



Finding Common Language and Action

Community Philanthropic Organizations and Individual Philanthropists

Ann Graham • July 2013

Introduction

The Synergos Institute convened a focus group of international philanthropists and leaders of community foundations in May of 2013 to document from both groups the advantages and disadvantages of working together, perceived barriers, and potential ways to address the barriers.

The discussion was initiated by Shannon St. John of Synergos and facilitated by Paula Johnson of Harvard's Kennedy School of Government. The focus group and this report were made possible thanks to support from the Charles Stewart Mott Foundation.

The following key questions guided the discussion and provide the format for this report:

1. What are the opportunities for community philanthropy organizations to be resources to and expand the impact of global philanthropists?
2. What are the barriers to these partnerships?
3. How can we overcome these barriers? What are the solutions?

To avoid lengthy debates on definitions, the group used the following definitions:

A community philanthropy organization (CPO) (also known as a "community foundation"(CF)) is a geographically-based grantmaking organization which is supported by contributions from a variety of sources from within the geography it serves and deploys resources in accordance with priorities in that geography under the leadership of a governing body that is reflective of the community it serves. We



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recognize that there are many models of community philanthropy organizations around the core elements of local ownership and control; mobilizing of local resources (financial and non-financial); and grantmaking to meet local needs and opportunities. In addition to these core elements, many CF's/CPO's receive substantial funding from international contributors or others outside the geography they serve, seek to create a permanent asset base in the form of an endowment, allow donors to establish individual funds within the CPO for specific purposes, and operate direct charitable programs. (Note: "community foundation" and "community philanthropy organization" are used interchangeably)

Individual philanthropists are individuals or families who make monetary gifts directly from their own resources OR who give through a foundation or trust controlled by them or their families OR who give through corporate entities controlled by them or their families.

The participating CPOs and the philanthropists represented each continent with a 50-50 balance between the two groups. Attendees included:

<i>Name</i>	<i>Representing</i>	<i>Country</i>
Clare Brooks	CPO	Australia
Lucia Dellagnelo	CPO	Brazil
Paula Johnson	Facilitator	United States
Pierre Noel	CPO	United States/Haiti
Ricardo Betancourt	Philanthropist	Mexico
Adriana Cortes	CPO	Mexico
Claire Du	Philanthropist	China
Beulah Fredricks	CPO	South Africa
Ann Graham	Recorder	United States
Jerry Hirsch	Philanthropist	United States
Libor Maly	Philanthropist	Czech Republic
Clare Mathias	Philanthropist	United Kingdom
Inviolatta Moyo	CPO	Zimbabwe
Ellen Remmer	Philanthropist	United States
Shannon St. John	Host	United States
Bing Wang	Philanthropist	China
Martin Yang	Philanthropist	China

The participating individuals were invited for their expertise and not expected to conduct extensive research prior to the meeting.

The following materials (or links to them) were provided:

- Results of the Synergos' surveys of CPOs and individual philanthropists
- WINGS *Community Foundation Global Status Report 2010*
- Aga Khan Foundation and Mott Foundation 2012 Report: *The Value of Community Philanthropy*
- Global Fund for Community Foundations Report, *More Than the Poor Cousin?*

Opportunities for Community Philanthropy Organizations to be Resources for and Expand the Impact of Global Philanthropists

Participating philanthropists unanimously recognized the value of community philanthropy organizations to their own philanthropic work and to that of other philanthropists. They identified a number of ways in which CPOs could be resources to and expand the impact of individual philanthropists.

Extending Reach into Local Communities

CPOs can offer essential knowledge of and connection to local communities. As noted by one philanthropist, "CPOs provide the missing link between community and donors, acting as an essential vehicle for identifying specific issues relevant to a particular community." Often untapped, CPOs have years of expertise in understanding and thinking about the most strategically beneficial ways to invest in local communities and offer the necessary catalyst or missing link to what is possible and needed in a particular community.

Another philanthropist described the CPO role as "mediating cultural competency." For donors who are not intimately familiar with the communities where they focus their philanthropy, the CPO can "help to interpret for the donor the local community/NGO culture." Philanthropists, in turn, become "culturally competent" through the local knowledge of the CPO. Community foundations can also be invaluable brokers in establishing community ownership. They can be a means of accessing local knowledge and connections and "help mediate meetings with important stakeholders who would not normally meet with philanthropists."

Mediation skills and capacity lead to a key, invaluable role of CPOs: expertise in "bridging capital," or bringing together "those with dissimilar views and from different sectors." As one philanthropist noted, this expertise "extends my reach."

Another philanthropist commented, "If community institutions such as CPOs did not exist, philanthropic resources could not be effectively utilized to effect change and address social

justice, because individual philanthropists would not alone be able to understand or access that space.”

CPO capacity to broaden reach also extends to its relationships and cultivation of the diaspora. Diaspora communities are significant givers to their home communities. As one CPO participant emphasized, “one million Haitians reside outside the country.” Their giving is a powerful extension of community voice.

Vehicle for Partnerships

Community foundations are also viewed as critical institutions for building partnerships among various stakeholders to address long-term development issues. In several instances, notably Mexico, Australia and the United Kingdom, community foundations serve to attract public (government) funding for community development needs and often include private philanthropic funds. Many of the individual philanthropists at the table particularly valued this role as it offered excellent leveraging opportunities that would not otherwise be available. In one case in Mexico, the government collects self-imposed taxes on businesses through payroll taxes and returns the amount assessed to the community foundation. In the United Kingdom and Australia, the government matches private funds.

In China, leveraging has different connotations. Individual philanthropists can work with small, community foundations and incorporate these smaller foundations into a larger system to create more impact.

Individual philanthropists also mentioned that CPOs can bring together many philanthropists and other donors to address short-term, immediate (e.g. natural disasters) or long-term needs. One participant said the CPO “can identify a specific issue with a specific set of goals, and then facilitate” a group of donors to address it. In one example, the community foundation amalgamates local development funding from different sources such as government, community, individuals, and companies. It “then it becomes one development project.” Whether one-off convening or long-term strategic development, CPOs can play a crucial role.

Engagement, Education, and Innovation

Community foundations are the place where donors have the opportunity to become engaged in the local community and educated about local needs and innovative practices in philanthropy. Community foundations are “educators, providing opportunities for people [i.e., philanthropists] to learn.” More than learning, however, is the capacity of CPOs to “encourage engagement.” Philanthropists are often perceived by CPOs as “doing their own thing.” It is incumbent on CPOs to connect and convene them if the potential partnership for the community will produce results.

The importance of “connecting and convening them” again emphasizes the bridging role of CPOs. Their ability to introduce innovations such as giving circles and impact investing is appealing to philanthropists who view these strategies as ensuring more funding for social investment. CPOs’ efforts to engage the next generation are also useful to philanthropists concerned about how their children will carry forward family legacies. One philanthropist summed up these strengths by stating, “Community foundations can be a beacon, a center for gathering.”

Barriers to Partnership Opportunities between CPOs and Philanthropists

The focus group revealed that regardless of geography, culture and history, philanthropists have a great deal in common with one another. They spoke a similar language and reiterated similar points. This was also true of community philanthropy organizations. They shared a common understanding and belief set despite differences in region, culture or services provided. The larger gap existed between philanthropists and CPOs. These gaps included differences concerning vision and agenda, ownership and accountability and transparency, communication and trust.

The CPO participants generally did not view individual donors' visions and agendas as similar to or compatible with the visions and agendas of community foundations. In fact, CPOs used phrases such as “ego driven,” “immature,” and “lacking respect of minorities and indigenous people” in their descriptions of the work and motivations of individual philanthropists. One CPO leader noted, “questions from donors to CPOs about compatibility with *our* vision is the wrong question. The question should be about whose agenda the CPO is working for and what pool of money is available for this work.”

Potential conflicts between who owns the giving process and who controls the agenda are critical to the resolution of many of the barriers to working together. The CPO participants voiced the impression that donors often consider CPOs as simply re-grantors rather than as engaged community forces that create agendas with their respective communities. They noted that the traditional grant-making model exists in only six countries globally. The participating philanthropists, however, asserted that that CPOs *should* develop beyond grant making and become an innovative force on their own. As one philanthropist asserted, “innovative, community-centric CPOs are increasingly the global norm.” Interestingly, less than half of the CPOs in the world are located in the United States. The search for innovation is concentrated in other countries.

In general, divisions exist between philanthropists and CPOs regarding what donors donate to and what is needed. In the United Kingdom, for example, 80 to 90% of funding by donors is given to only 8 or 9% of charities. These charities, known as the “big brands,” successfully

attract large donations leaving smaller, lesser-known (and not easily found) community groups without sufficient funding. Donors also regard these small community groups to be less impactful, less bold and innovative than more well-known “brands.” All participants agreed, however, that research is needed to gain more knowledge about the work of CPOs. In particular, the participating philanthropists noted that lack of public information about the impact of community foundations is a problem for them. The question arose, “what do we need to do to find those organizations that are making an impact on a smaller scale?”

Without accessible, public information about what CPOs accomplish, credibility is hampered. CPOs need to build the capacity of the community to tell its story in ways that are relevant both to the community it serves and to potential donors. In some countries, lack of transparency as well as government’s inability to recognize the differences between CPOs and NGOs are barriers. Thus, the difference between the long-term development capacity of CPOs and the often necessary, short-term, immediate assistance offered by NGOs is often obscured. Many at the table believed that CPOs place more emphasis on promoting who is donating funds than the foundation and its purpose. This raises concerns about who controls the agenda.

Participating CPO leaders in the room insisted that their agendas focus on the needs of people in their respective communities. Their funding relies on the diversity of smaller, local donors. CPOs are concerned that philanthropists are more beholden to the philanthropic sector itself rather than the people and communities served. They assert that the “ego-based missions” of philanthropists are not conducive to community-based philanthropy. At the same time, philanthropists believe that the missions of CPOs are unclear to them and require improved articulation. As one philanthropist commented, “CPOs have many stakeholders with many missions” which may dilute their capacity in the eyes of individual philanthropists.

Another related area of discussion centered on questions of accountability, confidence and trust between CPOs and individual philanthropists. CPOs are frustrated by the “immaturity of donors” who often require “a philanthropic journey” to understand their passions, values and interest in giving. This journey, however, requires a large investment of time for both but without the guarantee of eventual partnership for the CPOs. Philanthropists’ lack of knowledge of local cultures, indigenous organizations and practices also requires education from the CPOs – an additional investment in time.

Decisions by philanthropists about which CPOs are reliable international partners are also affected by misperceptions about local culture and practices. A prime example is Haiti. Perceptions of local corruption and the limited number of local organizations touted as “reliable” encourage philanthropists to “gravitate toward specific groups” and limit the range and diversity of giving needed in the country.

CPOs' lack of self-confidence and business expertise frustrated the participating philanthropists. For them, this insecurity translated into lack of confidence in the sector itself. Philanthropists, often business people themselves, also insisted that best business practices were not practiced by CPOs. Concern about business practices prompted a Chinese philanthropist, voicing a sentiment stated by many others, to offer a business relationship analogy. He said it is necessary to "get to know one another, make initial compromises, and then you can do more creative projects together. CPOs need to understand donors' need for efficiency, and donors need to understand community needs."

What Can Be Done to Overcome the Barriers? Proposed Solutions

The above analogy prompted the conversation to begin to identify solutions to the barriers presented. The core solution, discussed in many forms, was education of and communication between both sectors. This included:

- Communication and training – "working toward a common understanding of society for the entire field"
- Mediator/translator role – "talking both languages, encouraging dialogue, understanding the same language"
- Education both ways – CPOs need to understand how the donor side works, and donors need to understand the different profiles of CPOs
- Expanding field-building in-country with grassroots organizations; increasing the confidence of donors in the CPO and NGO sector.

Philanthropists were eager to work with CPOs to assist them to understand how the donor side works. This may include offering internships in companies to improve best practices and learning how to develop business plans. Donors require more understanding of the diversity of the CPO sector which includes recognizing that CPOs have different profiles depending on location, government regulations, and community served. Joint strategic efforts are needed to understand where the missing links are and what and where connections should be made. Both donors and CPOs must work toward common understanding of community and societal needs through training and improved communication. Acting as mediators and translators for one another, donors and CPOs require a common language that encourages improved dialogue.

In addition to the overall recommendations above, some of the other ideas that were voiced included:

- Introduce experts and entrepreneurs into the governance of CPOs. Their inclusion on the board would help to ameliorate concerns about poor business practices as well

as corruption.

- CPO publication of a “vital signs” report. Such a report would provide donors with key indicators of the health and quality of living in their respective local community or society. The report would position the CPO as a “reliable, knowledgeable source.”
- Include academic sectors as partners to bring added credibility and diversity of skills and knowledge
- Educate young philanthropists about both sectors early in their careers
- Introduce giving circles and women’s funds as a method to introduce donors to CPOs
- Expand field-building in-country with grassroots organizations to increase the confidence of donors with CPO sector
- Engage the professional advisors of philanthropists as they are often the gatekeepers to the individual donor
- Include CPO representatives with global philanthropists in ambassador programs. Both sectors work together to familiarize and understand cultures and societies
- Work together to establish CPOs as centers of excellence.

The task ahead, then, does not center on technical issues such as tax laws and specific types of services offered. The focus is the “softer” issues of educating, engaging, and building communication, trust, respect, and understanding. Synergos voiced commitment to continuing this process, with the vital information provided by this session, in the second phase of the project. Many participants similarly have expressed an interest in a continuing role. Synergos anticipates a holding a series of gatherings in key regions globally to further build the potential for encouraging individual philanthropists and community philanthropy organizations to work together throughout the world.