or out, what constitutes legitimacy, how open or closed the field is, etc.

(5) FIELD DYNAMICS CONSTITUTE MUCH OF THE CONNECTIVE TISSUE HOLDING THE FIELD TOGETHER AND SHAPING ITS EVOLUTION AND DEVELOPMENT.

Field dynamics guide behavior and the emergence of ideas as well as provide the basis for the continuation of the field. Understanding and manipulating core dynamics may provide the basis of change within a field.

The Mandela Axiom

Nelson Mandela of South Africa is the world's most magnificent living example of a leader who has confronted the major anxieties of a people in their time. His life story is heroic—and instructive.

The whole world knows about Mandela's dramatic crusade against apartheid, his long years in prison, his eventual election as South Africa's president, and how he healed a country that many thought was wounded beyond repair.

His early beginnings, though, are a mystery to most people. He was born in 1918 in a tiny village not far from South Africa's Indian Ocean coast—a place he described as having “rolling hills, fertile valleys, and a thousand rivers and streams.”

His father was a minor chieftain of the Xhosa nation. The father gave his newborn son a tribal name that prophetically translates as “troublemaker.” As a boy, Mandela watched over sheep and calves in the fields outside the village. When he was age 9 his father died and he was adopted by the tribal regent.

He later said that his notions of leadership came from watching and listening to the regent and his court deal with the tribe's business. The meetings went on for hours—long discussions about drought, the culling of cattle, and policies imposed by the White minority government.

Mandela saw how the regent relied on wise counselors, and how members of the tribe were free to speak up, to criticize, and to suggest. “Everyone who wanted to speak did so,” Mandela said. “Chief and subject, warrior and medicine man, shopkeeper and farmer, landowner and laborer—everyone was heard.”

The meetings would go until consensus was reached—even if that meant they agreed to disagree. When they could not even agree to that, the regent patiently waited for a better time to try again.

Mandela was fond of quoting the words of these wise men from so long ago...

*“A leader is like a shepherd.
He stays behind the flock,
letting the most nimble go out ahead,
whereupon the others follow,
not realizing that all along
they are being directed from behind.”*

I call this the “Mandela Axiom” of leadership. One reason why our philanthropy has endured so well is because we've learned that leading from behind works just fine in the civic sector. This signal characteristic sets us apart from most of the public and private sectors. Social change calls for convening, not commanding; collaboration, not competition; common ground, not contested ground. I think of it as strategic steering—what serious sailors know in nautical terms as steering “from the hold.”

From this look back, we see four important threads that have weaved our programs together. We work with partners and build on the efforts of others. We leverage the power of our own brand to bring higher value to the brands of our grantees and partners. We watch for opportunities to turn failure into success. And we seek to prepare long-term partners to assume control of a major initiative once momentum is achieved and longevity is ensured. It is our hope that the more threads such as these that we weave across the patterns of our philanthropy, the finer will be the full fabric of our larger mission.

“OVER EVERY MOUNTAIN THERE
IS A PATH, ALTHOUGH IT MAY NOT
BE SEEN FROM THE VALLEY.”

THEODORE ROETHKE, *Poet*

RWJF's increasing capacity to positively promote the public good tracks right along with the larger philanthropic community's maturing over the past 40 years into a legitimate force for beneficial national social change. University of Virginia social historian Olivier Zunz, in his sweeping *Philanthropy in America: A History*⁴ explains that it is the 16th Amendment to the U.S. Constitution—the century-old income tax amendment—that makes it possible by granting tax exemptions to philanthropy for its contributions to the commonwealth.

The “outcome of this unique encounter between philanthropy and the state,” Zunz writes, “is a hybrid capitalist creation that operates tax-free so long as profits are reinvested in the common good...rather than for the profit of stockholders.” For RWJF, this makes certain that our only special interest is the *public* interest. Taken in this light, our new tradition of retrospective evaluations is our way of keeping our mission on track and ensuring that our investments continue to advance the common good.

The retrospectives, taken together, trace our learning curve in adapting to evolving times and emerging problems. Flexibility, feedback, and evidence-driven conviction are the hinges we believe can swing open society's door to change. The trick is to scan the future as methodically as the past to achieve a reliable and reality-based sense of what awaits us on the other side of that threshold.

Daniel Kahneman, in *Thinking, Fast and Slow*, applies behavioral psychology to economics in a way that speaks directly to the pitfalls of what I call “the philanthropy of high hopes.” Kahneman warns of decisions based on “delusion optimism rather than on a rational weighting of gains, losses, and probabilities.” It is this “planning fallacy,” he says, that leads decision-makers to overestimate benefits, underestimate costs, overlook miscalculations, and gloss over the potential for mistakes.⁵

In other words, be honest, rational, sensible, and strategic. If not, we will end up perversely celebrating what Professor Kahneman knowingly calls “our almost unlimited ability to ignore our ignorance.”⁶

We practice today’s philanthropy in a context far removed from the early 1970s when our Foundation’s old-technology forebears were hungering for their first big success. Yet, I am certain they would recognize the intimidating forces presently before us...

Social and economic convulsions that defy conventional solutions; shifting sectoral roles; new technologies; the globalization of infectious and non-communicable diseases; the long-lasting feud over the size and role of American government; partisan divisions so deep they threaten our ability to effectively govern ourselves; and a level of health care spending that is approaching one-fifth of our entire economy.

Think of health and health care as philanthropy’s Kilimanjaro. Most of the climbers are down in the valley, where the path topping the summit is out of view. Technologies, techniques, and tactics improve with the times. But do not be fooled. The scope and scale of the ascent ahead challenges much of old-style philanthropy to reconfigure its senses of vision, mission, purpose, and goals.

Old familiar “best” practices will be replaced by “next” practices. Entrenched turfs and territories that have long-dominated public problem-solving will give way to a new civic-sector dynamic that is networked across sectors, partnered, collaborative, and interdependent. Still, there is no way around the rock-solid fact that the trek upward is as difficult—and as threatening—as ever.

So we ask, how can we better prepare for what comes next? RWJF and the W. K. Kellogg Foundation commissioned Monitor Institute to look ahead to 2020 for answers. Their response—*What’s Next for Philanthropy?*—is far-reaching.

Monitor's analysts consulted with more than 75 of American philanthropy's top leaders. In what reads like a map for the trail ahead, they laid down **six factors necessary for success in the near future:**

- (1) **THE STATUS QUO IS NOT AN OPTION.** You can't challenge an outmoded status quo if you are trapped in one yourself. Too much of the civic sector is self-absorbed, overly cautious, risk-averse, too controlling, and poorly networked. The pressures of time, inertia, self-serving priorities, and a lack of strategic thinking conspire to maintain a culture of staying stuck.
- (2) **SMART PHILANTHROPY ADAPTS BETTER.** It is more strategic, putting the problem, not itself, at the center. Goals are clear. Leaders know what works—and what doesn't. They keep up with change, form collaborative partnerships, and open pathways to fresh outside-in thinking. They build new theories, fold the best "next" practices into their work, and innovate when necessary. They trail-blaze new approaches, such as impact investing and taking successes to scale more rapidly and effectively.
- (3) **SMART PHILANTHROPY TURNS DATA INTO A POWER TOOL OF DISCOVERY,** so the risks are more likely to be intelligent and manageable. And something new for many older foundations—they not only value performance, they value how it is measured. This, too—they share the credit.
- (4) **SMART PHILANTHROPY ACTS BIGGER.** It understands that moving the needle requires more than a single grant or organization. So it engages and connects all the moving parts, aligning with others who hold parts of the solution; initiates cross-sector alignments with other nonprofits, government, academia, business, even the arts; and convenes, collaborates, coordinates, and connects high-impact networks of activity.
- (5) **SMART PHILANTHROPY LEVERAGES RESOURCES** by recruiting multiples of players and funders. It invests in and stimulates markets and other sectors to produce social benefit. And it harnesses media and public education efforts to shape perspectives, opinions, and attitudes.
- (6) **FINALLY, SMART PHILANTHROPY RECONCILES OPPOSING TENSIONS,** such as:
 - The urgency of "results now" versus "stay the course."
 - Autonomy versus working with others.
 - Trusting the evidence versus chancing uncertainty.
 - Top-down direction versus unleashed bottom-up energy.
 - Vigorous analysis versus unbridled creativity.
 - Relying on the known versus risking the unknown.

Testing the tensile strength of these opposing pressures is a core RWJF competency, one we draw on eagerly as we turn to the enormous challenges ahead. As the late social ecologist Peter Drucker wisely suggested, “Long-range planning does not deal with future decisions, but with the future of present decisions.”⁷ A good example—the U.S. Supreme Court’s action on the Affordable Care Act of 2010 is one of many consequential near-term decisions that will affect whether the health care system of tomorrow delivers a degree of value commensurate with what it costs.

“THIS HOUSE IS DEDICATED TO THE ALLEVIATION OF THE SUFFERING OF MANKIND.”

JUDGE KLEMMER KALTEISSEN

President, Foundation House, 1963

That small house on Livingston Avenue was just right for the privacy and anonymity Robert Wood Johnson sought in his early-day, down-home philanthropy. He liked to tell the story about the night the board came to dinner. The meal was about half-cooked when the old stove broke down. The cook ran next door and finished dinner in the neighbor’s kitchen. That knack for flexibility, collaboration, and being results-driven—remain some of our hallmarks. Staying true to our founder’s mission is another.

Johnson fervently believed that “Improved care is my greatest responsibility.” To his brother Seward he wrote,



“There is no area of social responsibility more important than the care of the sick and the injured, and I think it best to confine my Foundation to the area of healing.”⁸

The course he set is still followed by each successor cadre of RWJF Trustees, management, and staff. In this consistency is a clue to the Foundation's enduring capacity as one of America's leading agents of change. It is like ascending Kilimanjaro. Measure each pace. Connect to partners. Make steady progress, always upward. And as we map the old terrain, keep creating a new terrain of our own. For it is through the consistent re-invention of our terrain that we gain the knowledge and vision to achieve the summit of our intent.

Upon this, our 40th anniversary, we find ourselves fully engaged in a new era of philanthropic purpose, built on the bedrock of our past, forward-reaching in our present, and eagerly determined to overcome the steep climb that still awaits us. First, though, we must clear the trail ahead of the toughest obstacle left on the mountain—the deepening and pervasive crisis in health care costs.

Over the coming weeks we will be finalizing the strategy, mapping the best course of ascent and assembling what we hope will be a true “dream” team of consumers, the health sector, and business. In my next message, to be released in summer, we will lay out details and a timetable. Naturally, it all depends on the weather.

Respectfully submitted,

A handwritten signature in black ink, reading "Risa Lavizzo-Mourey MS". The signature is fluid and cursive, with the initials "MS" at the end.

RISA LAVIZZO-MOUREY, MD, MBA
President and Chief Executive Officer

Endnotes

¹ “The Roof of Africa: Scaling the Mighty Mount Kilimanjaro,” Tom Dunkel, April 2002, at www.gorp.com/parks-guide/travel-ta-kilimanjaro-national-park-arusha-mountaineering-tanzania-sidwcmdev_053678.html.

² *Robert Wood Johnson—The Gentleman Rebel*, Lawrence G. Foster, Lillian Press, 1999. p. 386.

³ “Hospice Care in America,” NHPCO Facts and Figures, 2011 Edition. National Hospice and Palliative Care Organization, www.nhpc.org/files/public/Statistics_Research/2011_Facts_Figures.pdf.

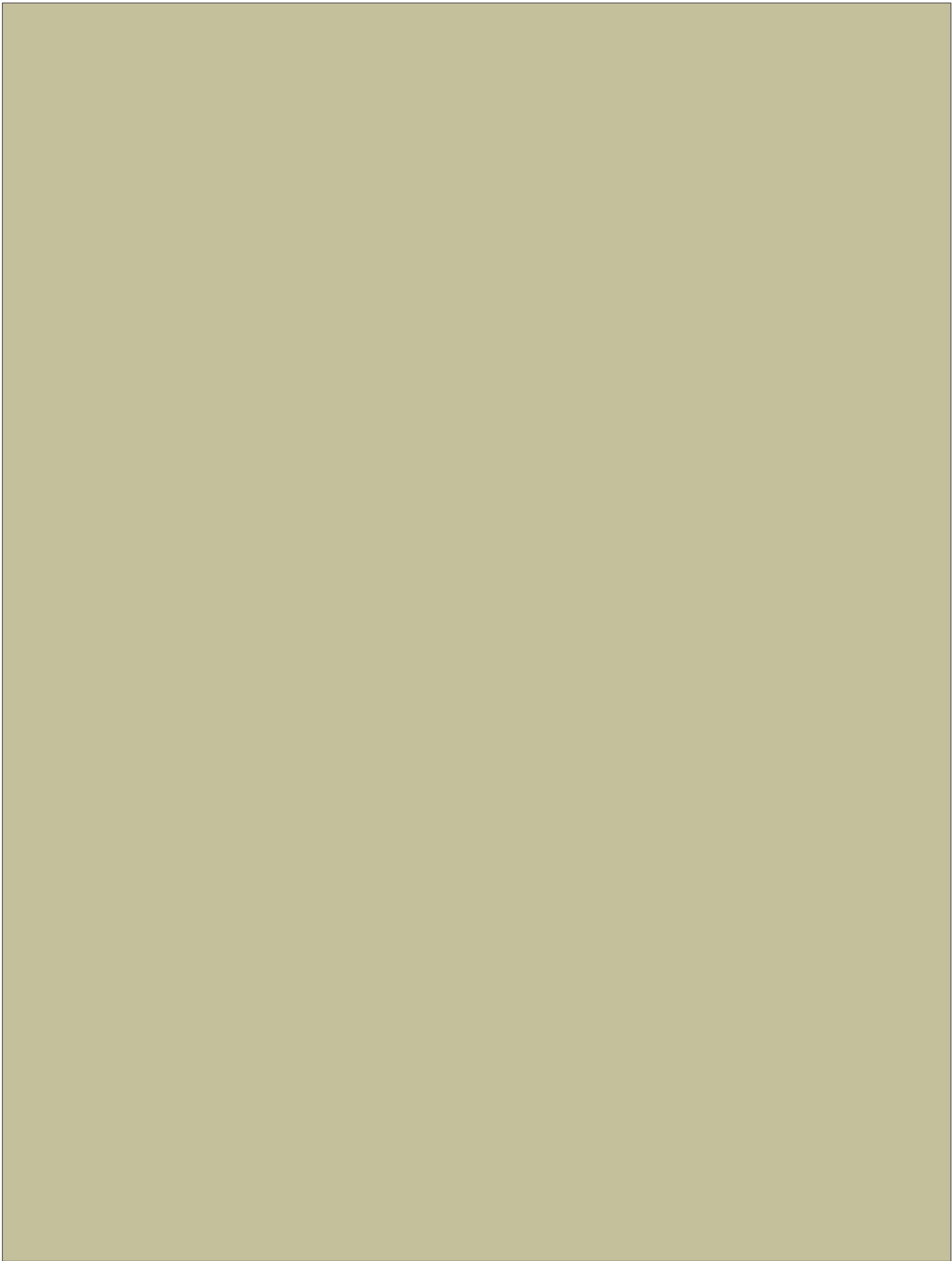
⁴ *Philanthropy in America: A History*, Olivier Zunz, Princeton University Press, 2011.

⁵ *Thinking, Fast and Slow*, Daniel Kahneman, Farrar, Straus and Giroux, New York, 2011. pp. 249–253.

⁶ Kahneman, p. 201.

⁷ “Peter F. Drucker, a Pioneer in Social and Management Theory, Is Dead at 95,” Nov. 12, 2005. *New York Times*, www.nytimes.com/2005/11/12/business/12drucker.html?_r=1&scp=1&sq=peter%20drucker&st=cse.

⁸ Foster, pp. 513–514.





Robert Wood Johnson Foundation

Route 1 and College Road East

P.O. Box 2316

Princeton, NJ 08543-2316

www.rwjf.org

Spring 2012