

# Why Contests Improve Philanthropy

SIX LESSONS ON DESIGNING PUBLIC PRIZES FOR IMPACT



Written by  
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 **Knight Foundation**

# Intro

In Kenya, a group of technologists had a vision: use citizens texting on cell phones to help map post-election violence. Today, their [Ushahidi](#) crowd-sourcing platform operates in 132 countries. People have used it to map crime in Panama, track the Gulf of Mexico oil spill, even help rescue efforts after the earthquake in Haiti.

In Macon, Georgia, a professor afraid to walk her dog at night had a bright idea: get neighbors to keep their porch lights on. Today, porches in her [College Hill neighborhood](#) use fluorescent bulbs with photo cells that turn on at dusk. Residents can walk the well-lit streets with confidence.

In Miami, a lone drummer had a brainstorm: to bring the world of rhythm and percussion to local youth who had little or no knowledge of music. Today, the troupe of [drummers](#) draws sold-out concert crowds.

Large visions. Bright ambitions. Homespun dreams. What do they have in common? Each was a project the [John S. and James L. Knight Foundation](#) never would have supported were it not for contests.

**KNIGHT ARTS CHALLENGE DETROIT: SPHINX ORGANIZATION**  
The Sphinx Organization, one of the winners of the Detroit Arts Challenge, uses Knight funding to develop young musicians of color through its annual Sphinx Competition.



**Since 2007, Knight Foundation has run or funded nearly a dozen open contests,**

many over multiple years, choosing some 400 winners from almost 25,000 entries, and granting more than \$75 million to individuals, businesses, schools and nonprofits. The winners believe, as we do, that democracy thrives when people and communities are informed and engaged. The contests reflect the full diversity of our program areas: journalism and media innovation, engaging communities and fostering the arts.

Over the past seven years, we have learned a lot about how good contests work, what they can do, and what the challenges are. Though contests represent less than 20 percent of our grant-making, they have improved our traditional programs in myriad ways.

WHY CONTESTS IMPROVE PHILANTHROPY

A 2009 McKinsey & Company Report, [“And the winner is...”](#) put it this way: “Every leading philanthropist should consider the opportunity to use prizes to help achieve their mission, and to accept the challenge of fully exploiting this powerful tool.” But of America’s more than 76,000 grant-making foundations, only a handful, maybe 100 at most, have embraced the use of contests. That means 99.9 percent do not.

Sharing these lessons here is an invitation to others to consider how contests, when appropriate, might widen their networks, deepen the work they already do, and broaden their definition of philanthropic giving.

Before you launch and manage your own contests, you might want to consider the six major lessons we’ve learned about how contests improved our philanthropy.

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# Contests

Contests for innovation go back hundreds of years— many have even changed history. Learning from the best, Knight has supported a wide range of contests— from media innovation challenges to idea mining on ways to improve neighborhoods. Here's a brief look at some contest milestones.

## **Knight News Challenge**

Accelerating media innovation by funding experiments in the delivery of news and information. \$32.5M provided to 97 winners selected from over 12,400 applicants.

## **Knight Community Information Challenge**

Helping to fill community information needs, fostering community engagement and helping residents participate in the creation and sharing of news and information. \$39M provided to 104 winners selected from over 650 applicants.

## **PitchIt Challenge**

Hosted by **We Media conference**, to provide seed-stage investments to help launch innovative new media ventures. \$225,000 provided to fund four winners.

## **SXSW Accelerator Competition: News-related technology track**

Run by **South by Southwest** Interactive to support news and information applications and technologies. Two winners selected from over 700 applicants.

## **Black Male Engagement Challenge**

Celebrating and socially reinforcing the positive role of black males, and supporting their efforts to strengthen their communities. The initiative was launched in Philadelphia and Detroit. In 2012, \$443,000 awarded to 20 winners selected from over 150 applicants.

## **Community Arts Journalism Challenge**

A partnership with the National Endowment for the Arts to support new models to strengthen local arts journalism coverage. \$57,500 awarded to three winners selected from 230 applicants.

**2007** –PRESENT

**2008** –PRESENT

**2010** –2013

**2011** –2012

**2012** –PRESENT

**2012** –2013

**2008** –PRESENT

## **Knight Arts Challenge**

Investing in artistic excellence, funding arts projects that engage the Knight resident communities in collective cultural experiences. Contest started in Miami and has since been replicated in Philadelphia (since 2011) and Detroit (since 2012). Across these cities, \$26.8M provided to 257 winners selected from over 13,300 applicants.

**2009** –PRESENT

## **Knight Neighborhood Challenge**

Run by **Community Foundation of Central Georgia** to improve the safety, physical vitality and social fabric of the College Hill neighborhood in Macon, Georgia. \$1.5M awarded to date to 88 winners selected from over 190 applicants.

**2011**

## **Apps for Communities Challenge**

Run by the **Federal Communications Commission** to develop apps that make local public information more personalized, actionable and usable. \$100,000 awarded to three winners chosen selected from over 70 applicants.

**2012**

## **Civic Data Challenge**

Run by **National Conference on Citizenship** to support projects that turn raw data on "civic health" into useful applications and visualizations for communities. \$25,000 provided to support winners from over 60 applicants.

**2012**

## **TEDxCity2.0**

Run by **TED** to identify and support innovative citizen engagement programs in cities and distribute these models to other cities around the world. \$10,000 awarded to fund 10 ideas to date.

**1714**

The British Parliament held a contest for a solution to figuring out the longitude of a ship at sea, resulting in the marine chronometer.

**1795**


Napoleon Bonaparte mounted a contest for the best idea in food preservation. The winning idea was to seal food in airtight jars.

**1823**

The first plastic was invented in a contest to find a replacement for ivory in billiard balls.

# Contests

OVER  
**24,000**  
APPLICANTS



OVER  
**1080**  
WINNERS



OVER  
**\$112,000,000**  
AWARDED



## Knight News Challenge

OVER **12,400** applicants

\$32.5 million awarded to 97 winners



## Knight Community Information Challenge

**\$39** million

awarded to 104 winners from  
over 650 applicants



## Knight Arts Challenge

OVER **13,300** applicants

\$26.8 million awarded to 257 winners



## SXSW Accelerator Competition – News-related technology track

OVER **700** applicants  
Two winners

## Community Arts Journalism Challenge

**230** applicants

\$57,500 awarded to three winners



## Civic Data Challenge

**60** applicants

\$25,000 awarded



## PitchIt Challenge

**\$225,000**

to four winners



## Knight Neighborhood Challenge

**\$1.5** million

Awarded to date to 88 winners  
from over 190 applicants



## Apps for Communities Challenge

**\$100,000**

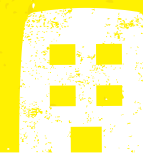
Awarded to three winners  
from over 70 applicants



## Black Male Engagement Challenge

OVER **150** applicants

\$443,000 awarded to 20 winners



## TEDxCity2.0

**\$10,000**

to fund 10 ideas to date

# Six Lessons

on designing public prizes for impact

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# 1

LESSON

Contests

**bring in new blood, new ideas**



# 1

LESSON

## Contests

### Bring in new blood, new ideas

Tapping the wisdom of the crowd with a contest means opening a foundation up to new kinds of applicants.

**KNIGHT COMMUNITY INFORMATION CHALLENGE: HIKI NO** Hiki No, a Knight Community Information Challenge winner, aims to link more than 60 middle and high schools across the islands of Hawaii to produce weekly newscasts for PBS Hawaii stations.



A key part of a foundation's role is looking for new people and good ideas: but how? Contests open up unique avenues for meeting people you would otherwise not know. This, in turn, expands and refreshes the networks working on the causes a foundation cares about.

In our journalism work, for example, our traditional grantees had been blue-chip journalism educators and top-notch newsrooms. Yet the digital age turned communications on its head. So we used the contest as a means of disrupting and enriching that traditional network by attracting new people from new disciplines. [The Knight News Challenge](#)—our first competition, launched in 2007—put us at the hub of an energetic community of media innovators, including software engineers, designers and entrepreneurs.

**A case in point:** In New York, three tech-savvy journalists had a dream of creating a place in the cloud where primary source documents could be stored, annotated and read. Today, their free, open-source [Document Cloud](#) hosts more than [5.5 million pages](#). Reporters used it to expose the hijacking of millions of dollars in public money by the now-deposed city leaders of Bell, California. As with many others, this new digital tool, now used by hundreds of newsrooms, was not created by journalists alone. They needed the help of open-source data software jockeys.

We still partner with organizations like [Columbia University's Graduate School of Journalism](#), but its digital media research is now informed by a winner of the news challenge, the [MIT Media Lab](#), where engineering students are designing and deploying new civic media tools and practices.

Tapping the wisdom of the crowd with a contest means opening a foundation up to new kinds of applicants. The [Knight Arts Challenge](#) exposed Knight Foundation to a host of new talent and creativity. For example, nearly half of the contest entries in the first [four years](#) were, surprisingly, not 501c(3) nonprofits. They were individual artists (30 percent), even businesses (10 percent). Many said they would not have applied for a traditional grant because they didn't think they would be welcome. The openness and simplicity of the contest format changed that.

**A case in point:** Miami artist-writer Gean Moreno said he never would have applied for a traditional grant. But through the arts challenge, he launched a [not-for-profit press](#) (Miami's first) to give local artists an outlet for showcasing their ideas. Similarly, in our Macon, Ga., [Knight Neighborhood Challenge](#), roughly 25 percent of the entrants surveyed indicated they had never before applied for regular foundation grants.

# 1

LESSON

## Contests Bring in new blood, new ideas

### NEWS CHALLENGE: PUBLIC LABORATORY FOR OPEN TECHNOLOGY

"Grassroots mappers" engage in Public Lab's balloon mapping, a new way to take aerial images from the ground to add to a repository of open data maps. Public Lab was a 2011 News Challenge winner.



### USEFUL TIPS:

#### **Keep the entry process simple so people not schooled in how foundations work can apply.**

In our arts challenge, we ask for only an initial **150 word description** of the project on a simple form on the web. As finalists advance, we ask for a short formal proposal with a few questions and a budget.

#### **Invest in marketing to help you reach out widely to your target community.**

In the Miami Arts Challenge, we marketed the contest and accepted applications in multiple languages (English, Spanish and Haitian Creole). In the News Challenge, we looked for partners to help us reach sub-communities where we initially didn't have strong contacts, such as Bay Area entrepreneurs, software developers and startups.

#### **Remember that when it comes to innovation, faster is better.**

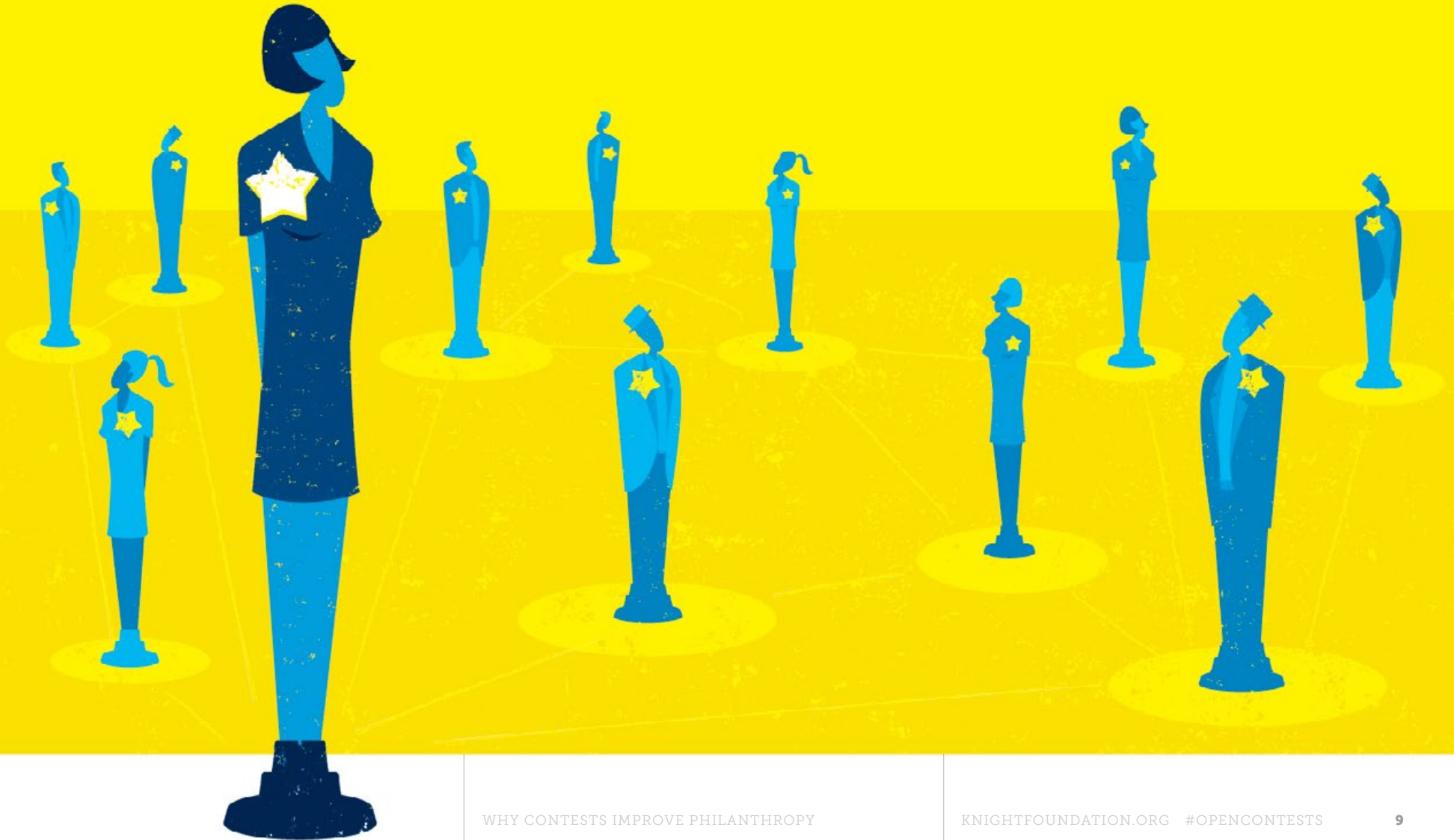
In the early years of the news challenge, there was an eight-month cycle between the receipt of entries and the announcement of winners. We learned that this **lag was inconsistent** with the rapid pace of innovation in media. In 2012 we reduced the cycle to 14 weeks to help **applicants** better respond to market opportunities.



# 2

LESSON

## Contests create **Value beyond the winners**



# 2

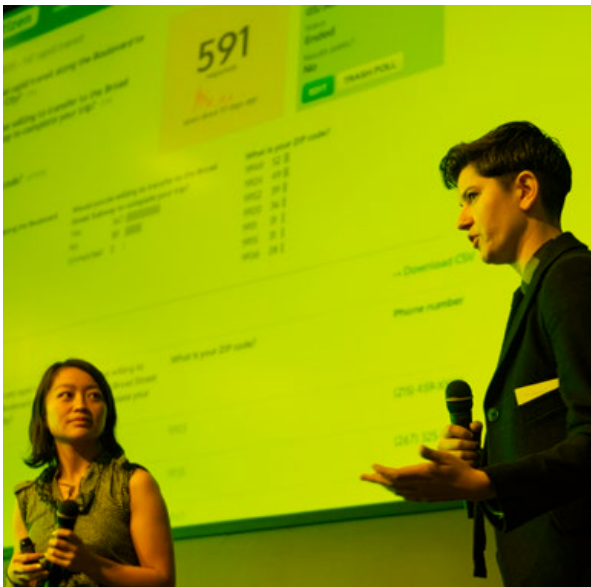
LESSON

## Contests create Value beyond the winners

In the Knight Arts Challenge, more than 40 percent of the non-winning entrants surveyed said just the process of applying was beneficial.

### KNIGHT NEWS CHALLENGE: TEXTIZEN

Michelle Lee (left) and Serena Wales (right) with Textizen, which aims to expand the collection of citizen input by placing survey questions around cities. The project was a Knight News Challenge winner. Photo by Molly J. Smith.



Depending upon the competition, the odds of winning one of Knight's contests are, at their lowest, one in six, and at their highest, more than one in 100. But if you think of your contest only as a funnel spitting out a handful of winning ideas, you overlook what's really happening. A good contest is more a megaphone for a cause.

We started the [Arts Challenge](#) to find new ways to build on the momentum of an already thriving creative community in Miami. In that competition, more than [40 percent of the non-winning entrants](#) surveyed said just the process of applying was beneficial. Often, just putting the ideas down in writing helped refine them. At the same time, the contest helped applicants find new partners. They got more organized. Half said they were still pursuing their ideas in some way despite not receiving funding.

To get the best "halo effect", you need to build a contest's imprimatur, so people associated with the brand benefit whether they win or not.

## USEFUL TIPS:

### Promote contest finalists.

In many of our contests, we profile finalists on our website. We [blog and tweet](#) about them. This brings a meaningful bump in credibility and attention for these applicants. (Finalists often tout their status on their organizational websites and personal resumes.)

### Think of marketing as more than just a way to attract new entrants.

It is a way to build a brand whose cachet spills over to all involved, not just those who win.

### Include other funders in your reviewer pool.

You can share contest knowledge with them. They may fund ideas you don't.

# 3

Contests

**Help you spot emerging trends**



## 3

## Contests

# Help you spot emerging trends

“The underground doesn’t stay underground forever.”

— SWEAT RECORDS

### KNIGHT ARTS CHALLENGE MIAMI: SWEAT RECORDS

Miami’s Sweat Records Store Day and 7th anniversary celebration. Sweat Records was a Miami Arts Challenge Winner. Photo by Teajayphoto.



Though both approaches have merit, our contests are generally based on broad topic areas rather than on solving a very narrow question or problem. In our Arts Challenge, for example, we require only **three rules**: that the entries are about the arts; the project takes place in the community where the challenge is based; and that they come up with matching funding from the community. When you receive more than a thousand applications from a community in an open contest, you can get a good sense of what people are thinking about, what’s going on beneath the surface.

In Miami, a review of the arts contest applicants confirmed some things we already knew. The city is strong in visual arts. But when we looked closer, we saw a growing performance dance scene, independent filmmaking and live music in corners we wouldn’t have suspected. We are now watching those trends in our regular arts program. As one of our grantees, **Sweat Records**, said: “The underground doesn’t stay underground forever.”

Our news challenge applicant pool has helped us identify trends in the news community. We were early in funding emerging trends like data journalism and mobile apps. In the early years of the contest we noticed a number of new digital nonprofits trying to fill the void left by shrinking local newspapers. We ended up taking a closer look at this trend, and supported various fledgling digital journalism groups such as the **MinnPost** and the **Voice of San Diego**, through our regular journalism grant programs. If we had looked only at the Knight News Challenge finalists, we would have missed this issue.

WHY CONTESTS IMPROVE PHILANTHROPY

## USEFUL TIPS:

### Make it one of your judging panel’s jobs to identify patterns in the applicant pool.

What surprised them about the entrants? Are there any issues they think the foundation should be paying attention to?

### Look for trends in the entries at large as well as in the finalists.

When you’re running an open contest, your applicant pool generates a lot of useful data that should be mined. It tells you who you’re reaching? What their concerns are? What organizations they hope to partner with?

### Treat your applicants as problem identifiers not just solution providers.

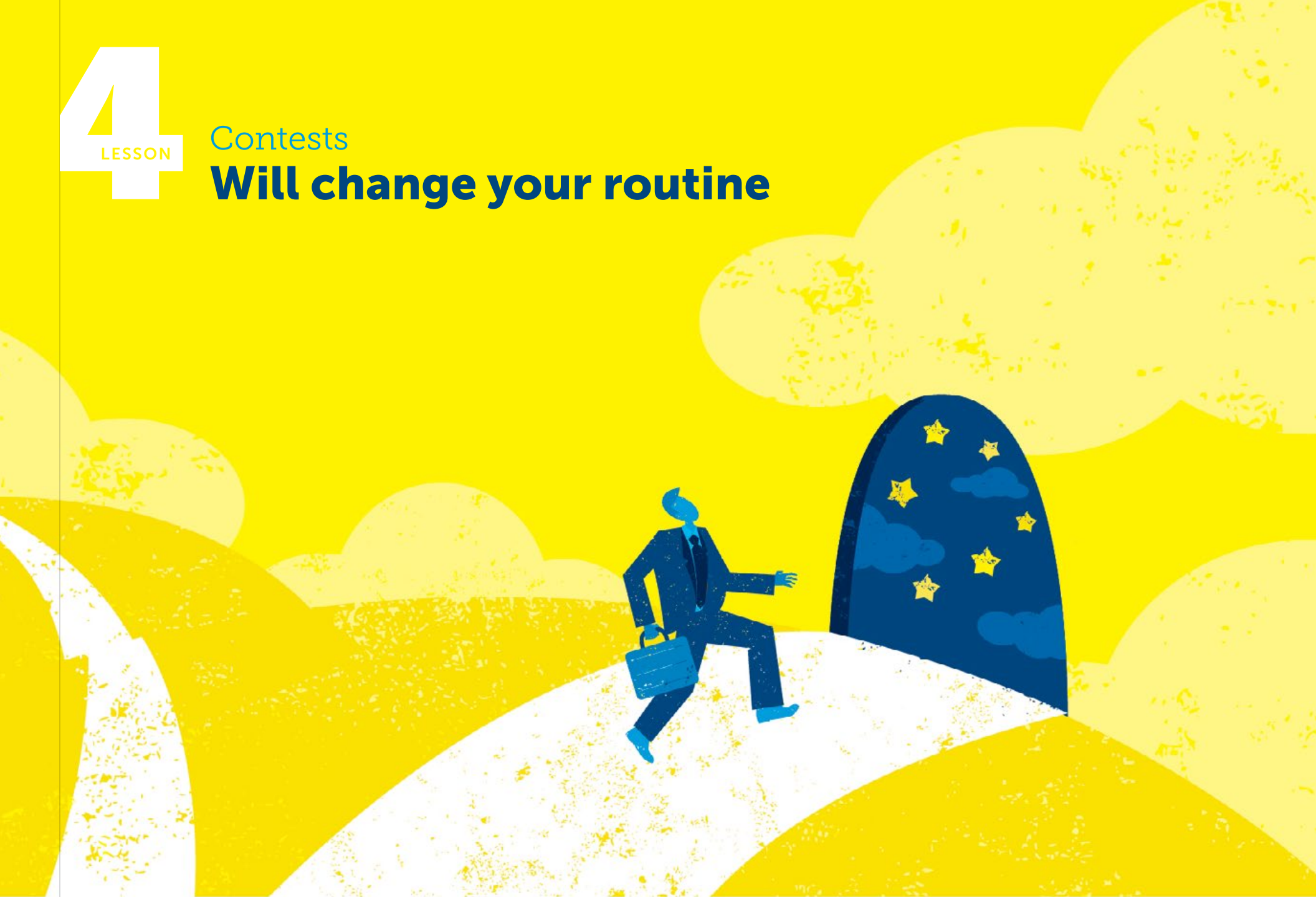
Even entries that don’t offer a feasible project idea still provide you with useful feedback on the issues that need fixing.

# 4

LESSON

Contests

## Will change your routine



# 4

LESSON

## Contests Will change your routine

KNIGHT ARTS CHALLENGE MIAMI WINNER  
Sheila Womble of 'Arts for Learning/Miami' gets  
a look through her award.



Contests are almost certain to cause you to change entrenched foundation behaviors. This may sound internally focused, but it isn't. If your traditional funding changes, that's a bigger pot of money than the contest pool.

Before contests, we rarely funded individuals directly. Most of our funding had gone to nonprofits or established institutions. In the first two years of our news challenge alone, we funded [14 individuals](#). The excitement of seeing good ideas from individuals, as well as from businesses, caused us to set up new ways to fund them. As a result of the contests, we began to make different types of grants, taking on expenditure responsibility grants, and we now serve individuals and for-profit startups as part of our regular grant-making work.

As a result of our contest work, we also shortened application forms for all grants and changed our due diligence requests. We found the shorter contest forms were giving us all we really needed. We also moved some applicants out of contests when they weren't the right fit, funding them instead in our traditional program areas. And we've given contest winners follow-up funding outside of the contest. We've rearranged staff so that we can manage external reviewers and an aggressive marketing campaign.

Finally, contests help create a "safe zone" for risk-taking and experimentation in a foundation – supporting new ideas and trying out creative ways of funding that, if successful, might spill over into your regular grant-making practices.

WHY CONTESTS IMPROVE PHILANTHROPY

### USEFUL TIPS:

#### **Embrace a contest's signaling effect.**

The marketing and outreach that goes into a contest make it a powerful mechanism to broadcast changes in a foundation's approach and focus.

#### **Experiment with an open brand.**

A contest's effectiveness often derives from its accessibility and ability to use the web and social media to draw in diverse groups and unusual ideas. Contests offer foundations an opportunity to rethink the openness of their grantmaking practices and how they respond and interact with what people share and post online about the contest and its applicants.

#### **Review your contests frequently.**

By monitoring what works well in a contest and what doesn't, you can see how you might layer some of the most successful innovations and approaches into your traditional program.

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# 5

Contests

## Go hand in glove with existing program strategies

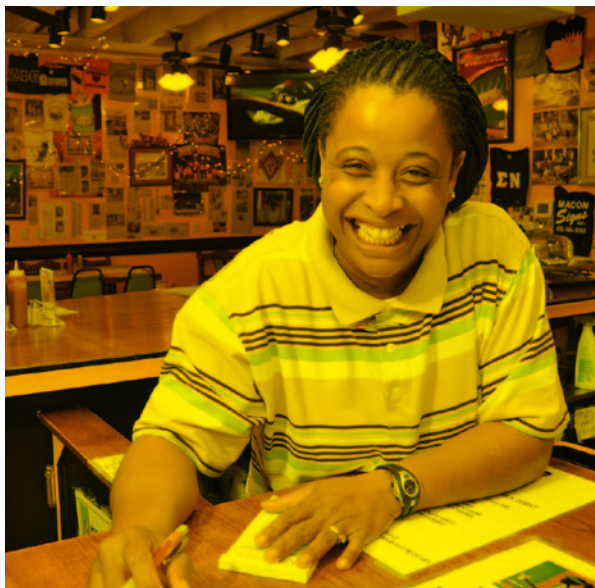


## 5

## Contests go hand in glove with existing program strategies

### KNIGHT NEIGHBORHOOD CHALLENGE: COLLEGE HILL CORRIDOR

Mercer Village in the Macon, Ga. College Hill Corridor. Local organizations were awarded grants as part of the Knight Neighborhood Challenge, which focused on revitalizing the city.



Foundations shouldn't undertake a contest as a lark or a just-for-the-heck-of-it enterprise. The most successful are embedded in existing program strategies. They are simply a different way to tackle a foundation's key areas of focus.

In Macon, Ga., for example, Knight has funded major projects to revitalize the [College Hill Corridor](#), the historic and downtown districts seen as keys to citywide renewal. In tandem with those projects, we started the Macon [Knight Neighborhood Challenge](#), a five-year, \$3 million contest inviting residents to submit novel ideas for improving life in their neighborhood. We focused the challenge around residents' own ideas for making College Hill a clean, safe and thriving place – issues they had identified at an initial community planning meeting for the revitalization project. We received a host of improvements that otherwise may not have seen the light of day. Projects, most under \$15,000, include restorations and small graffiti clean-ups, a community garden and composting workshop, even local music festivals. These modest projects are all taking place in and around the larger community renewal effort, enhancing local development with creative input from residents.

On their own, contests are not the answer. But if tactically linked to existing program strategies they can deepen a foundation's core mission in surprising ways.

WHY CONTESTS IMPROVE PHILANTHROPY

### USEFUL TIPS:

#### **Piggyback where appropriate on community priorities.**

Building on the issues that individuals themselves have expressed an interest in or need for broadens the appeal of a contest and strengthens potential participation.

#### **Identify market areas within your portfolio that have stalled.**

Contests can be a useful way to kick start action and garner attention for specific issues.

#### **Spotlight leading practices.**

While the application period is open, highlight exemplar ideas or valuable practices to help motivate and influence potential entrants.

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# 6 LESSON

Contests should

## Thoughtfully engage the community



# 6

LESSON

## Contests should Thoughtfully engage the community

### KNIGHT NEWS CHALLENGE JUDGING PANEL

An external review panel made up of journalists, engineers and entrepreneurs put their heads together to pick the 2010 Knight News Challenge winners.



To get the most out of competitions, you need new judging systems. If a foundation puts new ideas through the old selection mill, nothing really new will emerge. But if people in the community can comment on or even help choose the winners, they feel engaged, which further promotes the contest. But tapping into the wisdom of the crowd can be a tricky proposition. You must guard against lesser ideas winning just because they come from the most popular sources.

In the [Knight News Challenge](#), all applicants are strongly encouraged to post their entries on the web. Anyone can post a remark. This provides valuable feedback to the applicants, even if they don't win. More importantly, the open system makes everyone feel welcome. In 2013, we took community participation a step further. We partnered with design firm IDEO and used their open innovation platform for crowdsourcing ideas ([Open IDEO](#)) to support a [news challenge contest on open government](#). The platform allowed applicants to easily share their ideas and to solicit feedback from the community. Nearly 5,500 people signed up as 'followers' to monitor and engage with the projects submitted through the challenge.

In our arts challenge, a recent [evaluation](#) suggested we go even further in calling on community input in the contest. So we added to the contest a "[People's Choice](#)" award. We choose a short list of smaller arts organization finalists of similar sizes; and the people selected the winner by SMS text voting for their favorite. We didn't use this method to judge institutional applications; it would be unfair for a small art collective, for example, to compete for public votes against an established opera or ballet with vast email databases.

WHY CONTESTS IMPROVE PHILANTHROPY

### USEFUL TIPS:

#### **Set clear expectations**

for what it means to vote on or comment on, so there's no confusion in community participation. In particular, articulate how community input will relate to the final judging decisions.

#### **Use external review panels.**

Those might include members of the community you're trying to reach, as well as former winners.

#### **Make it the default option that applicants post their entries publicly.**

In the news challenge applicants can opt to submit their entries privately, but generally over 90% of all submissions are posted publicly. Why? Because applicants see the benefits of attracting attention to their ideas and generating support.

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# Conclusion

In the wider world, contests are fairly common. Even Napoleon had one, a prize of 12,000 francs for a new method to preserve food for soldiers on the front, which led to canning. Today, a number of corporations and government agencies are running them—[Netflix](#), [IDEO](#), [Google](#) and even [NASA](#). Many in the nonprofit world see contests as a passing fad, the philanthropic flavor of the month. We think they are here to stay. The McKinsey Report "[And the Winner is...](#)" suggest they are catching on. The total value of nonprofit contest-prize growth over the past decade, the report says, has been 18 percent per year compared to 2.5 percent for general charitable giving.

Some foundations are doing stellar work in the field of contests. Those include the [X-Prize Foundation](#), [Case Foundation](#), [Bloomberg Philanthropies](#), [McArthur Foundation](#), the [Robert Wood Johnson Foundation](#) and the [Rockefeller Foundation](#), to name a few. But the vast majority of grantmaking foundations are not. Why? Is it inertia? Do they feel they don't have the bandwidth? The expertise? Do they think their particular topic or issue just won't work? Do they fear opening the flood gates?

In the end, contests, like everything else, can be as simple or as complex as you make them. Heather Bowman Cutway launched Macon's "[We'll Leave the Lights On!](#)" with just \$2,150 from the community challenge. It was the contest format that made it easy for people like her to step forward with new ideas, which, Cutway says, "like light bulbs" can mean "big dividends."



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