

Moving Toward Equitable Funding Practices

Findings from Research on Community Foundation Practices

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Community
Wealth Partners

by **SHARE OUR STRENGTH**

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Community Wealth Partners is grateful to The Fidelity Charitable Trustees’ Initiative for financially supporting this work.

The Fidelity Charitable Trustees’ Initiative is a grantmaking program of Fidelity Charitable separate from its donor-advised fund program. Its purpose is to strengthen the resilience, sustainability, and effectiveness of the social sector’s infrastructure—the shared resources, information, networks, research, and advocacy that all donors and nonprofits need so they can achieve their intended impact.

Introduction

Individual donors are uniquely positioned to quickly provide reliable, flexible funding for nonprofits working to meet local community needs. These donors can proactively search for nonprofits working on the causes they care about and give multiyear, unrestricted support that is critical for supporting nonprofit capacity. However, interviews with 34 high-capacity donors found that this is not typically how giving occurs.

In research conducted in early 2020,¹ most of the donors we spoke with reported spending little time researching organizations to give to and instead rely on personal connections and recommendations of family and friends to find organizations to support. In order to make a larger and/or multiyear gift, most donors said they needed to have a belief in the organization’s mission, a relatively long-standing relationship with the organization, some type of personal connection with the mission or organization, confidence the organization was well run, and trust in the organization’s leadership.

While these tactics are convenient and comfortable for donors, they are also problematic. From a behavioral science perspective, using trust in leadership as a criterion for giving carries the risk of implicit bias. We tend to judge things like competence within microseconds based on factors such as ethnicity and socio-economic status.² We will like people simply because they are similar to us in some way or are familiar to us.³ Using emotional criteria for giving such as “trust” creates barriers to building relationships with nonprofit leaders from different races or backgrounds and who represent organizations not already supported by high-capacity donors or high-profile foundations.

The result of this behavior is that community-based organizations whose work falls outside of donors’ personal networks or lived experience are less likely to cultivate deep relationships that lead to significant support from donors. Multiple studies—including those from Bridgespan,⁴ Open Impact,⁵ and Building Movement Project⁶—have found that community-based organizations whose missions are focused on social change lack the networks and capacity to engage deeply with donors, which impacts the amount of funding they receive from them. This challenge is more acute for organizations led by people of color.

Opportunities for Community Foundations

Community foundations can play a powerful role in connecting high-net-worth donors with local organizations working to advance community needs—especially organizations led by people of color. Connecting donors to organizations that are providing leadership and meeting critical needs in the community is one way community foundations can help donors ensure their giving is having local

“Giving can be complicated for donors. What community foundations do really well is help them navigate that complicated space, provide a community of peers they can learn with, and offer place-based knowledge and data to help guide their giving.”

— Jennifer Touchet, Greater Houston Community Foundation

¹ Andrews, E., Bartczak, L., Brest, P., Shamash, R., and Tantia, P. (2020). Community-Based Organizations and High-Capacity Donors: Relationships, Perceptions, and Behaviors. Community Wealth Partners, ideas42, and Stanford PACS. <https://pacscenter.stanford.edu/publication/community-based-organizations-and-high-capacity-donors-relationships-perceptions-and-behaviors/>.

² Fiske, S. T., Cuddy, A. J., Glick, P., and Xu, J. (2002). A model of (often mixed) stereotype content: competence and warmth respectively follow from perceived status and competition. *Journal of personality and social psychology*, 82(6), 878.

³ Cialdini, R. B. (1993). *Influence: The psychology of persuasion*. Harper Business.

⁴ Ditkoff, S.W., Powell, A., Gardner, K., and Tierney, T. (2018). Four Pathways to Greater Giving: Bridgespan Group. <https://www.bridgespan.org/insights/library/philanthropy/four-pathways-unlock-greater-philanthropic-giving>

⁵ Culwell, A. C. Grant, H. M. (2016). The Giving Code: Silicon Valley Nonprofits and Philanthropy. Open Impact, LLC. <https://www.openimpact.io/giving-code>

⁶ Thomas-Breitfeld, S., Kunreuther, F. (2019). Nonprofit executives and the racial leadership gap: A race to lead brief. Building Movement Project. <https://buildingmovement.org/reports/nonprofit-executives-and-the-racial-leadership-gap-a-race-to-lead-brief/>

impact and can help strengthen the value proposition for donors to work with community foundations. Recognizing that many community foundations are already playing this role, we wanted to learn more about how they are doing so.

We interviewed staff members from 13 community foundations,⁷ representing a range of geographies and asset sizes (see the interviewee list on Page 14). We prioritized reaching out to community foundations who already had a point of view on racial equity because we thought other community foundations might be able to learn from their practices to connect donors and nonprofits. The staff members we spoke to primarily led donor services for their foundation, and we spoke to a few CEOs as well.

In addition, we reached out to four philanthropic intermediary organizations that are structured differently from community foundations and have an emphasis on funding social justice organizations, grassroots organizations, and/or organizations led by people of color. These interviews yielded insight into how community foundations might think differently about their role and practices they could consider to deepen engagement with communities and donors.

Interestingly, most of the community foundations we spoke with had, in the past few years, adapted their mission statements to name a commitment to advancing racial equity in their community. This affects how these foundations identify organizations to fund through their discretionary grantmaking, the conversations they have with donors, and how they think about their impact.⁸ It also affects who has access to the foundation's resources—both on the discretionary grantmaking side and from donor-advised gifts.

This report distills highlights and themes from our interviews with community foundations and other funding intermediaries. The findings are organized around three big questions:

1. **WHY Does This Matter? *Forming a point of view on racial equity***
2. **HOW Do We Direct Resources to Meet Critical Community Needs? *Ways community foundations are connecting donors and nonprofits***
3. **WHAT Difference Are We Making? *Evolving thinking about assessing impact***

WHY Does This Matter? *Forming a point of view on racial equity*

Many of the community foundations we spoke with had recently made strategic shifts to place an explicit focus on racial equity. For many, the focus on racial equity came out of a realization that race was the main driver of disparities in their community. Forming a point of view about where resources are most needed can feel like a big change for community foundations that may have previously considered their role to be neutral and their goal to be to grow their assets under management. It can spark a reorientation in how they think about who they center in their work and cause them to reconsider what it means to be donor-centric and the value they provide to donors. For nonprofits—especially smaller organizations and/or organizations led by people of color—this shift can result in new relationships with the community foundation and its donors and greater access to resources.

⁷ For this research, we focused on community foundations that support donor-advised fund giving because we wanted to learn what role, if any, community foundations play in influencing those gifts.

⁸ Similarly, research from CFLeads found that 98 percent of community foundations plan to deepen or expand their community leadership, and insisting on racial equity is a critical focus area for many. For more information, see <https://cfleads.org/going-all-in/>.

Rethinking the Foundation's Role

Before white supremacist attacks rocked Charlottesville, Virginia, in 2017, Katie Kling said the Charlottesville Area Community Foundation had a reputation as “the best-kept secret in Charlottesville.” In response to the attacks, the foundation quickly mobilized the Heal Charlottesville Fund, which has raised and distributed more than \$2 million to provide immediate aid to survivors of the attacks and support projects that help the community confront its history of anti-Semitism and racism in order to move forward.

“We had been under the radar, and the Heal Fund thrust the foundation into the spotlight,” Kling said. “The experience shaped so clearly our point of view and precipitated so many positive things for the foundation.”

Among the positive changes was a shift from thinking of themselves as donor-centered to community-centered and growing understanding of what it means to center racial equity in the foundation's work. This has also shifted how it communicates its role to donors and nonprofits.

“Historically, we would have said we're a place to facilitate philanthropy,” Kling said. “Now we say that we do that, but we also are a place that sees how the community works for some and doesn't work for others. We used to think the only tool in our toolbelt is financial. Now we're thinking about how we can expand the ways we work in our community through things like advocacy and convening.”

Redefining Relationships with Donors

The San Francisco Foundation is also thinking about how a focus on equity shifts the way it works with donors, nonprofits, and other partners in the community. The foundation rolled out an equity agenda about five years ago and is in the process of sharpening the focus of its equity agenda for greater impact.

“Community Foundations are not neutral. We have organizational values. We're trying to inspire giving, engage communities, and advance opportunities. We talk about that all the time.”

— Kirsten Kilchenstein,
Oregon Community Foundation

“This is a moment to redefine what it means to be a donor of the San Francisco Foundation,” said Ruben Orduna. “With the COVID pandemic, civil unrest happening across the country, and increasing criticism of donor-advised funds, I've never seen a moment like this. We are having conversations with donors we've never had before. They are asking questions like, ‘What does it mean to defund the police?’ ‘What does it mean to center Blackness?’ If we can get donors to move dollars into the issues we're prioritizing, that's a win.”

While some may be reluctant to raise these types of conversations out of fear of losing donors, the foundations we spoke with agreed that the benefits outweighed the risks. Most foundations reported losing very few donors in response to them taking a stand (or in some cases none at all), and they also attracted new donors.

“If we lose a few donors, the trade-off is we get loyal donors in return,” said Cecilia Clarke of the Brooklyn Community Foundation, which describes itself as a social and racial justice foundation that serves communities of color and leaders of color in addition to serving donors. “When they come to work with us, knowing our point of view, that means they're in. They want to invest in the largest social justice organization in Brooklyn.”

In South Carolina, the Coastal Community Foundation also found that stating a point of view about racial equity and social justice did not result in losing donors. “We're intentional about keeping on-ramps for donors and not shutting out people who have different views,” said Melissa Levesque. “We encourage donors to keep doing what they're doing because it's necessary, but we also encourage

them to give extra to the foundation to support our grantmaking priorities that work to advance systemic change. We don't look at giving as an either/or, it's and/both. In communicating with donors, we work to stay specific to the issues and topics that matter most to our community. We make it issue-specific, not ideological."

Moving From Ideas to Actions

All the foundations we spoke with said the work to operationalize racial equity inside their organizations is ongoing. For some, the COVID-19 crisis and the response community foundations provided to their communities accelerated this work.

The Central Indiana Community Foundation (CICF) was in the process of developing an equity framework for its grantmaking when the effects of the pandemic on the community necessitated a shift in priorities. Like many community foundations, CICF set up a response fund, which provided an opportunity to work in new ways and fund new organizations and projects.

"The fund was intended to be rapid response, but speed can be the enemy of equity, so it wasn't as rapid as some people may have hoped because we wanted to do it equitably," said Robin Elmerick. "We leaned on residents to understand the greatest needs and who was positioned to meet them. We made grants to grassroots organizations, including several who did not have 501(c)(3) status, and we had to help them find fiscal sponsors. It was a total shift for us." Elmerick says the foundation is revisiting its equity framework and that the experiences of the response fund will help inform it.

Similarly, the Seattle Foundation had been developing a logic model to reinforce a collective vision for the region to move from a current state of growing inequities to a future state of shared prosperity. "The pandemic required that we go from zero to 100 in terms of developing and deploying a plan as a response to the pandemic," Norma Fuentes said. "We were able to leverage our knowledge and experience and deploy it swiftly and effectively." The foundation's COVID-19 response sparked greater investment in Black-led organizations. Since March, Seattle Foundation has stood up several funds dedicated to support the most impacted communities in the region. One outcome of this work is Seattle Foundation's partnership and support of Black-led organizations, which led to a published report on the case for investing in Black-led organizations in King County, Washington.⁹

⁹ The Case for Investing in King County's Black Led Organizations. (2020). Seattle Foundation. <https://www.seattlefoundation.org/-/media/SeaFdn/Files/Other-pdfs/Funding-KC-BLOs-Final.pdf>.

Donor Education and Personal Transformation

Experience shows that high-touch relationships with donors yield longer relationships and increased giving. For community foundations, donor education is a key part of their value proposition.

As more community foundations take a stand on racial equity, they will need to consider how this will show up in their donor education. Interviews with two philanthropic intermediaries show how working with donors to educate them about the impact of systemic racism and encourage reflection on their own identity and family history can spark loyalty and greater generosity among donors.

Liberated Capital, a fund of Decolonizing Wealth Project, aims to help funders give more equitably and exercise the value of reciprocity outlined in Edgar Villanueva's book, *Decolonizing Wealth*. Program manager Melanie Allen spends a lot of time educating donors—many of whom may not have lived experience with the issues or communities the project supports.

“Our job is to help donors understand that the issue they care about is part of a larger system,” Allen said. “It’s not bad to have things you’re passionate about, but it’s important to recognize that you don’t know all the things contributing to the issues, and trusting the organizations working on the ground is a big part of what you should be doing as a donor. When we can, we try to connect their reason for giving to the impact of colonialism to help them see why disparities exist. Inner-work, reflection, and healing are part of the donor’s journey.”

Personal reflection and inner work are also major components of the work Resource Generation does with young people with wealth and/or class privilege committed to the equitable distribution of wealth, land, and power. Through conferences and other community-building events, members reflect on their class privilege and challenge some of their long-held assumptions.

“As members have these conversations about wealth and the shame they feel about money, they’re able to let go of some of the shame and the scarcity mindset—the fear they won’t have enough,” said Katie Wang. The impact of this reflection and connection with peers can be transformative: members give on average 16 times more after being part of the Resource Generation community than they gave prior to joining.

For Melissa Levesque at Coastal Community Foundation, MDC’s Passing Gear Philanthropy has been a helpful frame for conversations with donors. The framework says everyone has five forms of capital: 1) social, 2) intellectual, 3) reputational, 4) moral, and 5) financial.

“We try to make sure donors know that all five components created the wealth that let them set up a fund. Why not use all five as part of their intentional philanthropy?” Levesque said. “It shows that we view donors as engaged individuals and not a commodity, and it’s helpful for those who are looking for a more full-bodied experience from their giving.”

For more information, visit decolonizingwealth.com, resourcegeneration.org, and mdcinc.org/home/projects/economic-security/passing-gear-philanthropy.

HOW Do We Direct Resources to Meet Critical Community Needs? *Ways community foundations are connecting donors and nonprofits*

Connecting donors to the issues, organizations, and leaders that matter most in the community is a key way community foundations can advance racial equity and ensure that nonprofits working to serve those furthest from power and resources have what they need to invest in their own capacity. Doing this requires community foundations to first have connections with a diverse range of organizations and leaders in the community.

Forming Deeper Connections With a More Diverse Range of Organizations

Research from CF Leads found that only 18 percent of community foundations surveyed said they have excellent relationships with emerging leaders in their community.¹⁰ This suggests there is room for improvement in terms of forming connections with a diverse range of organizations serving the

¹⁰ Going All In. (2020). CF Leads. cfleads.org/going-all-in/overview.

community. In fact, many of the community foundations we spoke with recognize this and are working to do better. When we asked community foundations how they are broadening the range of organizations in their network, a few themes emerged. First, taking an objective look at your grantmaking history and practices can uncover patterns and present opportunities to make your grantmaking more accessible to a wider range of organizations. Foundations also have named practices such as deepening community engagement, leveraging special initiatives, and sharing power with disproportionately impacted communities as helpful ways to connect with a more diverse range of organizations. Read on for more details on each of these themes.

Auditing Grantmaking Practices

When the Coastal Community Foundation looked back at their grantmaking history, they found they were giving less general operating support than they thought and were giving more funding to more established, larger nonprofits than they thought. This led the team to look at their grantmaking

“Seventy-five percent of the nonprofit leaders we fund are people of color. We make it our purpose to fund smaller, grassroots organizations led by impacted communities.”

— Cecilia Clarke,
Brooklyn Community Foundation

systems with an equity lens and make changes to make the process more accessible and more equitable. Having this information caused staff to make different grantmaking decisions. Within 18 months of this review, the proportion of general operating support to program-restricted funding flipped to 60 percent unrestricted, 40 percent program restricted.

Similarly, a review of the Vermont Community Foundation’s discretionary grantmaking showed regional disparities in giving. “We found that our discretionary giving was skewing toward communities where there was enough of an economic base for nonprofits to be of a size where they could hire good grant writers,” Dan Smith said. As a result of this finding, the foundation put greater energy into strengthening its community engagement capacity and prioritized engaging with rural communities to build relationships there and better understand these communities’ needs.

Streamlining Grantmaking Processes to Cast a Wider Net

Some community foundations have found their grant applications present barriers for smaller organizations. For a fellowship program for capacity-building service providers, the Appalachian Community Fund—which supports grassroots organizations working for social justice in Central Appalachia—broadened the options beyond written applications to artistic and other non-traditional submissions to make the process more accessible.

“We find some people are intimidated by the grantmaking process,” said Margo Miller. “With our capacity-builders fellowship applications, we ask people to tell us their story. If you want to write a poem or share a video or answer questions instead of filling out the application, that is fine.”

For more information, visit appalachiancommunityfund.org.

Deepening Community Engagement

For the Vermont Community Foundation, community engagement means becoming embedded in a community, understanding trends, opportunities, and needs. Rather than holding foundation-led convenings to get community input, foundation staff make an effort to attend conversations and gatherings happening in the community, listen deeply, and follow the lead of community members to identify solutions that will make the biggest difference.

“In a small place, when a funder hosts a convening, everyone comes in with an agenda of what they want funded,” Smith said. “When we show up to someone else’s event and focus on listening and building relationships, we get a more authentic understanding of what’s happening in the community.”

One result of becoming embedded in the community has been a collaborative effort to support community development in Springfield, a community with some of the highest indicators of distress in Vermont. Working with partners, the community foundation was able to steward a mix of mission-related investments, discretionary grants, and donor-advised gifts to invest in a range of projects supporting youth development and economic revitalization.

Hawaii Community Foundation (HCF) also places an emphasis on engagement with rural communities across the state. Hawaii's geography made it natural for HCF to become embedded in the community of the islands neighboring Oahu, most of which are rural. In addition to its main office on Oahu, the foundation has offices on each of the neighboring islands. Staff in these offices stay in regular contact with emerging leaders and grassroots organizations in these communities.

Leveraging Special Funding Initiatives

HCF's efforts to become embedded in rural communities proved to be helpful in 2018 when Hawaii experienced historic flooding and volcanic eruptions that had significant impact on rural communities. As the foundation coordinated its emergency response, they quickly realized the leaders and organizations that had direct ties into the communities were small, grassroots organizations.

"In times of disaster, trust is our greatest currency, Darcie Yukimura said. "We were privileged to have long-standing relationships within the community, which allowed us to work closely with community members in order to accurately respond to their needs. We made a major shift toward trust-based philanthropy, and that has led to changes in how we work today. We try to stay on the ground, by valuing community knowledge and supporting community-led efforts."

The relationships built in 2018 also helped HCF's COVID-19 response. Similarly, other foundations shared that their COVID-response funds exposed them to a wider range of organizations, in particular smaller organizations led by people of color.

"With both our Heal Fund and our COVID-response grants, we are reaching out beyond the organizations we usually support and trying to find creative ideas in the community that are addressing inequities. This helps us think about how we foster those relationships and stay connected to those who are filling critical needs in our community."

— Katie Kling, Charlottesville Area Community Foundation

When Hurricane Harvey hit Houston in 2017, the Greater Houston Community Foundation raised \$114 million to assist in disaster relief and worked to grant those funds widely across the region. Like in Hawaii, disaster relief grantmaking exposed the foundation to organizations they had not worked with before.

"Disaster relief funding helped us uncover some of the smaller organizations that were doing tremendous work and were underfunded," Jennifer Touchet said. "Since then, we've maintained relationships with these organizations and invested in them to help them boost their capacity. When we began our COVID-19 Recovery Fund, we went back to these trusted community-based organizations and partnered with them for both private and public relief dollars to reach our most vulnerable communities."

In addition to disaster relief grantmaking, another funding initiative many community foundations have embraced is a community-wide giving day, where community foundations lift up the work of local nonprofits and encourage online giving from the community during a 24-hour timeframe. This event has helped the Community Foundation of Middle Tennessee build relationships with a more diverse range of organizations. "We've seen the online giving day be a point of entry for a much broader group of organizations that were less familiar with the foundation," Amy Fair said. "After they interact with us that way, later we see many of them apply for discretionary funding from the foundation."

Sharing Power With Disproportionately Impacted Communities

As some community foundations place emphasis on funding disproportionately impacted communities, many are engaging residents and nonprofit leaders from these communities in setting grantmaking priorities, helping communicate funding opportunities, and—in some cases—making grants decisions.

The Omaha Community Foundation established community interest funds to achieve greater racial and economic equity with a targeted focus on Black, Latino, LGBTQ, and refugee populations. Committees made of representatives from each of these populations partner with community foundation staff to guide the grantmaking process and make funding decisions. “Ensuring the people on the committees are actively engaged in the communities we seek to reach creates a larger circle than our own network to disseminate information about funding opportunities,” Matt Darling said. “The committee members advocate on our behalf to nonprofits in their own community. This has been incredibly successful in increasing the number of applicants.”

Similarly, the Oregon Community Foundation, to ensure its COVID response fund was reaching those communities most disproportionately impacted, formed community advisory teams with expertise and lived experience in disproportionately impacted communities and specific issue areas. These teams help spread the word about funding opportunities and offer advice to inform the foundation’s grantmaking, and the foundation is exploring ways to engage these teams beyond COVID grantmaking.

“Community advisory teams help us understand who we’re not reaching so we can be more intentional about inviting them to apply for funding or make unsolicited grants,” Kirsten Kilchenstein said.

Giving Circles as a Tool to Foster Connections with a Wider Range of Organizations

Giving circles are a participatory form of philanthropy where individuals pool their resources and make decisions together about what to fund. Community Investment Network (CIN) is a national network of giving circles that engages African Americans and people of color to leverage their collective resources and create the change they wish to see. CIN works with a range of partners, including several community foundations that host CIN giving circles.

“People assume you have to have a lot of wealth to be a philanthropist,” said Joy Webb, program director of CIN. “In communities of color, giving has been a way of life, but we’ve never really owned the term ‘philanthropist.’ The giving circle model lets people give the resources they have and create a larger impact than if they were doing this by themselves.”

Marsha Morgan, chair of CIN, and Webb say they have seen giving circles help community foundations deepen their connections in communities.

“Leveraging a giving circle is important because they are a good resource to understand and connect with community,” Morgan said. “Folks who give through a giving circle are probably closer to the work, more committed to the community, and more informed about what’s happening. They can tell a community foundation what the community needs. They tend to fund and identify organizations often overlooked by community foundations.”

“Giving circles can also be a way for community foundations to grow their donor base,” Morgan added. “We’ve seen giving circle members later join the boards of community foundations, lead their steering committees, and start donor-advised funds. Hosting giving circles can be a long-term strategy for engaging with communities of color, bringing people together, and allowing them to learn more about the community foundation’s work.”

In 2016, a group of people in Nashville who had been working with CIN and aspiring to establish their own African American giving circle, partnered with the Community Foundation of Middle Tennessee to create the 260 Change Fund. The relationships and learning that has come out of that partnership has led to a range of new programming at the community foundation. For example, the community foundation began offering programming during Black philanthropy month (August), convened donors of color for peer learning opportunities, launched a special funding initiative called Give Black, Give Back, and compiled lists of Black-led organizations to share with donors.

“You see giving that supports the Black community, but our friends with the 260 Change Fund helped us start to ask how we show that African-Americans are also on the supply side of philanthropy,” said Amy Fair of the Community Foundation of Middle Tennessee. “These partnerships have inspired us to identify more stories of African-American giving and lift up POC-led organizations. It also has led the community foundation to recognize more of the Black-led organizations in our community. As a result, we are encouraging more of them to apply for discretionary funds from our foundation and we are responding to more inquiries from donors about Black-led organizations they can support.”

For more information, visit thecommunityinvestment.org.

Fostering Connections Between Donors and Nonprofits

Educating donors about funding opportunities has long been a core service of community foundations, traditionally done through things like site visits and customized research based on donor interests, hosting events, and communications activities. Our interviews surfaced other ways community foundations are fostering connections between donors and nonprofits that help steer donor giving to areas of greatest need and increase accessibility between donors and nonprofits. It is worth noting that most of the activities community foundations described in interviews were designed primarily to raise awareness of issues and organizations working on those issues. Interviewees did not describe activities that fostered personal connections between donors and nonprofit leaders.

Developing Frameworks to Direct Giving

Many community foundations are gathering data on community needs and using that data to develop frameworks that guide their discretionary giving. These frameworks can also be helpful tools to share with donors to influence their giving as well.

The Hawaii Community Foundation developed its CHANGE framework to identify equity gaps in five priority areas. The CHANGE framework helps donors understand the root causes of challenges faced by the community and points to investments that will make the greatest impact. “In the area of health and wellness, for example, one of the indicators we’re concerned about is mental health,” Darcie Yukimura said. “When we know from past giving that health is a priority for a donor, we point to data on the potential causes of declining mental health and connect them with opportunities and existing organizations who are moving the metrics.”

Similarly, the Omaha Community Foundation developed The Landscape through gathering data, reviewing policy, and listening to residents in its region. The Landscape offers a framework for understanding assets and opportunities in eight areas of community life. Donors can access The Landscape online to learn more about the issues and opportunities in the community.

“It’s popular, and it has forced some donors to ask more questions,” Matt Darling said. “It allows them to dig deeper. For example, when they learn that a living wage is not \$7.85 (the current minimum wage in Nebraska) but \$15.80, that changes the way they think about how they give.”

Influenced by the work of the Community Foundation Opportunity Network,¹¹ the Vermont Community Foundation developed its opportunity gap framework, which focuses on early childhood, support for youth and families, college and career training, and community and economic viability. The foundation uses the framework to organize its discretionary funding and in conversations with donors. “It has helped us unlock more aligned giving among fund holders,” Dan Smith said.

Increasing Accessibility Between Donors and Nonprofits

Community foundations often serve as a sort of gatekeeper between donors and nonprofits in the community in order to help facilitate more efficient matchmaking. However, when community foundations play this role, donors’ ability to find nonprofits to support can be influenced by the foundation’s bias and knowledge. Some community foundations are changing the way they share opportunities with donors to make information more accessible.

The Oregon Community Foundation posted all the applications it received through its COVID-19 response fund online so anyone could see them as a way to foster connections between donors and nonprofits across the state. “It’s been warmly received,” Kirsten Kilchenstein said. “We’re trying to build bridges between the community and donors, and we track how our efforts lead to connections between donors and nonprofits.”

“At some point, almost every nonprofit development director wants to meet with me to understand how they can access our donors. I tell them to annually send me an email with a one-pager and some links to lift up the one thing you think is a high priority and appealing to donors. We forward it to donors who we think might be interested.”

— Melissa Levesque,
Coastal Community Foundation

The Omaha Community Foundation also works to build bridges between the community and donors by sharing information on its website. Like most foundations, the Fund for Omaha—a discretionary grant program of the foundation—typically receives more requests than they are able to fund. For the organizations that don’t receive grants, the foundation shares information about those requests with donors. This typically results in significant giving from donors to the projects the foundation shared.

¹¹ Learn more at cfon.org.

Putting a Spotlight on Grassroots, BIPOC-led Organizations

Some of the foundations we spoke with described their connection with smaller, lesser-known nonprofits, often led by Black, Indigenous, and other people of color (BIPOC), as a way they provide value to donors. “Our biggest value proposition is that we know about grassroots nonprofits and community-based organizations donors have never heard of,” said Cecilia Clarke of the Brooklyn Community Foundation. “We’re attracting donors who are social justice oriented, and when we introduce them to small, community-based, POC-led organizations, that’s the value we’re providing.”

Robin Elmerick of the Central Indiana Community Foundation agreed. “For any given cause, there are always the obvious organizations, but donors can find the Guidestar top-rated nonprofits on their own,” she said. “We try to help donors find the small, grassroots, POC-led organizations that would have never been on their radar. When donors come to us asking for help, we spend time making sure we are identifying the organizations that are often overlooked.”

A key way the foundation expanded its network to include the organizations that are often overlooked was through engaging a network of 36 ambassadors—residents and nonprofit leaders—representing various neighborhoods across Indianapolis. Community ambassadors played an important role providing knowledge and perspective that informed the foundation’s strategic plan. Today, six of those ambassadors stay connected to the foundation to help identify and vet local organizations, inform the foundation’s giving, and hold the foundation accountable.

After the murder of George Floyd, the San Francisco Foundation, like many community foundations, saw heightened interest from donors in supporting Black-led organizations. “Donors were asking, ‘I can give to Black Lives Matter, but what other kinds of organizations should I be looking at? What other issues should I be examining in my grantmaking?’” Ruben Orduña said. “We worked closely with our community impact team to bring ideas and organizations to donors.”

The Greater Houston Community Foundation released a Black-led giving guide in November 2020. To source the guide, the foundation reached out to a broad group, including community organizers in the Black community and other funders. Once the foundation identified organizations to include, they reached out and invited organizations to opt in to being included in the guide. At launch, the guide has more than 60 Black-led organizations included. The guide is part of their education process with donors regarding giving with an equity lens.

“This is a public website, and people will be able to add to it over time,” Jennifer Touchet said. “In our launch of this guide, we are talking with donors about the historic underfunding of Black-led organizations. Some of our donors already fund Black-led organizations, and we’re hoping this guide will encourage more donors to do so.”

Giving Projects as a Way to Build Empathy and Break Down Barriers Between Donors and Grassroots Organizations

Many of the community foundations we spoke with described their role as building bridges between donors and grassroots organizations. For donors looking to foster deeper relationships with community-based organizations and a better understanding of the issues in a community and ways to address them, participating in a Giving Project may help.

Social Justice Fund Northwest designed Giving Projects, a participatory funding model, to provide resources to grassroots organizations working for long-term, progressive social change. Giving Projects bring together a racially diverse group of people from varied class identities who are passionate about social change and want to strengthen their skills in fundraising, grantmaking, and community building. Participants work together to deepen their understanding of social justice principles and engage in collective giving and fundraising to support grassroots organizations.

For each project, the group develops a shared understanding of racism, classism, and power in society through workshops. Each participant makes a financial gift—at whatever level is meaningful to them—and commits to fundraising from friends, family, and community. Participants receive training in fundraising and the Social Justice Fund's democratic grantmaking process, where the group makes funding decisions collectively.

"Through the Giving Project, you're probably going to fund organizations you've never heard of and have the opportunity to connect to these organizations," Rebecca Allen said. In addition, encouraging donors to see fundraising as part of their role in supporting these organizations means they are telling more people about these organizations.

"By the end, many people have a switch in their thinking from 'I don't like fundraising,' to 'I can do it if and when I need to raise money for something in my community,' or 'I should be doing this more,'" Allen said.

For more information, see givingprojects.org.

WHAT Difference Are We Making? *Evolving thinking about assessing impact*

As community foundations form a point of view about racial equity and foster connections between donors and organizations working to advance racial equity, many are thinking differently about how they assess their impact. Assets under management has been a common, long-standing metric many community foundations use, but some are focusing on different metrics now.

"The measurement we're tracking now is *alignment*," said Ruben Orduña of the San Francisco Foundation. "How many donors make grants from their funds to equity-related organizations that we recommend? For FY21 we're looking to influence \$20 million in donor-advised fund grants to equity-related organizations. We are also helping other funders, like family foundations, to incorporate an equity lens to their grantmaking and giving them grant recommendations. These dollars can be difficult to track because the recommended grants do not move through the San Francisco Foundation. We are trying to identify ways to track the total dollars that we are influencing."

For example, the San Francisco Foundation hosted a forum in partnership with Fidelity Charitable to educate Fidelity fund holders in the Bay Area about how they can incorporate equity into their grantmaking.

"These aren't our donors, but if we can get these donors to move dollars into the equity space, that's a win," Orduña said. "In addition to our own donors, how do you begin to influence other funders?"

Aligned grantmaking is a goal for the Seattle Foundation as well. In her role leading donor services, Norma Fuentes ensures the donor advising team is using consistent messages to engage donors and inspire them to give in ways that align with the foundation's grantmaking priorities.

"Launching our opportunity gap framework has helped drive aligned giving. We launched our framework in 2018, and 2019 was our most robust year so far for aligned giving."

— Dan Smith, Vermont Community Foundation

"Having well-defined strategies is really important for successful fundraising," Fuentes said. "I've worked to emphasize a collective message so that our team is working from one playbook and shares the same narrative. We agree on the fundraising strategies that will guide our work. If individuals can continually engage and learn about our work over time, they start to engage and lean into the work more and more."

Conclusion and Considerations for Community Foundations

Community foundations play a vital role directing resources to areas of greatest community need—especially in times of crisis. In a year marked by dual crises of a global pandemic and a national reckoning on systemic racism, many community foundations are taking a hard look at historic patterns of funding going disproportionately to larger and/or white-led organizations.

As community foundations stretch in new ways to respond to urgent community needs and help their communities face histories of racism and oppression, many are thinking differently in their role, their value proposition to donors, and how they assess impact. The following questions can help community foundations reflect, gain alignment among board and staff on the foundation's vision and purpose, and uncover ideas for new ways of working.

1. **WHY does this matter?**

- What is the future we envision for our community?
- How do we communicate our role to donors and nonprofits?

2. **HOW do we direct resources to meet critical community needs?**

- What do our grantmaking history and application processes look like? Who are we not reaching through our outreach and grantmaking?
- How do we communicate with donors about who they are and are not giving to? How might we change the way we work with donors?

3. **WHAT difference are we making?**

- How do we define impact? What metrics matter most?
- What is our value proposition to donors?

Reflecting on these questions and taking steps to respond to what is uncovered can help ensure that nonprofits working to serve those furthest from power and resources have what they need to invest in their own capacity.

Appendix: Interviewee List

- Melanie Allen, program manager, Decolonizing Wealth Project
- Rebecca Allen, project manager, Social Justice Fund Northwest
- Cecilia Clarke, president and CEO, Brooklyn Community Foundation
- Clark Collier, donor engagement officer, Central Indiana Community Foundation
- Matt Darling, executive vice president, Omaha Community Foundation
- Robin Elmerick, director of effective philanthropy, Central Indiana Community Foundation
- Amy Fair, vice president of donor services, Community Foundation of Middle Tennessee
- Norma Fuentes, managing director, philanthropic services, Seattle Foundation
- Limay Ho, executive director, Resource Generation
- Kirsten Kilchenstein, chief philanthropy officer, Oregon Community Foundation
- Katie Kling, director of advancement, Charlottesville Area Community Foundation
- Melissa Levesque, vice president of development and stewardship, Coastal Community Foundation
- Margo Miller, executive director, Appalachian Community Fund
- Marsha Morgan, chair, Community Investment Network
- Ruben Orduña, chief of philanthropy, San Francisco Foundation
- Dan Smith, CEO, Vermont Community Foundation
- Jennifer Touchet, vice president of personal and family philanthropy, Greater Houston Community Foundation
- Katie Wang, Western regional organizer, Resource Generation
- Joy Webb, program director, Community Investment Network
- Darcie Yukimura, vice president of philanthropy, Hawaii Community Foundation