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How John Palfrey Is Leading MacArthur Into a New Era of Philanthropy

Dawn Wolfe | October 12, 2023



JOHN PALFREY. PHOTO COURTESY OF THE MACARTHUR FOUNDATION.

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When John Palfrey was hired as the John D. and Catherine T. MacArthur Foundation's sixth president



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in 2019, the Chicago-based funding giant — and the sector for that matter — was in an era defined by change.

Coming out of his predecessor Julia Stasch's tenure, the funder had pruned its once-sprawling tendrils back to focus on a handful of "big bets," leaving behind a more focused foundation poised for a new era. At the same time, while 2020's groundswell of demands for racial justice had yet to arrive, the sector was already shifting, with rising calls for DEI, democratization and a rejection of its elitist ways.

So some were surprised by the appointment of Palfrey — a white man with exactly the kind of familial, academic and professional pedigree one would expect from someone tapped to lead one of the country's largest legacy funders, at least in an earlier era. The great-great grandson of Teddy Roosevelt, Palfrey earned three degrees at Harvard and Cambridge. Prior to being picked to lead MacArthur, his professional life included serving as the head of school at the private Phillips Academy in Andover, Massachusetts; as a professor of law and the vice dean of library and information sciences at Harvard Law; and a four-year stint working as an advisor at a venture capital firm. He is also no stranger to high-level philanthropy; prior to joining MacArthur, Palfrey served on the Knight Foundation's board of trustees for 11 years, including six as its chair.

A surface look at Palfrey might conclude with the expectation that he would be a solid, if run-of-the-mill philanthropic leader with little interest in shaking up the status quo. Those expectations would, for the most



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part, be highly incorrect. Every person I spoke with, a mix of current and former peers and employees, praised Palfrey as an inclusive, egalitarian, thoughtful leader with a deep intellect and daunting personal discipline.

During his time at MacArthur, a lot has changed. Palfrey has taken strides to make the foundation a more racially diverse and responsive institution, both internally and externally. A former grantseeker himself, he has made grantee-friendly changes in MacArthur's processes, and has overseen a major change in the foundation's investment policies. Most recently, MacArthur and Palfrey have been driving forces behind Press Forward — a **\$500 million, five-year** collaborative of more than 20 funders to bring more much-needed resources to combat the country's local news crisis.

Beyond Press Forward, MacArthur and Palfrey haven't yet announced many specifics about the directions the funder may head now that its first round of Big Bets is winding down. But if the past four years (not to mention Palfrey's previous career) are any indication, it's safe to say that Press Forward is just the first of what will probably be several more bold moves to come.

"I don't think this is a guy who was ever scared of big ideas," said **outgoing Knight Foundation President Alberto Ibargüen**.

With more change on the horizon, Palfrey will no doubt leave behind a legacy, not of the same old, same

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old, but of trying to usher a 53-year-old institution into modernity, with no small amount of disruption.

From privilege, a commitment to service and equity

John Palfrey was hired on at MacArthur after a career spent primarily in education, including leadership at two elite institutions. An authority on digital media, Palfrey served as president and the founding chair of the [Digital Public Library of America](#). He is the author or co-author of several books, including “Safe Spaces, Brave Spaces: Diversity and Free Expression in Education”; “Born Digital: How Children Grow Up in a Digital Age”; and “BiblioTech: Why Libraries Matter More Than Ever in the Age of Google.” In addition to his professional commitments, Palfrey spent over a decade on the board of the [John S. and James L. Knight Foundation](#), a leading funder in media and technology.

When he was first hired at MacArthur, though, what stood out for many in the sector was the fact that a legacy foundation had just elevated yet another privileged white person to lead it — and while Palfrey’s hiring happened before the police murder of George Floyd in 2020, concerns about racial disparities in the country and in philanthropy were surging. As Vincent Robinson, founder and managing partner of the leadership search firm 360 Group wrote in an opinion piece in the *Chronicle of Philanthropy* criticizing the hiring of Palfrey, “Real fundamental change simply cannot occur in the nonprofit world if our leaders do not reflect the communities they serve.”

Robinson and others raised valid points regarding what they saw as a missed opportunity, and major foundations have only in recent years finally begun to make a dent in the lack of diversity in the upper echelons of the sector. For his part, Palfrey acknowledged the concern during our conversation, saying that he was also publicly open to it at the time. But he hopes that the best way to judge whether or not he turns out to have been the right person for the job is “through the actions that I take and the results I’m able to accomplish.”

Ibargüen’s take on Palfrey’s commitment to diversity and inclusion is representative of what the people I spoke with for this piece had to say about him. “Palfrey just sort of instinctively includes everybody around the table and asks the question, ‘Are we all in the room?’ before allowing something to proceed,” Ibargüen said. “So it’s not just that he’s inclusive about who’s there, but is inclusive about who needs to be there.”

Palfrey has also not been shy about his support for racial equity. He has used his position to advocate for [reparations for slavery](#) and to push peer foundations to join MacArthur in supporting climate justice with an equity focus, urging more support for BIPOC-led organizations, including Indigenous-led organizations, in a [2022 opinion for CNN](#). His 2017 book “Safe Spaces, Brave Spaces,” written while he was the head of school at Phillips, grapples with the difficulties inherent in creating safe, supportive environments for diverse students and faculty while also respecting and supporting freedom of speech, arguing that academic institutions have a responsibility to do both.

It's easy for the leader of an \$8 billion, highly influential foundation to *talk* about equity. Palfrey has done something more difficult, steering at least two organizations he has led in that direction, while juggling the needs and demands of powerful stakeholders like board members and donors. Faculty of color at Phillips **reportedly doubled** during his tenure as head of school, and his other diversity initiatives at the academy included working with female students to ensure gender balance in student government, and creating housing options for gender-nonconforming students. In the past four years, MacArthur's board of directors has become more racially diverse than it's ever been.

So not a bad track record thus far, but Palfrey and others seeking to use privilege in pursuit of equity face steep challenges ahead. Funders are now up against a new legal status quo following June's Supreme Court decision striking down DEI in college admissions, uncertain of how much the decision and follow-up litigation will hinder their diversity and equity efforts. We'll be interested to see whether Palfrey and his peers take this challenge head-on, or otherwise alter their trajectories in response.

Palfrey's commitment to playing big with others may also somewhat hamper his ability to explicitly push for racial equity in group initiatives. This may have been the case with Press Forward; the collaborative's language around its "shared value" to "enable growth with equity and diversity of thought," **has been criticized by professional associations** representing more than 10,000 BIPOC journalists and organizations for being insufficiently specific. Should Palfrey want to

create more collaborations between MacArthur and other funders, he may well find that at least a few of those other entities are less eager to take bold stances on racial equity.

“I bring a lot of empathy for those who are seeking grants”

Palfrey’s results seem to speak to a leader who is able to enact the changes he wants to see in the world — and one who is willing to take on uncomfortable, challenging shifts in direction. Not long after his hiring, Palfrey led a process at MacArthur to formally define [the funder’s values](#). Diversity, equity and inclusion are now front and center at the foundation, alongside creativity, empathy, learning and integrity. When staff complained about issues including microaggressions and feeling overlooked and undervalued, Palfrey supported a process designed to rectify, and heal from, those issues, including hiring a chief equity officer.

Those changes, along with greater diversity on the board, all look promising. But what’s the bottom line for current and prospective grantees? Here again, MacArthur seems to walk its talk. In 2022, for example, 18 out of 25 of MacArthur’s Fellowships, or “genius grants,” went to BIPOC awardees, and people of color have made up the majority of winners since 2020. Prior to that, MacArthur launched \$80 million in Equitable Recovery grants, which it funded through social bonds, in response to the dual crises of the pandemic and racial inequality. Equitable Recovery grantees have included the [Native BioData Consortium](#), an organization that exists to ensure that

research using Indigenous peoples' biodata is both done by and benefits those populations, and two organizations advocating for reparations for the harms of slavery and other anti-Black oppression including the [National Coalition of Blacks for Reparations in America](#) (N'COBRA).

Just last month, MacArthur announced a five-year, \$15 million regranting partnership with the Field Foundation of Illinois to move money to small and midsize arts-centered organizations, a shift that began in 2022, as reported by my colleague [Mike Scutari](#). According to the Field Foundation's website, [the organization's mission](#) is “centering racial equity to achieve community empowerment through Art, Justice, Media & Storytelling, and Leadership Investment.”

Palfrey told me that MacArthur's values need to be reflected not just in its grantmaking, hiring and treatment of its staff, but also in its business diversity. “How do we think about the firms that we are hiring and working with in our finance operation? What kinds of investment managers are we hiring?” he said. Those business decisions also include how MacArthur invests its endowment. In 2022, the foundation announced a plan to [divest from fossil fuels](#).

Palfrey's past as the head of a grant-seeking nonprofit school seems to have shaped his approach as a grantmaker. Changes and pending changes MacArthur has made during his tenure include allowing grantees to have a simple conversation with the funder rather than submitting a written final report; launching no-application, general operating support grants; and

working toward the creation of a common grant application to save grantseekers from continually having to re-enter the same 40% of information on multiple applications. MacArthur was also a participant in the [Real Costs, Real Change](#) funder initiative from 2019-2021, and has increased its indirect cost rate on project grants to 29%. And while the majority of MacArthur's grants were still project-based in 2022, 28% of its grants were general operating support in 2022 and 17% were "project-flexible," a marked increase from 2019 when those categories together accounted for just 20% of MacArthur's grants.

"I spent 18 years in my career asking people for money, and only four years have I been on this side of the table. So I bring a lot of empathy for those who are seeking grants," Palfrey said.

One thing that Palfrey and MacArthur don't bring is a specific commitment to making grants that include money to ensure that its nonprofit partners pay living wages and benefits. However, according to Palfrey, "I certainly support organizations using this flexibility to pay a living wage and offer health insurance and paid time off. In general, we do not stipulate rules for our grantees, but we do make clear our values and these policies are consistent with those values."

Palfrey also stops short of the level of egalitarianism and relinquishing of control found in some of philanthropy's most progressive organizations like, for example, the Solidaire Network, whose ethos can roughly be described as the idea that the proper role of

wealth holders is basically to write checks and otherwise just stay out of the way.

“I think it is OK for philanthropies to have a point of view, and to express that, while also practicing trust-based philanthropy in many, many respects,” Palfrey said, citing as an example the MacArthur Fellowship program. “A five-year award, \$800,000, no strings attached, nobody has to apply and we don’t ask anything of them.”

On the other hand, while talking about multi-year, general operating support, Palfrey also said MacArthur is willing to “put its thumb on the scale in certain ways,” citing DEI specifically. “If an organization we've been funding for many years has not diversified or has not been acting in an inclusive way, at a certain point, we're not going to keep giving them general operating support indefinitely.”

A foundation in transition

While Palfrey’s impact has already been felt at MacArthur, bigger changes are definitely in the making. The funder is winding down the time-limited Big Bet programs [created under Palfrey’s predecessor Julia Stasch](#). The last of the initiatives, focused on climate science work, will end in 2026. Exiting four major initiatives is difficult, and it’s likely to cause at least some disruption in these fields, even as MacArthur takes important steps to handle the transition responsibly. We’ve already seeing some tensions and concerns bubbling up.

The end of the Big Bets may be taking place under Palfrey, but those deadlines were baked into the programs and thus can't be attributed to his influence. Outside of Press Forward, MacArthur hasn't announced other specific plans for new work, though [in a written message, Palfrey said](#) that MacArthur expects future efforts to include the areas the Big Bets focused on (climate change, for example, will likely remain a focus). A look at the foundation's [grants database](#) under the category "New Work" definitely shows a funder in transition, with the vast majority of grants under this label being for just a year or two. If Press Forward is any indication, though, we can expect to see some big moves from MacArthur in the next few years, possibly including collaboration with multiple funders.

Looking even further ahead, what might the MacArthur Foundation look like when John Palfrey leaves, either through retirement or a desire to take on a new professional challenge? This is a man who served as the head of a private school and on the board of a major foundation while simultaneously helping found the [Digital Public Library of America](#) and authoring a book. Even the challenges of shepherding an \$8 billion institution like MacArthur may become old hat after a while for someone accustomed to that kind of schedule.

Palfrey's legacy in the long term may be defined less by his changes to current grantmaking practices, and more by what the foundation's leadership looks like when he's no longer in the job. As Vincent Robinson and I discussed, the important question is what happens when Palfrey — and the other current leaders

at major funders like Ford, Packard and Hewlett — retire or otherwise move on. Will the work that Palfrey is doing now, particularly at the board level, lead to MacArthur finding diverse leadership to succeed him? Will Palfrey's example, and the current support for diversity and equity at these other major funders, result in future leadership searches marked by a commitment to finding and recruiting diverse leadership more broadly?

Robinson, who made it clear during our interview that his issue was never with Palfrey personally, wondered whether the same process that led to Palfrey's hiring will repeat itself at MacArthur 10 years down the road and whether, at that time, he will be able to write essentially the same piece he did about Palfrey's appointment, only with different names. "The fact remains that there's going to be another search at one of the big foundations," Robinson said, "so it's something to be vigilant about."

No matter how transformational a leader may be, whether a John Palfrey at MacArthur or a Darren Walker at the Ford Foundation, it's reasonable to be concerned about their future trajectories on racial equity, given both the cultural inertia of the philanthrosphere and the current backlash to progress we're seeing. Institutional philanthropy is hardly known for bravely standing against either cultural inertia **or more intentional, oppressive movements.**

In MacArthur's case, though, there is reason for more than just cautious optimism. Obviously, there aren't any guarantees that the calls for equity that exploded across the philanthrosphere in 2020 will continue to

reverberate, at MacArthur or any other funder, during the search for those funders’ next leaders. In fact, the reverse may well be true, with racial equity’s advocates and its opponents alike watching foundations closely.

But it’s also hard to argue with results — and Palfrey has already used his combination of abilities and privilege to attract the most diverse board of directors in MacArthur’s history in a very short period of time. Given that we’ve likely just seen the beginning of what Palfrey has in store for MacArthur, there’s ample reason to hope, and even believe, that his legacy at the foundation will reflect the desire that he shared during our conversation: one centered on equity and inclusion, that also pushes the funder to do the best work it possibly can.

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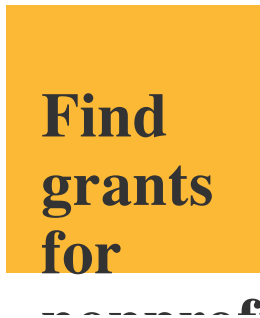
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