



Kerrin: Hello, and welcome to the Untapped Philanthropy podcast. I'm your host and Fluxx co-founder, Kerrin Mitchell. I've spent my career exploring technology's role and amplifying impact within our social sector, and more specifically, helping funders to learn to leverage technology and data to connect and better serve our collective causes, constituents, and communities.

In this podcast series, my team and I will profile social sector leaders, public figures, philanthropists, and industry futurists to explore this fascinating intersection of funding, technology, and policy. We're here to analyze the most critical and formative topics and trends that shape philanthropy both today and tomorrow. We hope this series leaves you inspired to think and act through a more collective and visionary lens.

This is a very special week for Untapped Philanthropy. We're about to delve into a new topic that we haven't explored in the podcast, cryptocurrency, blockchain, and DAOs. I'm truly excited to introduce to you a visionary leader who's going to help us untangle this burgeoning economy. Robbie Heeger is the president and CEO of Endaoment, a tax-exempt community foundation built for the crypto industry and focused on social impact. Robbie, thank you for joining us today.

Robbie: Hello. It's great to be here. Thank you so much for having me.

Kerrin: Do you want to do a quick little intro on yourself and then we can dive right into the world of crypto and blockchain and philanthropy?

Robbie: Absolutely. I'm Robbie Heeger. Hello, everyone. I run a project called Endaoment and Endaoment is the crypto community's first community foundation. We spell our name Endaoment because we use cryptocurrency tools and software to power the oversight and governance over our nonprofit organization. And in crypto, there are these institutions called DAOs, which stands for decentralized autonomous organizations.

It's basically a fancy way of saying, let's use crypto to power the governance over our organization. And so, at Endaoment, we are a community foundation that uses crypto to power its governance, and we accept any crypto asset of any kind: Bitcoin, Ethereum, Ripple, Litecoin, MFTs, Sushi Coin, you name it. We take it and we turn it into dollars. And we route it to any of the nation's one and a half million nonprofit organizations. We've built fantastic infrastructure that routes these donations as dollars straight into a US bank account. And most of the time when we interact with nonprofits, they are totally shocked to find out that this gift was ever crypto. And so, part of what I'm really here to talk about with you today is that there is no longer this question of does an organization accept crypto, now every organization accepts crypto, they just have to route their donors to the right infrastructure.

Kerrin: I mean, in so many ways, it's interesting as we're looking and hearing a lot about this trend, having an idea of how to apply this is something that I think a lot of our listeners are trying to get from today. So, we'll be diving into that, of course, throughout the conversation, but maybe we start at the very beginning, perhaps looking at you know, the idea of where is this all coming from in 2022.

Obviously, we are seeing a lot of continued trends. People are starting to lose trust in institutions, government polarizing policies, COVID, and inflation. And this has been building for years. But there seems to be a boiling point right now where these alternatives for how to give and what to do, are actually starting to pop up. People are entrusting their wealth into cryptocurrency.



So, this idea that you just brought forward about taking money and wealth and getting it out to the community and making sure it gets there in a secure way that takes away some of the middlemen that sometimes can make giving a challenge, is interesting. So, when we look at this idea of why we as philanthropists care, and whether or not you feel like crypto is the future or a farce, crypto is a new force that cannot be ignored.

In fact, in the last 10 years, for those of you who want to know, crypto has generated over \$1.3 trillion in wealth. This is the single largest creator of wealth in history. So, it sounds impressive and it is impressive. And the philanthropy side, these monies are starting to show up and are actually headed to the social sector. And I think that's what we really want to explore today. How do we see those monies come in? What do we think are the most defining trends that we should take a part in? And what are the structures like DAO that really helped to create this ability to push it through?

So, Robbie, I would love to hear your opinion of this trust-based currency. You know, people all say it's a scam, and it's going to zero. Tell us a little bit about how you look at crypto, why you think this is so compelling? And then we'll move into this idea of philanthropy.

Robbie: Well, I want to make a small copy edit to your question, which is that Bitcoin and cryptocurrencies are not a trust based currency. They are a trustless base currency.

And it's an important distinction, right, you brought up just a little bit ago, that we have a society that is rapidly losing trust in the places where it used to place it: in governments, in institutions, in our neighborhoods and in our communities. And what crypto puts forward is a technology that you don't need to trust but trust... less. You can come and approach the technology and use it no matter who you are, no matter where you are. And without anybody having a say in whether you get to use it or not, as long as you have an internet connection.

And this concept of trustless is critical to people feeling that sense of freedom and security that they have historically felt by putting their trust in institutions to maintain their freedom and their liberty. But in the case of blockchains, you're putting your trust in code and saying, I'm not trusting anybody, I'm just trusting the code. And so in that way, it is a trustless system, you are trusting no third party, you are just relying on the code to execute as it is written. And what that creates is this international payment network that is not sensible. That is internet enabled, that's always on. And that has sort of unlimited throughput capability, right, you can send a transaction of \$1, or to minus 18. So, .000000000000000001 dollar, right, or you can send one quadrillion dollars all in the same transaction. Doesn't matter how big or small, it doesn't matter where you're sending it to, or where you're sending it from, it's just "do you have an internet connection, and is the system up and running."

And the way the system works is by a bunch of people all around the world running the same piece of software on a computer. And that software, whether it's Bitcoin software, Ethereum software, or the Litecoin software is just a program that you run on your laptop or on a big powerful computer, depending on how much energy you want to put into the blockchain. And as you run that software, you are just one of many 1000s of individuals who have no idea about who the other is running the software. And in exchange for running the software, you receive little rewards of the cryptocurrency you receive a little income stream of the cryptocurrency in question. And that's what motivates you to run the software.



So in this way, we have a group of people who don't know each other all getting paid little amounts to run the software. And we have a group of people all across the world, a larger group of people using the software to pay each other without there being any intermediary, there's just the software running. And so that's where this concept of trustless money comes from. Right, instead of relying on a bank to transfer to another bank to use a clearing house in the middle to transfer from that bank to the clearing house to the other bank, and then they verify the balances. No, we're just using one piece of software that everybody's running because they are directly incentivized to run it and everybody has access to it because it's open to the entire internet to utilize regardless of where you are in the world.

Kerrin: Absolutely and in that sense, you know, it is a redefining trade of that financial market about how things work. And I see so many places where this can be applied into philanthropy. And we'll definitely talk a bit about that. Maybe let's start with the idea that to be able to do this, they have to take on structures that are changing the ways that we coordinate and almost eliminate that middleman for the process. Some of these structures include things like DAO. So obviously, my first question to you is, as we look at the structures, and then the application of it as we get further into the podcast, the structure itself of a DAO. Do you mind doing a quick little like down one on one for us?

Robbie: Yeah, doubt one to one is real straightforward. Just like you have LLC, limited partnerships, C corp, or nonprofit public benefit corporations — they all have governance structures. And you normally write bylaws about that entity. And in the bylaws, you say, okay, here's who runs this entity, here's who's in charge. Right? A DAO is just another form of organizing humans together around shared capital, right? So a limited partnership does it for investments, and LLC, does it for limited liability, corporations, right? S corps do it for larger corporations, C corps, do it for different kinds of corporations, nonprofits do it for things that have a tax exempt purpose. And DAOs are just another way of governing over a pool of capital.

And what DAOs used to govern the pool of capital are cryptocurrency tokens that allow people to vote on decisions in the broader entity. So instead of there being a board of directors, at a DAO, everybody gets a vote. And you everybody gets to propose changes. Let's say, I want to hire a president of the DAO, right? When you first start a DAO, there's no rules. There are just people with tokens, right? And you say, Okay, we need a social media manager, we want to pay them \$30,000 to work for three months to advocate for the mission of our DAO.

And so they use those tokens, they say, yes, we love this candidate, we want to hire this candidate, we're going to move the \$30,000 that we have in our DAO, and we're going to send it to the person that we've hired after three months or up because enough people with the DAO tokens have voted yes, in favor of this proposal. But what's great is you can massage the rules of a DAO, just like you can massage the rules of any computer program, you can make any DAO work off of any rules that you can put into code. And so people are rolling out all kinds of different exciting DAOs. There are Investment Club DAOs, there are social impact DAOs, there are asset purchasing DAOs where you go and buy artwork together.

My organization actually got to play a really cool role in the Constitution gap. And we can talk about that for a second. So the the Constitution DAO was a random project thrown together on Friday night by some friends to when they found out that the Constitution was going on auction at Sotheby's and they said, Wouldn't it be cool if we raised a bunch of money through a DAO, like crowdfunded basically through a DAO and bought the Constitution and then used the DAO to determine which museums and nonprofits would get to exhibit the Constitution into perpetuity.



And it was this nonprofit nonprofit that raised \$50 million to go in by the Constitution. Now they lost the auction, and we can talk about the auction in a minute. But what was cool was Endaoment our organization got the chance to do the first fiscal sponsorship of a DAO, because they started off as just a DAO and they had no legal entity. And when they went to the auctioneer to Sotheby's, they said hi, we'd like to participate in this auction and they said, we have no idea what the Dow is, and, and we are not comfortable.

And now because Endaoment is a 501 C three nonprofit public benefit corporation. We have a board of directors, and we also have a community that powers the decision making. We sort of straddle the line between an old school nonprofit and a new school DAO. And we are constantly making technology and new programs and new types of legal agreements that enable us to work with DAOs. Or to use our technology to power our decision making. And with the Constitution, what we were able to do was meet the conditions of Sotheby's, KYC, and provide a fiscal sponsorship, like an umbrella of our tax-exempt status over the top of the Constitution now, so that they could come and participate in this auction. And, and so that's a great example of how Dows are starting to interact with the real world, right? It's just people. At the beginning, it's just a mission and some startup capital.

And the question is, how do you make decisions? And what DAOs allow you to do is to decentralize that decision making power over a large group of token holders, and you get to choose how the tokens get issued, and where they come from, how they get created. And so, generally people create DAOs, where they issue tokens based on people who are advancing the mission of the organization in question. So, if you come and you put money into an investment, now, you should have some oversight in that investment. If you come and you, you know, put in a bunch of hours into figuring out program details about an impact out normally, I will give you a batch of tokens as a compensation or reward for putting your time into this problem. And then you get to help decide how assets are allocated out of that shared pool, that is the entity's resources.

Kerrin: And this is where I get excited, Robbie. One of the biggest things that I look at in philanthropy is this idea of collective giving pulling together resources over a unified project. And I think the challenge people often see is that the fiduciary structures are set up in a legal grant — I give it to you, you do the work, you report back to me. These are handoffs that are all part of a structured contract, and the person at the sort of helm of it is that poor nonprofit who has 20 contracts that they're trying to negotiate around.

The interesting concept that funders are starting to have this idea of a co-fund. How do we come together? How do we build a legal structure that permits us to be able to come in and dedicate a focused effort on one project without causing the paperwork of 20? So I think that's the thing that I look at and say, wow, what an interesting vehicle for us to explore, as funders, as grantmakers, to start thinking about that collective.

And part of that is that you talk a lot about Endaoment.org and you're trying to solve some of the problems in the market. Are there specific other things that you wanted to kind of talk about at Endaoment? Maybe the vision for where you want to see that go?

Robbie: Well, I totally agree with you that there are a lot of really cool technological innovations around giving circles and coordinating capital towards impact causes and I think DAOs in some ways are just an advanced crowdfund. It's like a crowdfund risk decision making power.



And we've done a lot of really interesting work with DAOs not just internally ourselves, as you know, moving our own governance towards doubt power decision making, but also with us acting as a 501c3 and partnering with a for profit DAO or a protocol in the crypto space. So there are many, many projects in the crypto space, and many of them are powered by DAOs.

So think of any exchange where you go to buy and sell stocks. There are smart contract versions of those exchanges. They're called decentralized exchanges. And their core team, one of these core teams called Sushi Swap. But you know, think of it like a stock exchange, but instead of being a corporation, it was just code running on the blockchain that exchanged one stock for another stock and automatically figured out what the price movement would be for that exchange. That's what you need to think of. So Sushi Swap has a native token. It's called Sushi Token. And they use that Sushi Token. And I'm doing some simplification here. But they use that sushi token to help govern over the decisions and product roadmap of Sushi Swap. And that token has the dollar value. And as Sushi Swap became more popular, the dollar value of the Sushi Token went up.

And the core team who had been rewarded and using Sushi Token to make decisions together, now suddenly had this pile of cash on their hands. So one of the things they approached us at Endaoment said, we want to use some percentage of these Sushi Tokens to give back. And we have some interest areas that we want to give to, and can you help us find organizations that would like to receive grants from the little chunk of Sushi Tokens that we set aside for impact?

And we created what we're calling a community fund in order to execute this, which is basically just like a field of interest fund. In fact, it's the same legal agreement, we use a field of interest fund to power our community funds. We just think community funds sound cooler than field of interest fund. And what we do is we work with a group of people either through their existing DAO governance, and then we look at that vote and we distribute the cash.

So, Sushi Tokens is the native asset of sushi swap, like uni is the native asset of uniswap. Link tokens are the native asset of chain link, the protocol, which are all different crypto projects, all serving different functions. And we've seen that sometimes those protocols earn little fee revenues, every time somebody uses their service. So, if you come and you use the unit swaps, decentralized exchange, and you hold uni, or if you are using a compound, which is a borrowed desk, you can earn some revenue. And we're seeing some projects say, okay, we're going to commit some of that fee revenue, some of that recurring revenue, we're going to commit that to a community fund at Endaoment, where we're going to then use our community to determine where it gets given out to. So, you know, there are a lot of really interesting ways to kind of shave dollars off of this economy and drive them towards impact. And that's immense because we just see such a lack of large corporate giving in the country. And so this idea that these protocols are universally accessible, always on, available to anybody, can also be generating philanthropic revenue streams, just by them being used is also really cool.

Kerrin: You know, it's so interesting in that sense, is the idea of the redistribution of those monies, getting back to the communities and doing it in a very efficient way. So the fact is that by going through, say Endaoment, and others, or being able to even transact things through crypto, you're taking away all the bank fees, the government, potentially the corruption, the things that are also skimming off the top right now for not as great reasons.

And we're saying how do we really maximize the use of that cash into your point getting it into the community, not just in the transaction fees at some of these really efficient brokers like



Endaoment others are, but the ability for us to be able to comment and also know that the dollars that maybe are coming out to intended funds going to the community are actually going to be able to be captured in a much more efficient way. So it's just very interesting to remove that middleman using this idea of DAOs. I just think it is so interesting to see how this could play out with our group, coming into the sort of idea of this, or I guess, trustless machine of crypto to your point, playing that out on the global level. We talk a lot about developing countries and how we sort of build relevance here. And I know one of the things that's been really interesting to me in the news is that countries like El Salvador adopted Bitcoin as legal tender, pushing away from the US dollar. And of course, the IMF raised a bit of hell but the concept of this adoption of these currencies is all very interesting.

Are you seeing at a global level, the sort of attractiveness of these payments? I mean, how are you seeing that kind of play out in a space where it's not just about the US, but you know, our global economy?

Robbie: It's a really important phenomenon to examine. What is the allure of this technology to a government like El Salvador? And what is the opportunity cost that way? Because they're a rational state actor? Like they understand the tradeoffs. And I think it's important to kind of look back at what some of the historical effects of new technology has been around the world, especially in developing countries.

Money that is powered by the Internet, brings to the table opportunity for countries that have been beholden to central banks, International Monetary Fund's, or large economic actors and their interests. It gives them the opportunity to leapfrog into their own sovereignty, in a lot of ways Bitcoin is a more sovereign, native currency than having a local sovereign currency that is just being puppeteered by the IMF.

And what this technology lends to people who want to move away from living under the shadow of the sort of post Bretton Woods economic era is the ability for them to move into this new technological landscape before the rest of the world does. And basically, El Salvador's taking a bet that internet money is going to be a thing.

What we see in the US is that nonprofits are generally kind of the last people to adopt the new tech. They kind of wait for everything to shake out until they're like, okay, I'm going to wade into this water and start pushing my toolset or pushing my operations.

And what we're doing at Endaoment. We're trying to, in the same way that El Salvador is trying to leapfrog the old system, go into the new technological system. We are trying to offer nonprofits the opportunity to leapfrog the old system, and to move into the new system earlier rather than later. And what we do in order to achieve that is give them a really good, simple, straightforward first experience with crypto, where they don't have to open a crypto wallet where they don't have to sign any new board policies where they're still receiving dollars. And those dollars are still coming into their existing bank account. But the gift started off as crypto. And that alone just starts to change the mindset of leadership of an organization to say, Hmm, there's this new technology out there. It's easy for us to integrate with, and what would happen if we got curious about adopting it sooner rather than later?

Endaoment can help be a catalyst for that leapfrog moment. I think we could see the nonprofit sector taking the lead on the adoption of token powered economies and of blockchain based



technologies. And that's really exciting to me, because we know that when you get a leapfrog opportunity like this, it can really lock in success.

And, you know, my favorite example is what we saw in SubSaharan Africa. It was this huge transition from people using hard paper money to transacting via text message using M PESA. And it was this leapfrog opportunity where somebody said, okay, this technology would really, really help a group of people who historically have been left behind by new technologies, and how can we kind of give them this moment to kind of cut to the front of the line?

And so, what I see our role at Endaoment is being the first step in the process of nonprofits cutting in front of the line from going from paper checks and old school grant delivery processes that take weeks on end to close to receiving crypto gifts as dollars wired straight into our bank account the same day or the next day.

Kerrin: I love it. And what do you see as the biggest hurdles or risks in the adoption of that? Where do you see sort of a rate limiting step to some of our abilities to mobilize people in that manner?

Robbie: Fear for sure. You know, people read a lot about crypto being the death of the planet, The currency of choice for drug money, money launderers, volatile until the cows come home, and you're just going to lose all your money, don't lose the keys, otherwise, you're sifting through garbage, looking for \$350 million dollars on a hard drive. Like, no. This is the media cherry picking a subset of news stories that reinforce the status quo.

And so pushing aside some of the sensationalized fear is going to be a big hurdle. And, you know, what I will often say is that adoption of crypto, especially at the philanthropic level, is going to be limited by the board level curiosity about the technology and willingness to experiment and try new things. And I think at Endaoment, we've tried to make it as non-experimental as possible.

And I think we've got to be really intentional to try and get serious, while also being curious. We're going to be serious and curious about crypto. I think that's kind of like an escape hatch out of the sort of melancholy or uncertainty around crypto that would prevent us from adopting this.

Right now, we see the US government not being serious or curious about what's going on here. We see a lot of wait and see. And, you know, like, maybe we'll take this seriously down the line. And that's hampering the U.S.'s ability to take leadership in this new space and to help the world figure out how permissionless payment networks interface with governments.

Kerrin: I feel like there's just such a lack of desire to nail down the perspective of what the government or what those central entities even think of it, you know, because I think there's interest in El Salvador and Russia, and all these things that I think are just permeating the news right now...

Robbie: Oh, yeah. And if we look at El Salvador and talk about getting serious and curious, that is a country that is saying, "There's something here." And so, what they said is, we're changing our policies. And so, when, when it comes to philanthropy, you know, be like El Salvador, right? Be serious about it.



I want to take action and be like El Salvador. It could be a t- shirt.

There has never been a subset of markets that are more publicly accessible to the world than these markets. We all remember what it was like to see social media pop up and be like should I try that? Like, should I take that seriously? Should I be curious about social media?

Getting on board in crypto is just like learning how to use social media or learning how to use the internet. And the question is, how are you a leader of the organization or, you know, leader in your community or, you know, philanthropist Global Impact philanthropists going to? How are you going to treat this new tool? How are you going to align yourself from a mentality perspective towards this very disruptive technology?

Kerrin: And so the education curve, that's where Endaoment helps people work. So there are things you can do to ease the burden that don't have to be, you know, an NFT, that makes no sense to you, it can take that element away and make sense.

Robbie: And you know, there's something that I want to talk about here that I talk about often. And that is the crypto stairway. It's a concept that I've come up with in talking about this with a ton of orgs. And really what it is are levels to adopting cryptocurrency.

You should not expect yourself to get everything all figured out the first time you think about crypto. And what we suggest as an industry or what I pose is that Endaoment be your easy step zero. Step zero is to accept a crypto gift as dollars without even recognizing that it's crypto. And that's what Endaoment is here to do.

And then there are organizations like the Giving Block, which I'm sure many of your listeners have heard of. I consider them step one. That's like when you're ready to take it a little even more seriously. Like you want to sign up with a new service provider. You want to get a team doing campaigns for crypto fundraising. We love the Giving Block, and we are so happy to connect you with them after you try step zero and from there, there's even a step two.

And step two is like, okay, I don't need somebody else to process my crypto gifts, I have an E-trade account. My organization has a Schwab or Fidelity account, we take in stock gifts all the time and I know how to liquidate them. And then you say, okay, I'm going to go and open an account at Coinbase. And I'm going to do the same thing that I do with stocks, as I do with crypto.

And then there's step three, which is like, okay, I'm ready for the big leagues, I want to have my own organization's crypto wallet, we want to have a hardware wallet that allows us to buy NFT's or deploy our organization's assets into a yield bearing protocols so that we can get better interest on our operating capital than what we get at the bank right now.

If we slowly progress up the ladder even beyond step three or step four, where your membership is denoted by a token or by an NFT, and your board of directors is elected by an on chain vote, and you're using on chain tools and services in order to oversee the activities that your nonprofit takes a part of like, that's even more daunting.

And what we're trying to show is that you can be serious and curious but start really easy. Just recognize that there's serious capital here, and just put yourself in a position to be in front of the train as it rolls through the station.



Kerrin: It's an evolution. Oftentimes when I'm talking with people they see it as a myopic, I'm in or I'm not. And I think it's very overwhelming to think about all those tiers. And how would I even go about getting the accounts? And what does that look like? There is a stair step approach. So Robbie, I love that little soundbite kind of around what that looks like for folks. And you know, we'll encourage all the listeners to reach out to Robbie. And we'll make sure you get his details because I think this is a really interesting way to start thinking about that change and introducing bits and pieces as it becomes relevant pertinent in the context of what you're doing.

One final question before we go into what we call our rapid fire. What is the one thing you're paying attention to? That you think others should be?

Robbie: I would not sleep on the theorem in general, on programmable money. There are 1000s of developers who now have a new tool at their disposal, that allows them to write computer programs that also move money at the same time. And there are all sorts of people, honestly it's sort of age agnostic, but skews a little bit younger, that want to see technology be leveraged for good. And they have this new tool in their hands, which is programmable internet money.

Those new projects are operating on a different set of rules. And it allows for fundraising models to evolve. It allows for organizational structures to evolve. It allows for governance models to evolve and to be more mission aligned with the end goal.

Keep an eye out on smart contracting platforms like Ethereum. smart contracts are just another way to say programmable money. And don't be surprised when somebody rules out an entirely new way of achieving the kind of impact that we've been seeking with our current tools in our current organizations in our current governance structures, but rather achieve it more efficiently and more effectively with this new programmable money. And I think the more that people are looking out for that, and the less surprised they are when it comes to the market, the more they'll be ready to adopt it and fold it into their own work and their own mission.

Kerrin: So, Robbie, I'm going to keep you on the hook to come back and hang out with us again and talk us through your vision because I'm right there with you. I think smart contracts could be really beneficial to the way that we handle transactions, money remit payments, it's so interesting.

If I can just jump in, sorry to interrupt, but if I could jump in and say one thing, everything we're talking about today happens on a theory, Endowment is powered by theory.

And so like, basically, by listening to this podcast, your listeners have gotten sort of a first introduction to the Ethereum ecosystem and the kind of effect it can have.

Kerrin: So, we'll wrap up this podcast on a rapid fire note, I'm just going to run through a series of quick questions and I encourage you to respond with the very first thing that comes to your mind. Ready? Let's do it. All right. NFTs... yay or nay?

Robbie: Yay.

Kerrin: Dog coins... funny or not.

Robbie: distracted.



Kerrin: So one final question, Robbie, what does an organization need to do to accept crypto and currency gifts from your system?

Robbie: Just a U.S. bank account. We just need you to link your bank account so that we can get you the dollars when the donations come in.

Kerrin: Robbie, thank you so much for joining the podcast today sharing more about yourself and your work. Our listeners can learn more about Endaoment at endaoment.org, or at [discord/endaoment](https://discord.com/invite/endaoment).

Thank you so much, Robbie. So appreciate you being here.

Robbie: My pleasure. It was a good time and I'm happy to come back whenever.