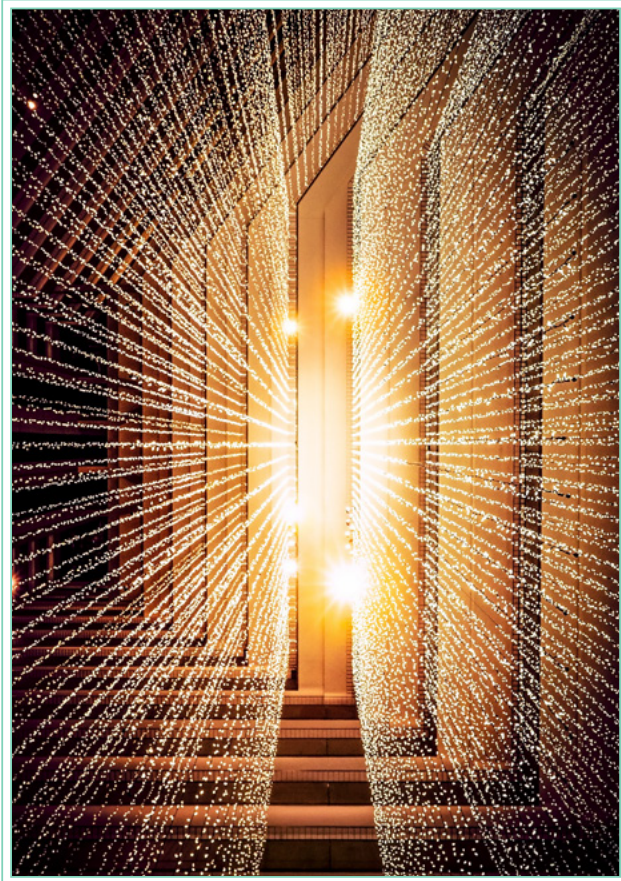


PRIZE PHILANTHROPY

Benefits, Challenges, and Winning Approaches



ROCKEFELLER PHILANTHROPY ADVISORS
PHILANTHROPY ROADMAP

PRIZE PHILANTHROPY

Benefits, Challenges, and Winning Approaches

This publication is part of the Rockefeller Philanthropy Advisors Philanthropy Roadmap, a series of donor guides created to help create more thoughtful and effective philanthropy throughout the world. It was created with the input of many philanthropic leaders engaged in prize philanthropy, to whom we are thankful. In particular, we are grateful to the John D. and Catherine T. MacArthur Foundation affiliate Lever for Change for their support of, and contributions to, this work.

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Introduction

Prizes have long been used to recognize achievement and advance innovation and effective solutions. In recent years, prize philanthropy, the use of monetary prizes to recognize achievements or drive developments that benefit society has become more popular among a wider segment of donors. This guide was created to help philanthropists decide whether and how to use prize philanthropy to achieve their goals.

How Prize Philanthropy Differs from Grantmaking

In general, philanthropic prizes are a monetary amount awarded after a competitive process. Traditional philanthropy involves grants, which similarly are typically a monetary award given after a competitive review or application process. The distinction between prizes and grants relate to the ceremony, visibility, and increased participation that generally accompany awards and competitions compared to the typical grantmaking process.

Perhaps the most significant difference between prizes and grants in philanthropy is the cachet associated with winning a competition or award. Being a prize winner generally carries more prestige than being a grant recipient. While philanthropists may highlight their grantees on their websites or in their annual reports, the average grant does not draw the same amount of attention or carry the same amount of prestige as winning a prize. In addition, the conferral of a prize is widely understood as an important event; one that can involve high profile, public recognition.¹

In terms of participation levels, traditional grantmaking most often supports recognized and reliable methods and actors for combating social and environmental problems. Indeed, according to Candid President Bradford Smith, “of the more than 87,000 active independent, community, and corporate foundations in the United States, 70 percent do not accept unsolicited proposals.”² In contrast, prize philanthropy offers a wider reach, as philanthropic competitions are often open to any individual or organization that meets the criteria and is willing to submit an application. In fact, many philanthropic competitions have a primary goal of uncovering new potential grantees and actors in a given space.³

Many philanthropic competitions have a primary goal of uncovering new potential grantees and actors in a given space.

In addition to greater openness to different types of organizations or individuals, philanthropic competitions tend to draw on different types of decisionmakers. While program officers tend to call the shots on conventional grants, competitions frequently delegate some, or all, of the decision-making responsibility to external experts, community leaders, and the general public, thus involving more people in the process.⁴

Benefits of Prize Philanthropy

When implemented in a thoughtful, effective manner, prize philanthropy can provide valuable benefits to the donors, Contenders, and communities impacted by the challenge addressed. Whether structured to give recognition for past accomplishments, or to inspire new ideas or actions,⁵ prize philanthropy can:

- promote innovation;
- broaden awareness of issues and actors in a given space;
- increase diversity and inclusion in the pool of potential recipients of philanthropic funds;
- build communities and networks;
- mobilize additional funding; and
- help contenders hone focus and approach.

Each of these are addressed below.

Promote Innovation

Philanthropic competitions spark innovation by identifying new ideas and new players. A properly designed competition is likely to “cast a really broad net and source great ideas from all over; from the places one expects, as well as those where one doesn’t,” noted Adam Ganuza,⁶ program officer in the arts at the Knight Foundation, which hosts an open call competition for innovative local art projects in several cities.



Credit: Energy One Africa

D-Prize Case Study

Driving Innovation in Solutions Implementation

Like many other philanthropic competitions, D-Prize focuses on identifying and rewarding innovation. However, D-Prize shows that social innovation does not require the invention of entirely new technologies or service models.⁷ “We were motivated because there are a lot of people living in extreme poverty, and there are a lot of products and services that have been around for a long time and could help,” explained D-Prize co-founder Nicholas Fusso. “Many of these interventions have been studied to death. We know they’re effective. But that last piece of the puzzle—distributing basic and proven interventions to the people who need them—isn’t happening enough on a large scale.” Addressing this service gap, D-Prize hosts “distribution challenges.” Rather than fund the development of new solutions, D-Prize supports social actors who want to introduce proven solutions to new regions and populations.

YEAR FOUNDED
2013

COMPETITIONS PER YEAR
Two

TYPE OF COMPETITION
Global social venture

AVERAGE AMOUNT AWARDED
US\$10,000-\$20,000

THEMATIC AREAS
Delivery of existing poverty interventions (multi sector)

FULL TIME STAFF
Two

GEOGRAPHY
Sub-Saharan Africa, Southern Asia, and other regions where extreme poverty exists

Once an area of focus for a D-Prize challenge is determined, the organization researches evidence-based interventions for that issue, which can include economic wellbeing, public health, education, or other social goals. If there is evidence on successful approaches, the team considers whether there is a gap in implementation, and if so, if that gap could be closed by a new actor with minimal infrastructure requirements. One example of this is self-injectable contraceptives, which had been proven effective, but were not getting in the hands of those who could benefit from them. Thus D-Prize created a competition that sought to solve the distribution problem for key regions; a challenge that budding social entrepreneurs are well positioned to address.

D-Prize contestants submit ideas for how to scale a proven solution in a particular community, outlining their capabilities for doing so, and how the funding (typically ranging from US\$10,000 to \$20,000) would support their efforts. Of those who submit an initial concept note, about 5 percent are invited to submit longer proposals. The last phase of the competition includes an interview that allows the D-Prize team to learn more about the prospective grantees and their ideas.

The D-Prize team considers it part of its mission to collect and share lessons from awardees' experiences to encourage the spread of best practices and to fuel sector growth. The competition often grants several awards for the same challenge, effectively creating a community of practice. In addition, Fusso and his colleagues follow up regularly with entrepreneurs and innovators, noting what has worked and what has failed. These lessons inform how D-Prize structures its future competitions. As Fusso explained: "If we field 10 teams that are distributing solar lamps and we start to see patterns

“Many of these interventions have been studied to death. We know they’re effective. But that last piece of the puzzle—distributing basic and proven interventions to the people who need them isn’t happening enough on a large scale.”

**NICHOLAS FUSSO, CO-FOUNDER
AND DIRECTOR, D-PRIZE**

in what works for certain field agents and what works with certain sales models or pricing models, we can collect that information and bake it back into the challenge prompts so that the next batch of entrepreneurs can grab that knowledge and execute on it.”⁸

The D-Prize team’s commitment to gleaning and applying lessons from its participants exemplifies how competitions can be valuable learning opportunities, and serves as an important reminder that innovation occurs not only in the creation of new programs, but also creation of new implementation strategies for existing solutions.

Broaden Awareness and Direct Attention

Prizes—and the publicity and events that accompany those awards—can be powerful megaphones for social and environmental issues. Prizes confer an aura of special accomplishment that generates “buzz” about the challenge

being addressed, the solution offered, or the achievement being recognized. This buzz helps to raise awareness and bring the issue to the forefront of public attention, which can be a step toward increasing the impact of the donor’s philanthropy beyond the award itself.⁹

This is true for both competitions designed explicitly to generate new solutions, and for prizes that recognize past achievement. Those “recognition prizes” inspire future scholars, entrepreneurs, and activists, thus catalyzing new discoveries, products, and movements.

Sir John Templeton, for example, conceived of the Templeton Prize not only as a way to honor individuals who harness science to explore questions of humankind’s place and purpose within the universe, but also to inspire others to explore the intersection of science, spirituality, and philosophy, leading to new and innovative understandings of religion in the modern world. According to John Templeton Foundation president Heather Templeton Dill (granddaughter of the prize’s namesake), Sir John Templeton “wanted to create enthusiasm and encourage people to follow similar paths some of the laureates had followed. At times, he talked about increasing humankind’s love of

“The reason people want to give awards is because an award feels prestigious in a way that a grant doesn’t. The exclusivity... messages differently when it’s an award.”

**RACHEL FLYNN, LEAD FOR
FUNDER ALLIANCES, SKOLL
FOUNDATION**

God by expanding our concepts of God, so that Christians might look at a Buddhist leader who had won the award or vice-versa, and appreciate how God is manifest in different faith traditions.”¹⁰

Another example, the D-Prize, focuses its competitions on identifying ways to scale and distribute proven solutions

to challenges in the developing world. One of its primary goals is to raise awareness by providing seed funding to spur engagement that might otherwise not exist. As co-founder and director Nicholas Fusso explains, “There’s a world of aspiring entrepreneurs out there that probably could solve distribution problems, but if no one’s thinking or talking about it, it’s not going to happen. So, nudging people to consider this problem is a big part of what D-Prize is about.”¹¹

“There’s a world of aspiring entrepreneurs out there that probably could solve distribution problems, but if no one’s thinking or talking about it, it’s not going to happen.”

**NICHOLAS FUSSO, CO-FOUNDER
AND DIRECTOR, D-PRIZE**

Increase Diversity of Recipients

Given the “invitation-only” approach that permeates much of traditional philanthropy, it can be difficult for unknown organizations or individuals to get the attention of philanthropic funders. Based on the reality of social and professional networks, this often means that leaders or solution providers led by people of color or that exist in marginalized communities don’t have access to the same pools of funding.¹² Prize philanthropy, particularly efforts based on competition rather than recognition, can help reduce those barriers, as they are often open to anyone who meets the initial criteria. This in turn benefits donors because drawing in new talent can help prime them to better spot emerging trends and new types of solutions. This diversity can also help challenge program staff to reconsider entrenched assumptions, making them better grantmakers.

A properly designed competition is likely to “cast a really broad net and source great ideas from all over, from the places one expects, as well as those where one doesn’t.”

ADAM GANUZA, PROGRAM OFFICER IN THE ARTS, KNIGHT FOUNDATION



Credit: GroundWorks DanceTheater
Photo by Mark Horning

Knight Arts Challenge Case Study Focus on Maximizing Accessibility to the Competition

The [Knight Arts Challenge](#) is one of several competitions that the Knight Foundation sponsors to advance its mission “to foster informed and engaged communities.”¹³ The Arts Challenge meets this mandate by supporting innovative art projects in cities where the foundation operates. According to Adam Ganuza, program officer in the arts at the Knight Foundation, “when we think about investing in the arts, we recognize the power of the arts to connect people to each other, to have them understand more about themselves and their neighbors and, by extension, to strengthen their communities.”

With this focus of bolstering the arts as a force for community awareness and mobilization, Ganuza and his team aim to minimize any potential barriers to participation. This attention to inclusiveness begins with the language and imagery used to promote the challenge. As Ganuza explained, “Having an open

YEAR FOUNDED
2008

COMPETITIONS PER YEAR
Biennial

TYPE OF COMPETITION
Open call for arts ideas

AVERAGE AMOUNT AWARDED
US\$60,435

THEMATIC AREAS:
Dance, Literature, Media Arts, Music, Theatre, Visual Art

FULL TIME STAFF
five-six contributors

GEOGRAPHY
Miami, Florida; Detroit, Michigan; Akron, Ohio

call that's easy to understand, with accessible messaging and approachable faces attached to it, goes a long way in gaining the interest and support of communities, especially those that otherwise might have a tough time" engaging with the competition. Rather than using the kind of jargon that might convey privilege to individuals or organizations with substantial experience applying for grants and interacting with donors, the Knight Foundation makes a point to use straightforward language that resonates with people from diverse backgrounds. This attention to accessibility permeates every aspect of the competition. As one example, the foundation designs its web platform with an audio guide for people with poor eyesight. Additionally, the Knight Foundation accepts first stage applications (consisting of low-barrier 150-word descriptions of proposed art projects) in multiple languages, again promoting involvement among a diverse group of individuals.

The Knight Foundation's focus on inclusion also shows in its recruitment of judges. The Knight Arts team gets to know each of its judges well enough to create a judging protocol that balances out potential biases to avoid advantaging certain groups or types of artists over others.

Finally, Ganuza makes himself available for in-person meetings with anyone who is interested in submitting an application to the Knight Arts Challenge, signaling to potential entrants that all are welcome to participate: "I spend a lot of time on the ground meeting as many potential applicants as possible, whether

“Having an open call that’s easy to understand, with accessible messaging and approachable faces attached to it, goes a long way in gaining the interest and support of communities, especially those that otherwise might have a tough time.”

**ADAM GANUZA, PROGRAM OFFICER
IN THE ARTS, KNIGHT FOUNDATION**

that be by promoting the challenge at town hall meetings or by spending a few days at a local coffee shop taking 20-minute back-to-back meetings with them.”

While not everyone will have the ability to spend this much time interacting with competition participants, Ganuza’s dedication to conveying the Knight Foundation’s openness to all kinds of participants exemplifies the importance of making an extra effort to attract a large and diverse pool of entrants. Especially for prizes that are intended to encourage community vitality or innovation, it is increasingly important to make the competition experience as fair and equitable as possible. Said Ganuza, “If it’s new ideas you’re looking for, focus on inclusivity. Casting a broad net expands the possibilities for the types of cross-network connections that lead to innovation.”¹⁴

Build Communities and Networks

Competitions also help build networks and foster collaboration among individuals and organizations working in a particular region or issue area. Whether by allowing participants to form teams through an open source framework, inviting finalists to network at in-person events, having judges with experience in the relevant sector, or otherwise, involvement in prize philanthropy brings together like-minded people to share ideas and make long-lasting connections. Several competitions include cohort groups that judge each other at the outset.

Others build connections by having community or issue leaders as judges or advisors for the Contenders. As a result, prizes can accelerate progress on a given issue by strengthening and mobilizing communities of interest.¹⁵

Daniela Matielo, executive director of Ashoka Changemakers, notes that one of the most important resources that the program provides is community: “We do not measure the success of a challenge only by the fact that we have found a great solution to fund; we also seek to increase social capital across the field by helping build connections and potential collaborations.”¹⁶

“We do not measure the success of a challenge only by the fact that we have found a great solution to fund; we also seek to increase social capital across the field by helping build connections and potential collaborations.”

**DANIELA MATIELO,
EXECUTIVE DIRECTOR,
ASHOKA CHANGEMAKERS**

Mobilize Additional Investment

For those who make it to the finalist stage, competitions provide unique opportunities for garnering attention from other funders. Finalists and winners of high-profile competitions often draw the attention of funders and investors on the lookout for new and promising ideas, products, and organizations. As donors and impact investors allocate increasing sums of money toward socially and environmentally beneficial projects, prizes can serve as powerful tools to unlock this impact-oriented capital.¹⁷ The website for Google.org Impact Challenges displays a telling data point: “For every US\$1 of investment made through a Google.org Impact Challenge, grantees yielded an additional US\$1 in funding, which they directly attribute to their participation in the challenge.”¹⁸

While it is uncommon for organizations to publicize that they were in the final running for a grant that they did not ultimately receive, prize finalists can get “bonus points” and increased attention even if they are not selected for the ultimate prize. Indeed, many competitions provide a platform specifically for the purpose of attracting attention to an idea, promising organizations, or solutions available.¹⁹ Lever for Change, for example, hosts on its Bold Solutions Network²⁰ leading Contenders from its competitions as a way of making information about these initiatives readily available to other donors and investors. The Skoll Foundation similarly highlights finalists for the Skoll Award for Social Entrepreneurship, explicitly noting that while it only gives four to six awards per year, it invests “a lot of time in sharing specific leads

Being recognized as a Skoll Awardee signals to future funders, collaborators, and clients that the social entrepreneur is driven, talented, and accomplished and that the organization that received the award is on a promising and proven path towards impact at scale.

and diligence findings with other funders and strategic partners.”²¹ The value of being able to identify as Skoll Awardee can also be as significant as the monetary value that comes with the designation. Much in the same way that actors who win the Academy Award are able to refer to themselves as Oscars Academy Award winners for the rest of their careers, Skoll Awardees get to carry this badge of distinction as they grow their organizations or move on to new initiatives. As with the Lever for Change finalists, being recognized as a Skoll Awardee signals to future funders, collaborators, and clients that the social entrepreneur is driven, talented, and accomplished, and that the organization that received the award is on a promising and proven path towards impact at scale.

Help Contenders Hone Focus and Approach

Even if they ultimately do not win an award, participants in philanthropic competitions can benefit from the discipline of going through the process. The mere act of entering into a competition forces a honing of solutions and messaging that some of the Contenders may not otherwise have done. This is as true for donors as it is for recipients and Contenders.

Many competitions use a peer-review process, feedback from judges and other experts, and multiple phases of information requests that can further benefit competing organizations. For example, the feedback provided by the Skoll Foundation during the various stages of the selection process is often cited as extremely valuable by both the awardees and those who do not ultimately win an award, according to Rachel Flynn, lead for funder alliances at Skoll.²² By leading to meaningful improvements in project design, this feedback can be a significant benefit of participation.²³

Challenges of Competitions

While prize philanthropy offers many benefits, it is not suited for all donors or projects, in large part due to the significant administrative demands and potentially uncertain outcomes for certain types of prizes.

Administrative Demands

In general, offering a prize requires much more planning and administration than making a grant. A well-designed competition can involve substantial amounts of staff time well beyond that required for grantmaking. Planning the competition, mobilizing judges, soliciting Contenders, publicizing nominees, developing a platform, and managing the increased participants can be a heavy lift for donors. In addition, relative costs for prize philanthropy are higher given the overhead spending, additional promotional engagement, involvement of third parties, increased number of applications that require review, and logistics of the award ceremony.²⁴ While social media, ready-made software solutions, consultants and organizations that partner to arrange philanthropic competitions²⁵ can help to ease the burden, these demands still require a considerable investment of resources.

Potentially Higher Stakes

Because they are often high-visibility initiatives that involve public commitments to award prizes, competitions (more so than

recognition prizes) elevate the stakes for uncertainty, as there is arguably more on the line for the competition organizer. It is hard to predict both the volume of entries a competition will receive, and the quality of those submissions. Thus, there is a possibility that a funder may be faced with the choice of awarding a subpar submission. The alternative, closing the competition with no award, could present potential embarrassment and other reputational risk to the competition host.²⁶

Deciding Whether to Engage in Prize Philanthropy

Given the benefits and challenges of prize philanthropy, donors should carefully consider whether prize philanthropy will further their overall goals. If so, they should assess whether they will be able to engage in it without overburdening their team. Some of the key considerations include:

- How a competition fits in with strategic goals of the organization
- Organizational capacity
- Size of potential candidate pool
- Availability of experts to provide input or assist in selection
- Stage of potential solutions to the issue being addressed

Philanthropies that meet the following conditions may be best suited to add prizes to their philanthropy toolbox.

Prize philanthropy is in strategic alignment with the overall goals and approach. Philanthropic competitions are best suited for goals that are clear, measurable, and attainable. What will a competition achieve that regular grants would not? How, specifically, will this approach further the organization's social mission?

Organizational capacity can support a prize or competition. Is there internal infrastructure, people-power, and expertise to successfully organize a prize and all that goes along with it? In addition to staffing time required to plan and organize a competition, the

day-to-day administration of running a competition can be a significant investment. It is easy to underestimate the resources needed to plan, organize, and implement a competition.

For example, the Pritzker Traubert Foundation drew on the advisory services of multiple organizations throughout the planning and execution of the Chicago Prize. Lever for Change, an affiliate of the MacArthur Foundation, served as the platform for the Chicago Prize, developing content for the competition. Common Pool, a vendor contracted by Lever for Change, managed much of the day-to-day administration of the competition. If there is not internal capacity, is the organization willing to access it through enabling partners such as Lever for Change or others?

The pool of potential candidates is sufficiently large and accessible. How many potential candidates exist, and are there means by which to reach potential Contenders? Competitions make the most sense when there is a sizeable pool of potential candidates. A large and diverse pool of nominees or Contenders allows funders to get a better sense of a given field, as well as an understanding of which individuals in the field are achieving extraordinary things. For recognition prizes, by the same logic, it is important to identify nominators who represent a variety of perspectives so that the resulting nominee pool reflects the true scope and diversity of the field.

There are enough experts (including community members) who will welcome engagement. Does the donor or funder have sufficient connections with experts or influencers to assist with the judging of the competition or selection of candidates? Competitions often benefit from expert and community input, especially when it comes to selecting winners. If a prize is designed

to reward technological innovation, for example, then it may be necessary to recruit experts with the competency needed to evaluate submissions. Another example is a prize focused on a specific community. Because community representatives have unique knowledge of their own circumstances, it can be useful to involve them in the competition process.

The issue or area in which the prize will be awarded is at the right stage for impact. A basic part of due diligence when considering an inducement-style prize (rather than one for recognition) is to determine the current evidence on a given problem. If effective solutions are either in place, or in the final stages of development, then establishing a new prize may not be the best investment of time, money, and effort.

Conversely, if there are no effective solutions in place, it is worth considering why. Is the prize targeting a goal that is too complex to be solved realistically in the near future? If this is the case, then a more advisable philanthropic strategy might be to fund basic research with conventional grants.

If, after considering the above conditions, it is determined that prize philanthropy is an appropriate approach, donors should turn their attention to the development of the competition or award process.



Credit: Ashoka Changemakers

Ashoka Changemakers Case Study Aligning with Partners on Competition Vision

Ashoka is a global nonprofit that convenes and catalyzes social entrepreneurs to effect systems change throughout the world. The organization pursues this mission through a variety of programs, one of which is its Changemakers.com initiative. Changemakers.com uses challenges “to mobilize key changemakers and changemaker institutions to develop and scale the most innovative solutions.”²⁷ Each challenge is built on a thematic focus and invites applications from social entrepreneurs working to solve the problem or problems identified in the challenge. For example, the recent Future Skills Innovation Challenge sought to highlight social entrepreneurs promoting financial capability—i.e., having the skills, attitudes, and tools needed to manage money effectively.²⁸

Ashoka collaborates with a corporate partner for each of these challenges, co-creating the theme, messaging, and selection criteria. For the Future Skills Innovation Challenge, for instance, Ashoka partnered with British investment bank HSBC. Such partnerships

YEAR FOUNDED

1980 (Ashoka), 2004
(Changemakers.com)

COMPETITIONS PER YEAR

Five to seven

TYPE OF COMPETITION

Online collaborative
challenges

AVERAGE AMOUNT AWARDED

US\$20,000

THEMATIC AREAS

All

FULL TIME STAFF

16

GEOGRAPHY

Global

allow Ashoka not only to access valuable pools of funding, but also to build deep and broad connections in the social impact sector.

As each partner has unique goals and expectations, Ashoka closely manages each relationship. Changemakers' executive director Daniela Matielo explained that Ashoka selects partners who are not merely looking to outsource the management of a competition, but rather are in search of

We seek alignment “in this vision, which is this idea that you can have an ‘everyone is a changemaker world.’”

**DANIELA MATIELO,
EXECUTIVE DIRECTOR,
ASHOKA CHANGEMAKERS**

genuine collaboration and thought partnership. “We have our own theory of change. We are not a consultancy that runs challenges. That means that when we select partners that we want to run competitions with, they come to us not for the sake of just running competitions, but because they are aligned in this vision, which is this idea that you can have an ‘everyone is a changemaker world.’”²⁹

Ashoka is particularly savvy when it comes to promoting its Changemaker Challenges, drawing on its network to spread the word about the challenges and, in doing so, boosting participation and visibility. The challenges typically attract between 100 (local challenges) and 1000 applicants (global challenges).

Matielo's explanation of the unique role of Ashoka in creating these challenges illustrates the importance of understanding the functions and expectations of the various groups involved in a competition. Corporate sponsors make up one of these groups, but there are numerous others to keep in mind as well, including judges, contenders, intended beneficiaries, and others. By understanding how different groups might participate and contribute, competition organizers will be better equipped to develop eligibility and selection criteria, communication strategies, funding arrangements, and other key features of a competition.

Developing a Competition

Donors that decide to engage in prize philanthropy must engage in robust planning to ensure success. The planning steps involve determining the specific details of the competition, including the participants, platform, rules, and amount of the award. Moreover, it is critical to spend time early on in the process developing budgets, drawing up timelines, and consulting with peers who have experience organizing competitions. The plan should also include a learning component to draw lessons from the experience and to share any valuable findings on the competition experience.³⁰ In some cases, a philanthropy may opt to outsource a portion of the planning and execution to a partner or consulting firm. Regardless of approach or issue around which the competition or award will focus, there are several standard planning steps, which are detailed below:

Choose the Type of Competition That Fits Your Goals

The first step in implementing a competition is deciding what kind of activity to reward. Will the prize celebrate a record of past achievement, or provide an incentive to solve a specific problem? Making this decision between past-focused recognition (e.g., the Templeton Prize) and future-focused incentives (e.g., D-Prize) is a fundamental first step in laying out a plan for a competition. Recognition prizes are best suited for acknowledging the success of established entities or individuals who may serve as inspiration to others or go on to succeed in new initiatives. Future-focused inducement prizes are more appropriate where there is a desire to broaden the pool of ideas and contributors.

A second dimension of the type of competition is the breadth of the desired impact. Some competitions call attention to very specific problems or accomplishments, and define selection criteria quite narrowly. For example, the XPRIZE sets up specific criteria that must be achieved in order to win. Others celebrate many different types of achievements across fields and problem types. One example of this is the MacArthur Fellowship, known as the “Genius Grant,” which gives unrestricted funds to individuals who have shown extraordinary dedication, creativity, and achievement and have potential for even greater accomplishment facilitated by the award.³¹ Deciding upfront the criteria on which the prize will be awarded is critical to ensure that all applicants—and judges—have a thorough understanding of what is being measured.

Deciding upfront the criteria on which the prize will be awarded is critical to ensure that all applicants have a thorough understanding of what is being measured.

Understand Prize Types

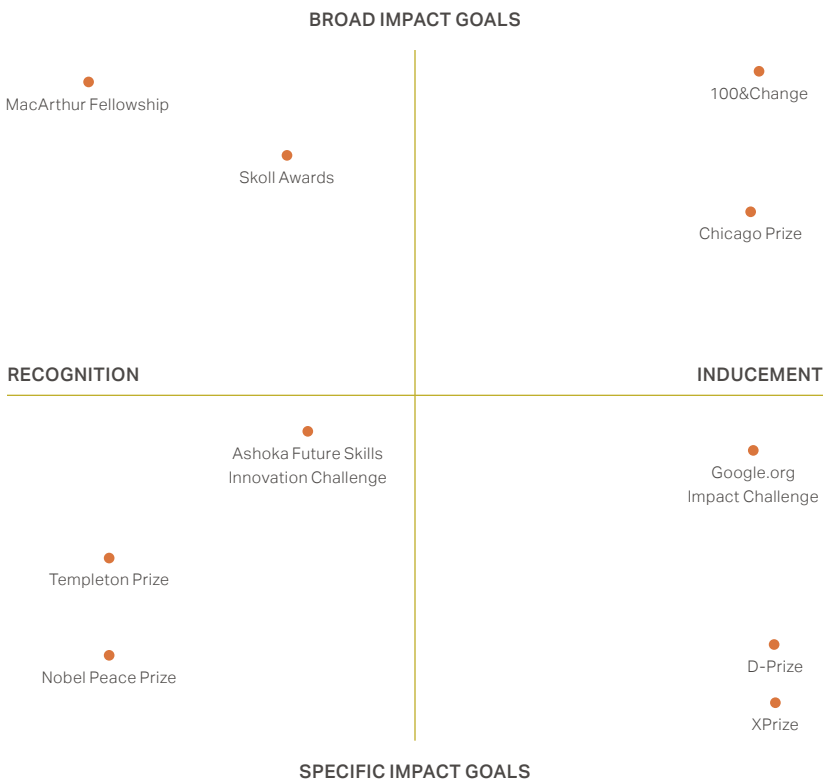
Competitions can be categorized in numerous ways. Two useful parameters are: 1) whether the prize recognizes a history of achievement, or primarily seeks to incentivize a goal or future achievement; and 2) whether the focus of the impact is broad, or very specific.

Relating to the first dimension, the Templeton Prize and D-Prize illustrate to ends of the spectrum. The Templeton Prize was established to honor individuals demonstrating a lifetime of exemplary achievements. Although the prize may have the effect of inspiring future achievements, it was designed to recognize the past achievements of the Laureates. In contrast, each D-Prize Challenge is set up to catalyze future action toward a

goal—namely, distributing a proven but insufficiently scaled strategy for combating poverty.

With respect to the second dimension, broad versus specific impact, XPRIZE and the MacArthur Foundation’s 100&Change competition highlight the contrast. Each XPRIZE competition is based on a very specific objective and clearly defined, measurable goal. For example, the Water Abundance XPRIZE sought solutions to the global water crisis using energy-efficient technologies that harvest water from air.³² The 100&Change competition, on the other hand, included in its 2021 finalists solutions ranging from increasing healthcare access to improving local journalism.

The image below indicates where select competitions might be placed with respect to the two spectra.





Lever for Change Case Study Customized Competitions Benefiting All Contenders

Lever for Change provides compelling evidence of how popular and influential prize philanthropy has become. An affiliate of the John D. and Catherine T. MacArthur Foundation, Lever for Change helps to build the field of prize philanthropy in two ways. First, it designs and manages open competitions with a minimum award size of US\$10 million. Second, through its Bold Solutions Network, it matches funders with the top performing proposals from all of its competitions, which it showcases on a searchable online database.

Lever for Change is involved in every phase of the competition design process: helping to determine a thematic focus, establishing the rubric for evaluating applications, assembling panels of judges, ensuring that participants receive useful feedback, and more. By guiding donors through these complex stages, Lever for Change helps to spread best practices for competitions in the philanthropic sector. As explained by Jeff Ubois, vice president of knowledge management at Lever for Change, "We believe that what we're building is a public good and that it has value for our field."

YEAR FOUNDED
2019

COMPETITIONS PER YEAR
Two to five

TYPE OF COMPETITION
Varies depending on partner goals

AVERAGE AMOUNT AWARDED
US\$10 million +

THEMATIC AREAS
Climate, Justice, Economic Opportunity, Refugees, Racial Equity, Gender Equity, Local Economic Development

FULL TIME STAFF
16

GEOGRAPHY
Grants worldwide, most funding from the U.S.

To date, Lever for Change has implemented this model with eight major competitions across a variety of impact focus areas, including achieving racial equity, empowering women, reducing greenhouse gas emissions, improving the lives of refugees, and other pressing issues. For each of these competitions, Lever for Change builds in a feedback system so that competition participants can learn from the experience. According to Ubois explained, “we’re trying to make sure that everyone who applies and participates in this process gets value out of it. And that can be exposure or advice or connections.”

In addition to benefiting participants, Lever for Change serves philanthropists by highlighting the most competitive proposals on its Bold Solutions Network. The Network presents over 100 promising social impact solutions from nearly 1,000 vetted applications collected for Lever for Change competitions. By spreading the word about these solutions, Lever for Change serves as a broker between philanthropists and service providers, increasing the flow of good ideas and the chances for fruitful partnership in the sector.

Lever for Change is powerful evidence of how important competitions have become in philanthropy. By taking philanthropists through best practices for competition design, connecting funders to promising proposals, and boosting the visibility of innovation contests, Lever for Change has helped to institutionalize the competition as a major philanthropic tool for social change.

Reflecting on this experience, Ubois notes that there are several constants across the competitions he has overseen. One consistent finding is that all donors go through a similar process of strategy refinement during competition design, leading them to reflect on fundamental questions of philanthropic approach: “What are we about? What are we here for? Who are we trying to help? How can we get a better view on what we want to achieve, for whom and how?” By answering these questions, donors not only build better competitions, they become better social impact practitioners.³³

**“We’re trying to
make sure that
everyone who applies
and participates
in this process
gets value out of
it. And that can be
exposure or advice
or connections.”**

**JEFF UBOIS, VICE PRESIDENT OF KNOWLEDGE
MANAGEMENT, LEVER FOR CHANGE**

Identify Potential Contenders and How They Will Get Involved

Organizers should think carefully about who the contenders might be, and how they will get involved. Is the competition intended to solicit ideas from a broad cross section of society, or is it targeted more specifically to experts who have the specialized training to engineer highly technical prototypes? For a recognition-oriented prize, who are the ideal nominees? What qualifies them for the prize, and how will they be identified? Is an open call, a nominator network, a landscape scan by internal staff, or other approach most likely to yield desired results?

Once the competition organizers agree on the types of Contenders the prize is intended for, they should develop specific criteria for involvement. What restrictions, if any, should there be on participation? Do individuals need to have a particular credential or affiliation to sign up or to be nominated? Do they need to join as members of teams, or can they participate individually? The Skoll Foundation, for example, clearly states on its website which organizations the Skoll Awards cannot support: university-based projects, public schools and school districts, organizations whose missions and work focus on a single municipality or state, etc.³⁴

For competitions that are open to a broad spectrum of Contenders, organizers must determine the means by which the competition will be publicized. This can involve a public relations or communications strategy, partners, or other approaches. For recognition prizes, which often use nominators, the criteria must also be very clear on who will get serious consideration for the prize.



worktogether4peace.org/chicago-prize-event-2/
Source: WorkTogether

Pritzker Traubert Foundation Case Study

Responsiveness to the Community in Crafting Competitions

The [Pritzker Traubert Foundation](#) is dedicated to improving the economic future of Chicago by investing in communities of color, preparing Chicagoans for a technology-driven 21st century workforce, and building capacity of change-making organizations in the Chicago area. In April 2019, the foundation launched one of its most ambitious programs: the Chicago Prize.

The Chicago Prize was designed to identify a compelling community-led development initiative that benefits residents of Chicago's south or west sides, areas where disinvestment has led to social and economic disadvantage. With an award of US\$10 million, the prize signaled the Pritzker Traubert's Foundation commitment to using prize philanthropy to spur meaningful catalytic neighborhood change that has positive economic benefit to residents in Chicago. It was also the first prize hosted by Lever for Change, an affiliate of the MacArthur Foundation.

YEAR FOUNDED
2019

COMPETITIONS PER YEAR
Once every two years

TYPE OF COMPETITION
Neighborhood economic development

AVERAGE AMOUNT AWARDED
US\$10 million

THEMATIC AREAS
Catalytic neighborhood development

FULL TIME STAFF
Four

GEOGRAPHY
Chicago's South and West Sides

The Chicago Prize is a deeply local undertaking. The prize was intended for community-led teams in Chicago, and every aspect of the competition was designed with this local framing in mind. For example, when it came to announcing the competition, the launch relied on social networks and a grassroots campaign to spread the word among local nonprofits and civic leaders. “Strong neighborhood investment is often based on trust,” explained foundation president Cindy Moelis. “We wanted to make sure that people actually heard about the Chicago Prize opportunity from somebody they knew. Our campaign included sending information to social networks and then asking friends and colleagues to ‘Send this email to ten more people, send it to everybody you know.’” Program officer Andrew Beideman reinforced this point: “We were concerned that too much of a splash at the top could bring in a lot of folks from outside of Chicago who may not have the deep sort of community roots that we’re looking for, and so we thought it was important to lead from the ground up.”

The local component of the competition also influenced rule setting. An early proposal to use a peer review process—where applicants would judge other applicants’ submissions—was eventually declined because local organizations would likely feel uncomfortable sharing sensitive information. “All these communities know each other, and there’s a sense of competition,” explained Moelis. “We heard from the community leaders that they really weren’t that comfortable sharing ideas with each other. There was too strong a sense of knowing each other, competition, and history.”³⁵

The Chicago Prize is an informative case study in ensuring that a competition is responsive to participants. Understanding the stakeholders helped the Pritzker Traubert Foundation staff carefully design the competition to ensure it reflected the foundation’s commitment to Chicago’s community leaders.

The foundation sought to address a primary criticism of competitions through a staged process. Six finalists were selected

from the initial applicant pool, and each received a US\$100,000 planning grant to expand their initial concept into a business plan.

From among the six finalists, the inaugural US\$10 million Chicago Prize was awarded to “Auburn Gresham, Always Growing”, an initiative of two investment-ready capital projects to revitalize the South Side Chicago neighborhood of Auburn Gresham.³⁶

“Strong neighborhood investment is often based on trust... We wanted to make sure that people actually heard about the Chicago Prize opportunity from somebody they knew.”

**CINDY MOELIS, PRESIDENT,
PRITZKER TRAUBERT FOUNDATION**

After the award was announced in August 2020, the foundation gave further support to the other finalists. It pledged matching grants of US\$500,000 to each of the the remaining five finalists and launched the “Chicago Prize Finish Line Fund”. The fund offers one-on-one coaching and technical assistance to each team to bring one or more projects to completion and attract other investors. To date, these follow-on activities have generated over US\$35 million in investment to finalists, including the foundation’s grants, matching gifts, other philanthropic contributions, and public-sector funding.

Establish Evaluation Criteria

The criteria on which the Contenders will be evaluated should stem from the organizer's objectives. Once the criteria are finalized, it will be important to develop a robust rubric for the judges to use, in order to ensure uniformity. This is true for even subjective criteria. For competitions focused on achieving a particular objective, the criteria might be different at different stages.

For instance, the Shell Ocean Discovery XPRIZE took place over two rounds. The first round was an opportunity for competing teams to develop initial prototypes, which went through a "technology readiness test." The second round involved a series of real-world tests of those prototypes deemed ready for "the operational requirements of rapid, unmanned, and high-resolution ocean mapping and discovery."

Notably, the nine teams that advanced to the second round received an equal share of a US\$1 million "milestone prize."³⁷

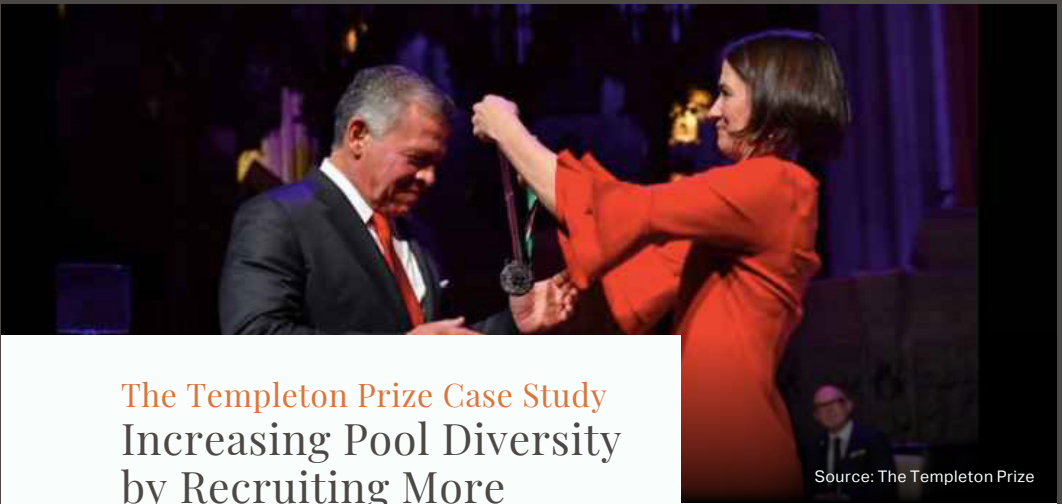
Because competitions take considerable time and can severely strain already-restricted resources of nonprofits, organizers should be as transparent as possible throughout the process, and in particular on evaluation considerations and the steps involved in evaluation. Competitions hosted by Lever for Change are great examples of this transparency. The webpage for the Racial Equity 2030 challenge publishes the scoring rubric used by peer and expert reviewers to assess proposals.³⁸ Similarly, the Knight Foundation provides extensive peer-application support through meetings with potential candidates, question and answer sessions, and robust information online.

Because competitions take considerable time and can severely strain already-restricted resources of nonprofits, organizers should be as transparent as possible throughout the process.

Identify Other Participants and Their Responsibilities

In addition to the contestants, competitions can involve a plethora of other participants—judges, community members, co-funders, NGOs, public entities, or others. Competition organizers should clarify roles and expectations for each of these stakeholder groups.

One of the most important decisions is who will evaluate the contenders. Options include luminaries in the field, staff from the organizing entity, the general public through social media, other Contenders, community members, experts, previous winners, or any combination of those and others. Consideration should be given to what the judging panels will look like in terms of number and types of participants. The process judges or evaluators will follow should be clearly explained, and should ensure fairness and consistency. This step may include writing up rubrics for reviewing applications, drawing up a protocol for forming panels of judges with sufficiently diverse viewpoints, or crafting a rotating schedule.



Source: The Templeton Prize

The Templeton Prize Case Study Increasing Pool Diversity by Recruiting More Engaged Nominators

Established in 1972, the [Templeton Prize](#) was the first major philanthropic project of Sir John Templeton. Though originally awarded to people working in the field of religion, the prize's scope has expanded over time to recognize individuals whose body of work "explores the deepest questions of the universe and humankind's place and purpose within it."³⁹ The prize is now administered jointly by the three Templeton philanthropies: the John Templeton Foundation, the Templeton World Charity Foundation, and the Templeton Religion Trust.

With past Laureates that include such luminaries as Mother Teresa, Desmond Tutu, and Tenzin Gyatso (the fourteenth Dalai Lama), the Templeton Prize is a perfect example of a recognition prize that highlights a lifetime of remarkable achievement. One of the ways the prize fostered recognition is with a high-profile award ceremony at Buckingham Palace, where Prince Philip has typically presented

YEAR FOUNDED
1972

COMPETITIONS PER YEAR
One, though the philanthropies run many different competitions in any given year.

TYPE OF COMPETITION
Recognition or lifetime achievement

AVERAGE AMOUNT AWARDED
£1.1 million

THEMATIC AREAS
Science, philosophy, religion

FULL TIME STAFF
63 (just for JTF) or about 80 (across three Templeton philanthropies)

GEOGRAPHY
Global

the prize. Additionally, the monetary value of the prize is periodically adjusted so that it always exceeds that of the Nobel Prizes, ensuring that winning the Templeton Prize remains a prestigious and coveted achievement. In addition to a scroll and medal, Laureates receive an award currently valued at £1.1 million.

In the past, the Templeton Prize involved an open nomination process, whereby anyone could identify a prospect for the prize. Although this strategy generated many worthy awardees, the number of nominations was sometimes lower than desired. After considering alternative avenues to increase nominations, the Templeton Prize moved toward a closed nomination system to mobilize a select number of individuals to provide more nominees, thus increasing the chances of a large and diverse pool of candidates.

As Heather Templeton Dill, president of the John Templeton Foundation explained, one of the goals in soliciting nominations is “trying to hit diversity across the board. So, religious diversity, disciplinary diversity, diversity of expertise; opinion leaders and scholars. Then, of course, we also care about demographic diversity as well as geographic diversity. It just gives us an opportunity to identify a more representative sample of candidates.” The move to a closed process helped to increase diversity among the candidate pool given the deeper engagement and interest of the nominators in the process.

One of the goals in soliciting nominations is “trying to hit diversity across the board. So, religious diversity, disciplinary diversity, diversity of expertise; opinion leaders and scholars.”

**HEATHER TEMPLETON DILL,
PRESIDENT OF THE JOHN
TEMPLETON FOUNDATION**

In addition to revising the nomination process, the Templeton philanthropies have worked to make the selection criteria more transparent, providing clearer guidance to nominators on whom to pick for consideration. For example, the purpose statement was reduced from 300 to 35 words, reflecting this tightened focus. As Templeton Dill noted, “we wanted to make [the statement] as explicit as possible using as few words as possible. We actually call out, ‘Here are the kind of people that can win, and here’s what they’re doing that would make them worthy of winning this particular prize.’”⁴⁰

Overall, the Templeton Prize exemplifies how dynamic prize philanthropy can be. Although this prize is nearly 50 years old, it has evolved significantly over time, and it continues to do so as the Templeton Foundation and other involved organizations work to keep the prize relevant, mission-aligned, and successful.

Determine How the Competition Will Take Place

In general, given the numerous steps involved, prize philanthropy calls for a months-long process that may include online submissions, interviews, and announcement vehicles such as an award ceremony or other virtual or in-person event. The various elements and stages of the competition that are adopted will have significant implications on the cost and structure for the project. Accordingly, competition designers should determine how and where individuals engage with the competition, as well as detail the resources that will need to be in place to support that engagement.

Specify the Prize

How many prizes will there be (e.g., first place, second place, third place)? What will the prize include? For monetary awards, what will be the size of each prize? To answer those questions, organizers should consider the goals and purpose of the competition, the resources available to the organizers, the size, experience and assets of those they wish to attract to the competition, and the mission and purpose of their own organization.

There is tremendous variety in prize types and amounts, and there is no hard and fast rule for selecting an appropriate prize package. As donors weigh different options, they should also consider the amount that would be sufficient incentive for competition participants as well as any non-monetary benefits included with the prize that may make the final dollar value less important such as publicity, technical assistance, or networking with potential partners or other funders.



Google.org Impact Challenges Case Study

Working Alongside the Winners to Enhance Impact

Google's reputation for innovation shows clearly in the company's charitable arm, [Google.org](#), which brings the best of the company to help solve some of humanity's biggest challenges—combining funding, innovation, and technical expertise to support underserved communities and provide opportunity for everyone. Through its Impact Challenges, Google.org awards nonprofits and social enterprises with monetary and technical assistance to solve targeted problems.⁴¹ The vast majority of these challenges have focused on specific geographic regions, but starting in 2018 the challenges also addressed specific topics such as combating hate and extremism, and using artificial intelligence for social good.

Once the focus of the challenge is established, Google.org accepts applications from all types of individuals and organizations with ideas for how to advance solutions related to the specific

YEAR FOUNDED
2013

COMPETITIONS PER YEAR
Five

TYPE OF COMPETITION
Open call

AVERAGE AMOUNT AWARDED
US\$275,000 (ranging from US\$50k - \$2M)

THEMATIC AREAS
Most recent focuses have been climate, economic opportunity, and AI for good

FULL TIME STAFF
Three full-time (with varying levels of support from hundreds of Google employees)

GEOGRAPHY
Global

challenge. Kevin Brege, strategy and operations manager at Google.org, explained how the organization aims to disrupt conventional thinking around social impact and to advance novel solutions. “We know that great ideas for making the world a better place come from everywhere: small organizations setting out on an ambitious mission, to large organizations looking to pivot their model. Small organizations are often overlooked as the riskier bet but we know that with the right support, they can have breakthrough impact.” This catalytic approach is reflected in the early-stage organizations that Google.org has traditionally supported through its Impact Challenges. According to Brege, 70% of grantees have fewer than 15 employees, and 60% were founded fewer than 10 years prior to receiving a grant.

“Irrespective of whether they win, we think that capacity building is something that organizations will be able to take away from this program.”

KEVIN BREGE, STRATEGY AND OPERATIONS MANAGER AT GOOGLE.ORG

To help grow these emerging ventures, Google.org aims to provide support beyond funding. This commitment applies not only to winners but also to Contenders. Brege noted that Google.org has hosted workshops during the application phase of a challenge to help participants think about their impact measurement strategy and how to better tell their story to judges. “Irrespective of whether they win, we think that capacity building is something that organizations will be able to take away from this program,” Brege explained. Those selected for funding continue to receive technical assistance through consulting engagements and a curriculum lasting six to 12 months. “We don’t just name our grantees and say ‘lots of luck in the future.’ We work alongside them, both through skilled volunteer engagements with Google employees and by hiring a partner to help mentor them over the course of the year, which is not cheap, but it’s valuable.”⁴²

In addition to learning how to improve their operations, Impact Challenge participants who take part in these workshops benefit from the opportunity to network, both with other funders invited to the workshops and with other grantees. In this way, Google.org Impact Challenges benefit the entire social sector by connecting talented and like-minded social entrepreneurs, fostering the cross-fertilization of ideas that are integral to a dynamic and impactful social sector.

Perhaps above all else, Google.org Impact Challenges exemplify how the value of competitions can far exceed the amount of money allocated to winners. A competition can also serve as a forum to create the conversations and partnerships that fuel innovative and effective social impact strategies.

Build in Learning

To the extent possible, competition organizers should track lessons learned in the course of running a prize competition. Collecting and sharing these lessons help the organization itself for the next iteration (if applicable), and can also help identify and share best practices.

If the budget allows, an external evaluator can be hired to extract insights about a competition, including areas for potential improvement. For example, the inaugural 100&Change competition included an explicit evaluation component carried out by research firm Abt Associates, which engaged in interviews, organized focus groups, and conducted a survey to identify areas that worked well and other areas that did not.

Competition organizers have a critical role to play in scaling the winning solution by publicizing and promoting it.

In addition to tracking lessons internally and sharing best practices for prize philanthropy with peers, organizers may want to disseminate lessons about the actual issue or challenge being addressed. Insofar as the winner of a competition develops an innovative solution to a pressing problem, competition organizers have a critical role to play in scaling the winning solution by publicizing and promoting it among policymakers, investors, other philanthropists, and entrepreneurs.

Plan for Publicity

Some of the best-known competitions have a strong theatrical presence. Such publicity is not merely showmanship; it is an important part of the incentive structure that attracts participants. Cash value of a grand prize is not the sole motivator for competition participants; many are drawn to competitions because of the prospect of public exposure and recognition. As a result, branding that effectively conveys the importance of the competition can be essential in attracting participants, press, and attention to address the areas of desired impact.

These publicized events are exciting and evoke a sense of game-changing accomplishment, which can boost the impact of the award. To capitalize on this theatrical value, organizers should ensure that they launch a competition with the appropriate publicity plan and messaging. Even for those that do not have a live, in-person event, touchpoints with the public from press releases to website design and beyond should reflect a degree of gravitas that carries through to the end of the competition.

Attract Entries

Participants are likely to be drawn to a competition that offers exposure and recognition. However, competition organizers should take care not to create a sense of false promise. One of the most-cited complaints about competitions is that they can be a waste of time for participants who feel they have been misled on the probability of winning.⁴³ To address this concern, competition organizers should be as clear as possible on the likelihood of success by, for example, sharing past data on number of entries versus number of winners or finalists.

Additionally, it is best practice to keep the entry process as simple as possible to ease the burden of submission for applicants. Competition organizers should also make information about the timeline, selection criteria, and other rules clear and easily accessible. Every good competition website should have a detailed and thorough Frequently Asked Questions section so that prospective participants understand specific requirements, steps, and expectations.

Keep the entry process as simple as possible to ease the burden of submission for applicants.

Finally, especially but not exclusively for competitions that aim to effect social change in minority communities, care should be taken to attract entries from underrepresented groups that traditional grantmaking may overlook. Reaching out to these groups means crafting the publicity strategy to ensure that key stakeholders are aware of the competition and know how to get involved. Getting insight from communities served is critical in this regard.



XPRIZE Foundation Case Study Spurring Innovation with Audacious Challenge

The XPRIZE Foundation began with a bold vision for the future of space travel: to develop a commercial space industry that would make access to space cheaper and safer in order to open up the frontiers of space to all of humanity. To achieve this vision, XPRIZE Foundation co-founders Dr. Peter Diamandis and Gregg Maryniak began organizing a US\$10 million incentive competition to spur engineers to create the technology for private spaceflight. Following a multimillion-dollar donation from entrepreneurs Anousheh, Hamid, and Amir Ansari, the prize was dubbed the Ansari XPRIZE and was awarded on October 4, 2004, to a team that was able to launch a reusable, crewed spacecraft into space twice within a three-week timeframe. Ultimately, 26 teams from seven countries invested more than US\$100 million as part of the competition.

The Ansari XPRIZE set the template for subsequent XPRIZE competitions spanning multiple fields. From fuel efficient

YEAR FOUNDED
1994

COMPETITIONS PER YEAR
24 prizes launched (23 since 2004) with over US\$280M in cumulative prize purses

TYPE OF COMPETITION
Multi-year, multi-million dollar incentive prizes across three primary domains: Environment, Equity, and Exploration

AVERAGE AMOUNT AWARDED
Grand prizes: US\$2-\$20M;
Semi-finalist and other: US\$100K- \$5M

THEMATIC AREAS
Climate Change (e.g., ocean health, Wildfire, Coral Restoration); Food, Water, and Waste; Biodiversity and preservation; Infrastructure; Education; Human health and longevity; Beneficial and Ethical AI and Deep Tech

FULL TIME STAFF
86

GEOGRAPHY
Global Operation; HQ Los Angeles, CA

transportation, to circular carbon systems and technology for women's safety, the XPRIZE Foundation has sponsored numerous competitions with substantial purses, ambitious and highly specific objectives, and far-reaching publicity to raise awareness of the challenges targeted by each XPRIZE.

There are multiple stages in developing an XPRIZE. According to Jeffrey Shames, a trustee of the XPRIZE Foundation, the organization fields ideas from numerous sources, and it is the board's responsibility to decide which issues are "prizeable."

Determining whether an idea is prizeable requires understanding how much impact an XPRIZE is likely to have. "For instance, everybody wants us to do a cancer prize or an Alzheimer's prize, but there's already billions of dollars going into that," explained Shames. In other words, for a challenge to be prizeable, it needs to be solvable, but also underinvested. By

For a challenge to be prizeable, it needs to be solvable but also underinvested. "[T]hat we launched a prize around the issue shows people that it can be solved."

**JEFFREY SHAMES, TRUSTEE,
XPRIZE FOUNDATION**

focusing on challenges that have not received much attention from conventional funding sources, an XPRIZE provides an important signal to the public that a given social or environmental problem can be fixed. As Shames pointed out, "The fact that we launched a prize around the issue shows people that it can be solved."

Once a challenge is deemed prizeable, foundation staff get to work on setting the objectives that needs to be met to win the prize. An XPRIZE is known for having concrete, clear and measurable standards for winning. Staff convene a group of advisors and subject matter experts to help determine what appropriate standards should be. "We call it audacious but achievable," said Shames. "We don't want a prize that's going to take 50 years to achieve." In addition to establishing the prize criteria,

foundation staff search for external funding from private donors and corporations. "Finding the funding is probably the biggest challenge," noted Shames.⁴⁴

The XPRIZE Foundation views the funding it receives not only as a critical ingredient for launching competitions, but also as an investment in broader sector growth, since a large prize mobilizes teams of innovators to invest in solution development. For example, the US US\$4 million grand prize in the Shell Ocean Discovery XPRIZE, which challenged entrants to develop technology accelerating deep-sea exploration, drove US\$52 million in investment and spending by competing teams.⁴⁵

Thus, the time, effort, and money that Contenders invest in pursuit of a prize does not necessarily go to waste if they do not win the grand prize. That investment is likely to set the stage for continued optimization and solution-seeking as contestants refine and improve their ideas after the competition concludes. In this way, an XPRIZE achieves a meaningful impact multiple on each dollar of funding for the prize.

Reduce the Burden on Contenders

Creating a short questionnaire for potential participants can help participants decide whether they are a good fit for the competition, as well as serve as a valuable time-saver for those reviewing applications. Such a tool might request information related to experience, budget, staff size, geographic focus, impact area, and more. Another approach for right-sizing the time and resource investment includes phasing the competition, with additional information required as contenders get further along. This helps ensure that the time dedicated to the competition is directly proportional to chances of further advancement, and thus does not inordinately burden potentially resource-challenged applicants.

Post-Competition Activities

While a competition may officially conclude once prizes are issued, donors and organizers can get significant value from post-competition engagement and reflection.⁴⁶ This may include following up with winners over time. Were promising ideas implemented successfully? Did novel solutions attract additional funds? Was the impact on the affected community or problem as expected? Why or why not? Answers to these types of questions can foster important lessons about what to look for during the competition's next selection phase and, in the case of success stories, can achieve significant and lasting change. In addition, ongoing engagement helps to facilitate further progress in the area of desired impact through partnerships, awareness, and other joint initiatives.

Moving Forward

Philanthropic prizes and competitions add unique value to donors, civil society, and communities benefiting from the funds. If it is determined that prize philanthropy aligns with overall strategic goals, donors should weigh the benefits of publicity, innovation, and reach against the engagement necessary to host successful initiatives in this realm. With proper planning and support, prize philanthropy—whether inducement or recognition-based—can be an extremely rewarding approach for donors looking to expand their impact through new approaches.

Competition Checklist

- Choose the type of competition that fits your goals
- Identify potential contenders and how they will get involved
- Establish evaluation criteria
- Identify other participants and their responsibilities
- Determine how the competition will take place
- Specify the prize
- Build in learning
- Plan for publicity
- Attract entries
- Reduce the burden on contenders
- Plan for post-competition activities

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