



Collaborative Philanthropy:

WORKING TOGETHER TOWARDS
THE GREATER GOOD

PRODUCED BY MOONRIDGE GROUP

Foreword

Today, right here in Southern Nevada, doctors and researchers are fighting at the cutting-edge of debilitating neurocognitive disorders; food assistance is being distributed at over 650 neighborhood locations to the nearly 1 in 6 people who struggle with hunger; and thousands of school kids are being delighted and inspired by the best of Broadway, in our very own Heart of the Arts. Each of these triumphs is a testament to the power of philanthropy in Nevada; each is an embodiment of our community's unmistakable *can do* spirit.

Yet much progress remains to be made. Our community desperately needs meaningful public education reform, better healthcare, and more opportunity for low-income people to improve their lives. And while philanthropy cannot alone accomplish these monumental goals, it should play a leading role in bettering our community (as it has for many years).

Philanthropy is the practice of giving, whether it is your money, time, skills, intellect, or network, and in any amount you can. It is deciding that you will use your resources to positively shape the world.

Both of us enjoy the deep satisfaction, the incredible excitement, and the unique responsibility of using our resources to help others. As such, our goal is to expand the number of philanthropists in our community.

This brief – the first in a series we jointly commissioned – highlights major trends in how philanthropists are working together to improve communities across the country. Future briefs will focus on how philanthropists can develop strategies to maximize their resources, and how they can better support their beneficiaries.

We hope you will review the ideas shared in this brief, and consider how you can engage in our community. Do you have resources to give? Can you work with other philanthropists to make even more progress in our community? We invite you to partner with us as we work together to improve our great city!

Diana Bennett
Philanthropist



Kris Engelstad McGarry
Philanthropist



Preface

Paul Brest, the outgoing President of the William and Flora Hewlett Foundation, recently suggested that we should think of the past 10 years as the “Decade of Outcome-Oriented Philanthropy.” Explaining his sentiment, Brest wrote, “The idea that philanthropy should seek results may seem so obvious... but despite the increasing belief that [our work] should rest on goal-oriented, evidence-based strategies, very few donors actually follow these principles.”

Transitioning your giving from well-intentioned and charitable to strategic and proactive can be immensely difficult. As evident, it has only been in the past decade that outcome-oriented philanthropy transcended from major American foundations like Hewlett to everyday people whose philanthropy is more likely to include volunteer time than million dollar grants. However, in communities where philanthropists are making the shift, the results are immediately apparent – resources are being maximized, overall philanthropic activity is rising, and, importantly, daunting challenges like public education reform are experiencing meaningful forward movement for the first time in generations.

In an effort to better position our local philanthropic community, Moonridge Group is producing a series of briefs that highlight best practices in strategic philanthropy from around the country. This first brief focuses on how philanthropists can work together to accelerate progress; forthcoming briefs will guide funders on developing their own philanthropic practice and strategies.

Our hope is that this series of briefs, which was generously commissioned by the Bennett Family Foundation and the Engelstad Family Foundation, will provide insight and guidance to local philanthropists who seek to maximize the impact of their resources. Further, we hope these briefs will empower more and more people in our community to embrace the deeply rewarding practice of strategic philanthropy.

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Philanthropy has grown dramatically in the past few decades – it is more inclusive, more public, and more strategic than ever before. However, motivated by decreased public and private resources, and fatigued by the lack of progress in overcoming daunting, large-scale challenges like public education reform, philanthropists are increasingly working together to accelerate progress.

This brief highlights ways that philanthropists are collaborating in communities around the country. Specifically, this brief examines how philanthropists are:

- A) aligning their thinking and establishing common performance measurements by sharing data and information with each other;
- B) pooling their resources for greater impact; and
- C) using their collective resources to seed large-scale, multi-sector partnerships.

First, however, the national philanthropic landscape is reviewed for context.

The American Philanthropic Landscape

In the 130 years since revolutionary philanthropist Andrew Carnegie argued that rather than “leaving wealth to their families, [the rich should] administer it as a public trust,” American philanthropy has grown dramatically. Today, the practice includes everyday people and businesses of all sizes, as well as the extraordinarily wealthy; similarly, the way people give has evolved. Best selling author and philanthropist Laura Arrillaga-Andreessen, explains that today’s philanthropist is “anyone who has generosity... anyone who gives anything,” and that “it is not about how much a person gives, it is about how they give.”ⁱ

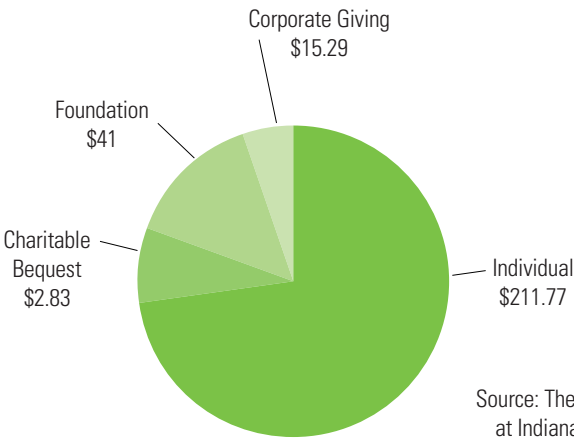
In addition to growing more dynamic, philanthropy has grown in scale. For example, in 2010 – despite the deep economic recession – American people, businesses and foundations gave approximately \$291 billion to charitable causes.ⁱⁱ Additionally, Americans donated an estimated \$340 billion in volunteer time and in-kind in 2010, making the total philanthropic market value some \$631 billion.ⁱⁱⁱ

Naturally, as more people gave more resources, the causes philanthropy supports proliferated. There are now over 1.5 million registered nonprofits vying for philanthropists’ resources.^{iv} Still, religious issues receive far more resources than any other category – some two and half times more than education and four times more than health causes.^v

As a result of this incredible growth, American philanthropy strengthens the quality of life for hundreds of millions of people across the globe. Everyday our charitable giving increases life expectancy by providing and innovating medicine; it diminishes the grasp of grinding poverty by connecting people to transformative opportunity and quality education; and it builds greater civil societies by investing in culture and ideas.

Highlights of Charitable Giving in 2010

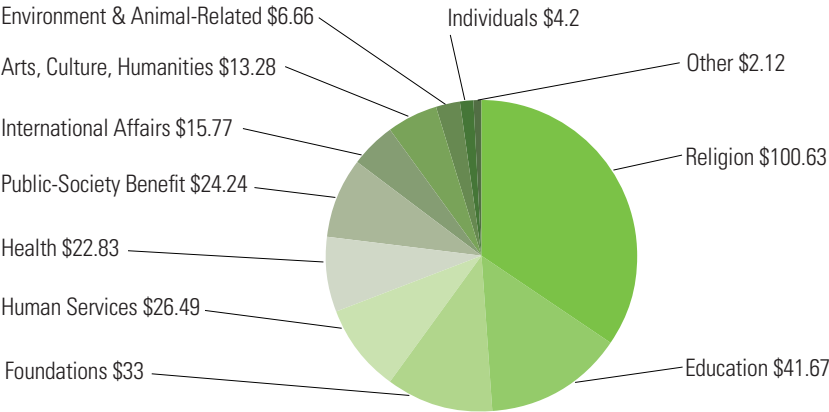
Gifts by Donor Type



TOTAL GIVING
2010 - \$290.89
Dollar Amount
in Billions

Source: The Center on Philanthropy
at Indiana University; Foundation
Center, Highlights of Foundation
Yearbook, Dec. 2011

Gifts by Recipient Type



National Trends in Collaborative Philanthropy

Collaboration has been a high-value concept in philanthropy since the early 20th century when major American foundations like Carnegie Foundation and Rockefeller Foundation worked together to address public education and health. However, with far more philanthropists focused on being outcome-oriented than just a decade ago, the need to meaningfully collaborate has emerged again as a key strategy. Indeed, collaboration is arguably the most prominent trend in American philanthropy today. Popular collaborative models, which range from information and data sharing to giving circles to highly complex community collaboratives, are highlighted below.

A. Sharing Data and Direction

Eight years ago, pioneering social entrepreneur Andrew Wolk organized a group of philanthropists to start a venture-capital forum for Boston-area nonprofits. As Wolk explains it, “the idea was to build a community of leaders representing nonprofits, philanthropy, government, and business committed to allocating resources to nonprofits on the basis of their performance.” The problem, however, was that Wolk’s group could not gather enough data and information about the nonprofits to actually “invest in what works.”

Undeterred, Wolk and his colleagues created a data and analytics exchange to provide accurate, useful information to donors wanting to make data-driven philanthropic gifts. They believed that similar to how their private capital market brethren use CNBC and Bloomberg for investment information, so too would social market investors if a similar platform existed. As a result of the data exchange they created, philanthropists in Boston are increasingly investing in the market’s highest performing nonprofits (as opposed to, say, the ones with the best marketing or development staff).

As philanthropists in Southern Nevada increasingly think of their charitable funding as investing, it becomes evermore important for the community to develop a platform to share timely data and analytics about social issues and nonprofits. Similarly, sharing information and expectations is an important part of getting funders aligned in their thinking about what they aim to collectively accomplish.

Philanthropist-driven information exchanges, like the one Wolk created in Boston, are increasingly empowering funders around the country to make more effective and informed decisions about their giving.^{vi} Moreover, early data seems to show that where there is strong, accurate information flow, the volume of philanthropic resources in a community actually increases.^{vii}

B. Giving Circles

Funders are increasingly getting together to give. “Donors no longer want to give in isolation – they want to get together to share their ideas and excitement. That want to talk to each other about philanthropy, to compare experiences and problems, and to ask basic questions about communities,” explains Arrillaga-Andreessen.^{viii} Indeed, in the 15 years since Arrillaga-Andreessen founded SV2, a giving circle in Silicon Valley, more than 600 giving circles have formed and are now distributing over \$100 million a year.^{ix}

Giving circles bring together like-minded donors to contribute between a few hundred dollars to and several hundred thousand dollars into a pooled fund, and then collectively determine how to give those funds. For philanthropists, the appeal is two-fold: first, giving circles are a way to be more involved in one’s own giving; and second, once pooled, one’s giving becomes much more impactful.

Importantly, giving circles are empowering philanthropists to learn more about the issues that concern them, as well as develop better giving standards. Through giving circles’ experiential process, philanthropists are becoming more involved, proactive, and structured in their giving. The direct result, especially for newer philanthropists, is increased understanding of best practices and evaluative skills, which leads to more effective giving and often higher rates of giving.^x

Through their hands-on giving processes, giving circles are also directly strengthening nonprofits’ operations. Nonprofits understand that in order to be competitive in a giving circle’s rigorous grant review cycle, they must operate efficiently and effectively.

In 2006, Nevada Women’s Philanthropy was established to address the needs of the greater Las Vegas community. This member driven, pooled fund, large impact grant making organization is leading the way for giving circles in Southern Nevada. Since its inception, Nevada Women’s Philanthropy has grown to over 75 members, and granted over \$2.1 million.

C. Community Collaboratives

In communities across the country, large-scale, multi-sector partnerships are leading the fight to overcome grinding problems that have plagued the nation for decades. These community collaboratives function primarily to coordinate the resources of diverse stakeholders, and to collectively formulate and implement system-change approaches to address issues like public health and education.

Consider Cincinnati as an example. For decades, public and private funders fought tirelessly to improve performance in the city's abysmal public education system. Despite countless heroic teachers and administrators, incredible nonprofits, 'best practices' operations, and tens of millions in charitable contributions, progress remained elusive. It was not until a new nonprofit formed to organize the city's leading stakeholders that meaningful progress was made. That new organization, Strive, rallied over 300 key stakeholders to support a bold new mission: to coordinate improvements at every stage of a young person's life, from "cradle to career."^{xi} To accomplish this, all participating leaders agreed to adopt a single set of goals (as addressed previously in this brief), along with a single, complimentary set of performance measurements. Just a few short years later, Cincinnati school kids are demonstrating success – 34 of the 55 performance indicators Strive adopted are showing positive trends.

Community collaboratives, like Strive, are setting the standard for how philanthropists can bring together public leaders, nonprofits, businesses and other funders to develop and execute a community-wide strategic plan to overcome complex challenges.

What would a community collaborative in Southern Nevada look like?

According to Bridgespan, a global leader in social impact, it would include: ^{xii}

- 1. Commitment to long-term involvement.** Successful collaboratives make multi-year commitments because long-term change takes time. Even after meeting goals, a collaborative must work to sustain them.
- 2. Involvement of key stakeholders across sectors.** All relevant partners play a role, including decision-makers from government, philanthropy, business, and nonprofits, as well as individuals and families. Funders need to be at the table from the beginning to help develop the goal and vision, and over time, align their funding with the collaborative's strategies.
- 3. Use of shared data to set the agenda and improve over time.** Data is central to collaborative work and is the guiding element for collaborative decision-making.
- 4. Engagement of community members as substantive partners.** Community members maintain involvement in shaping services, offering prospective and providing services to each other – not just to focus group participants.

Conclusion

As individual philanthropists continue to grow more strategic with their resources, does it not make sense to increase collaboration among funders as well? Said another way: why would philanthropists not work with one another to get the most out of their collective resources?

From sharing data and direction, to giving together, to using their resources to develop massive new initiatives, philanthropists are finding new ways to collaborate. In fact, the strategies highlighted in this brief are helping funders across the country bring the full force of their resources to bear.

Here in Southern Nevada – especially because we have a relatively *young* philanthropic community – there is a significant opportunity to increase collaborative philanthropy. Moreover, if local funders embrace a collaborative approach that is fundamentally outcome-oriented, our opportunity becomes nothing short of incredible. Indeed, imagine what a group of philanthropists who share outcome expectations and resources could accomplish in our community.

- i Arrillaga-Andreessen, Laura. "Giving 2.0: getting Together to Give," *Stanford Social Innovation Review*, Winter 2012, 31.
- ii "Giving USA 2010, Executive Summary." *Giving USA*. June 2010.
- iii Wolk, Andrew. "Social Impact Markets," *Stanford Social Innovation Review*, Winter 2012, 22.
- iv *National Center for Charitable Statistics, Quick Facts About Nonprofits*. Aug. 2011.
<http://nccs.urban.org/statistics/quickfacts.cfm>
- v "Giving USA 2010, Executive Summary." *Giving USA*. June 2010.
- vi Meehan, Bill; Jonker, Kim. "The Rise of Social Capital Market Intermediaries," *Stanford Social Innovation Review*, Winter 2012, 48.
- vii Meehan, 48.
- viii Arrillaga-Andreessen, 33.
- ix Arrillaga-Andreessen, 31.
- x Arrillaga-Andreessen, 33.
- xi Wolk, 21.
- xii "Needle-Moving Community Collaboratives." *The Bridgespan Group*. June 2012



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