



Collaboration Through Funder Networks

Grantmakers for Effective Organizations
in partnership with
Council on Foundations
Forum of Regional Associations of Grantmakers
and
Funders Network for Smart Growth and Livable Communities

with support from the David and Lucile Packard Foundation



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GRANTMAKERS
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ORGANIZATIONS

Grantmakers for Effective Organizations — in partnership with representatives from the Forum of Regional Associations of Grantmakers, the Council on Foundations and Funders Network for Smart Growth and Livable Communities and with support from the David and Lucile Packard Foundation — is making sense of the current landscape of funder networks with an eye toward greater coordination of effort and the ability of emerging donors to more quickly find like-minded colleagues by developing a comprehensive directory and maps of funder networks. In addition, this project includes survey research and a series of case study interviews designed to deepen our understanding of the potential for funder networks to accomplish goals and activities that lead to greater funder effectiveness. This report explores the practice of collaboration by funder networks, integrating findings from our survey of nearly 200 participating funder networks and interviews with four funder networks.

The Research

This report is based on findings from a survey of nearly 200 funder networks and interviews with the following four networks:

- Hispanics in Philanthropy (www.hiponline.org)
- AIDS Partnership California (www.aidspartnershipca.org)
- Women & Philanthropy (www.womenphil.org)
- The Joint Affinity Groups (Contact Jeanne Argoff at njargoff@aol.com or Nancy Cunningham at nancy@lgbtfunders.org.)

Understanding Collaboration

Funders widely recognize that philanthropy could be more effective if funders with common goals were better able to share knowledge, collaborate and coordinate resources. The growing number of foundations, many with strong a sense of independence, is a sign of the sector's vitality, but it also creates a need for funders to work against a ten-

dency toward fragmentation. The rapid proliferation of funders' affinity groups, regional associations, collaboratives and other networks is a clear indication that funders are looking for ways to connect and join forces with their natural allies.

Networks of funders are natural collaborators, as they are primarily vehicles for collaboration themselves. Networks provide a venue for funders to gather together to discuss common issues, learn from one another and develop relationships. At the same time, networks pursue a wide range of collaborative efforts from co-hosting a workshop or conference to managing a pooled fund.

Most funder networks either currently collaborate with another organization or have done so in the past. Survey findings show that less than one-quarter of funder networks have *no* collaboration experience. The types of collaborations that networks engage in are quite varied, ranging from pooled grantmaking to sharing an email list. (See table on Types of Collaboration in Which Funder Networks Engage).

In addition to these collaborative activities with other organizations, one-third of networks manage a pooled fund among members.

Collaboration in Practice

To further illuminate survey findings regarding funder networks' experiences with collaboration, we took a closer look at two types of higher-intensity collaborative projects: funding collaboratives and collaborative research efforts. These "real-world" case examples are presented here to provide a clearer understanding of the way networks collaborate.

Funding Collaboratives

Though quite different from one another, Funders' Collaborative for Strong Latino Communities Project (the Funders' Collaborative) and AIDS Partnership California (APC),

are two examples of successful funding collaboratives. In a funding collaborative, members of the collaborative contribute money or expertise to a pooled fund. These funds are awarded through an agreed-upon process to achieve specified goals of the collaborative.

Genesis of the Funding Collaboratives

The Funders' Collaborative was a natural outgrowth of Hispanics in Philanthropy's other programmatic work. HIP was founded in 1983 to promote stronger partnerships between organized philanthropy and Latino communities. As HIP grew, it began to develop an agenda that was about more than simply promoting the careers of Latinos in philanthropy, it was also concerned with developing the presence of philanthropy within Latino communities. HIP leadership and members began to see that simply promoting leadership within foundations was not achieving impact in Latino communities. "We began to question what we could do to bridge the gap between those nonprofits that were important to our communities and foundations that had no interest in funding Latinos," says HIP's executive director, Diana Campoamor. Out of that questioning the Funders' Collaborative for Strong Latino Communities was born in 2000, a \$16.5 million coordinated effort of local, national, and transnational funders and corporations to build capacity among small- and medium-sized Latino nonprofit organizations in the United States and Latin America through technical assistance and grantmaking.

APC, on the other hand, was not an obvious outgrowth of other work of its parent organization, Northern California Grantmakers.

Rather, it was an innovative response to the changing HIV/AIDS epidemic. APC developed from an earlier funders' collaborative, the AIDS Task Force (ATF). ATF, established in 1988, represented an early response to the HIV/AIDS epidemic. According to APC Director John Dunn Mortimer, the AIDS Task Force predated the Ryan White CARE

Collaboration Types (n=110)	No. of Networks	Percentage
Conference	59	54
Shared e-mail or mail list	55	50
Advocacy	42	38
Research or evaluation	41	37
Communications effort	40	36
Coordinated planning or needs assessment	25	23
Pooled grantmaking	21	19
Joint newsletter or publication	20	18
Joint fundraising	20	18
Knowledge management	20	18
Shared office space or equipment	19	17
Site visits	18	16
Shared staff	11	10
Other	8	7
Earned income venture	5	5

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— Diana Campoamor, HIP Executive Director

Act, other federal AIDS funding, and intensive community planning processes. At a time when there was little or no public funding of an enormous public health crisis, the AIDS Task Force was a bold response from the funding community in Northern California.

Yet 10 years later, the epidemic had changed drastically and NCG took a fresh look at its vision for the AIDS Task Force. By this time, there was considerably more government funding available for basic HIV/AIDS services, so NCG made the decision to focus on a newly emerging issue — prevention for positives. Prevention programs that target people

who are already HIV-positive to prevent further transmission and the onset of illness were a crucial issue but were controversial at the same time. Little funding existed for such programs. The California State Office of AIDS was also beginning to see the importance of this issue, so the AIDS Task Force made the decision to enter into a public/private partnership with the state and, in 2000, changed its name to AIDS Partnership California.

Structure

HIP's Funders' Collaborative is by far the larger of these two collaboratives. With more than 100 participating funders, the Funders' Collaborative is a \$16.5 million effort that funds in Latino communities throughout the United States and Latin America. The Funders' Collaborative focuses on

building the capacity of small and midsized nonprofits serving Latino communities.

APC, on the other hand, involves many fewer funders. There are a total of 17 funders involved, including the California State Office of AIDS (Department of Health Services). Some of these funders serve on the advisory committee, some donate funds and some do both. Whereas the Funders' Collaborative funds throughout the United States and Latin America, APC focuses on the state of California only. Since 2000, APC has made 30 grants to 17 organizations totaling \$1.65 million.

One important way in which these two funder collaboratives differ is in the role each plays within its host organization. HIP is a funders' affinity group, affiliated with the Council on Foundations. Its mission is to serve as a catalyst to increase resources for the Latino and Latin American civil sector, as well as to increase Latino participation and leadership throughout philanthropy. The Funders' Collaborative is HIP's largest and most visible program and a critical strategy for accomplishing its mission. According to Campoamor, all HIP staff are involved in the collaborative as well as in HIP's other work to build the network. This helps create an integrated vision. Because the Funders' Collaborative is so large and successful, Campoamor feels it could take on a life of its own. Yet she asserts that the real value the collaboration adds is members' engagement, knowledge and ideas. The Funders' Collaborative is just one strategy for accomplishing HIP's mission, and therefore HIP takes great care to keep it firmly tied to all of the affinity group's work.

Characteristics of Collaborating Funder Networks

Survey results reveal a number of network characteristics that are important predictors of involvement in collaborative activities:

- Mature networks (mean=12.8)* have engaged in more collaborative activities compared to networks in the startup (mean=4.0) and growth (mean=8.5) stages of development.
- Funder networks with professional staff (mean=11.7) have engaged in more collaborative activities than those without professional staff (mean=6.9).
- Networks with centralized leadership (mean=11.0) are, on average, involved in more collaborative activities than those with leadership that is more diffused (mean=8.0) throughout the network.

* Means indicate scores on a 30-point scale where points are assigned for engagement in collaborative activities.

APC's role within its host organization, NCG, is different. NCG is a regional association of grantmakers, bounded by geography and not by any specific issue area. APC is an invaluable structure for those funders concerned about HIV/AIDS and is an important program for NCG. NCG also serves many members that do not fund in the area of HIV/AIDS, so APC does not occupy the same central place within the organization as the Funders' Collaborative does within HIP. Also unlike the Funders' Collaborative, APC staff dedicate their time to the funding collaborative and do not work on other NCG programs.

The Funders' Collaborative and APC differ in their decision-making structures as well. The Funders' Collaborative is driven by funders who comprise an assembly. The assembly sets the governance and grantmaking policies. Funds donated by assembly members are matched at the regional level. The specific grantmaking decisions of the Funders' Collaborative, however, are made at the regional level by local site committees comprising of local and national funders and a representative from the HIP board of directors. By keeping grantmaking decisions at the regional level, the Funders' Collaborative helps to empower local communities.

APC has a more traditional, centralized decision-making structure. APC has an advisory committee with expertise from philanthropy, the state, and the University of California's AIDS Research Project. The advisory committee provides strategic direction, sets priorities for grantmaking and approves grants that are awarded. NCG's board of directors is technically responsible for allocating APC's budget, though the board generally adheres to the advisory committee's recommendations.

Purpose

Despite differences in size and structure, both APC and the Funders' Collaborative consider their added value to be their focus on innovative grantmaking. Says Campoamor, "One of our aims is to be like the alternative press. The alternative press seeks to uncover stories not visible to the [mainstream] press. We like to find wonderful nonprofits that have the potential for growth, that have escaped the view of other funders." Campoamor cites several organizations that the Funders' Collaborative has seen grow, in part due to its investment in the nonprofits' capacity. Along with dollars, the Funders' Collaborative lends its grantees credibility and visibility that can assist them in attracting other funders.

APC has a similar objective, only its goal is to attract attention to new emerging issues rather than promising organizations. Funding prevention programs for HIV-positive people was one such issue. Now APC is exploring what other issues it might take on to get out in front of funding for the epidemic. The issue of health care rationing appears to be a high priority. As government funding for people with HIV remains flat or decreases, the number of people with HIV will continue to grow. It is inevitable that the gap between needs and resources will continue to widen. Californians will need to make decisions about how to address this gap. APC will look for programs that support rational decision making as communities make difficult choices between cutting services, reducing provider payments, increasing co-payments and more. While these decisions will undoubtedly be painful, the pain can be mitigated if decision-makers have information about the likely intended and unintended consequences of their actions. According to Mortimer, "Government funding

often takes several years to respond to emerging policy issues and is not able to do the thoughtful long-term planning that philanthropy is capable of. We can identify issue areas and do the groundwork to help the system change in a more thoughtful way.”

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— John Dunn Mortimer, APC Director

Issues and Challenges

For both APC and the Funders’ Collaborative, geography poses interesting challenges. As an organization, NCG has always focused its attention to Northern California. When APC made the decision to partner with the state, however, it was required to include all of California. APC is the only program of NCG that covers the entire state. This has created a need for some new organizational learning as well as presenting certain logistical difficulties associated with working across a the entire state.

Latinos, according to Campoamor, define their community very broadly. “When you get a group of Latinos in the room and ask them to draw a map of their communities, they will draw a map of the Americas — not their neighborhood, not their state, not the United States,” says Campoamor. For this reason, the Funding Collaborative is transnational. This presents both challenges and opportunities. For instance, the Funding Collaborative is able to connect programs in the United States with similar programs serving similar populations in Latin America. Being able to “connect the dots” is one way the Funders’ Collaborative is able to add value.

Collaborative Research

While funding collaboratives allow funders to pool resources to achieve common goals, working on joint research efforts allows funders to marshal knowledge and ideas toward common ends as well. Both Women & Philanthropy (W&P) and the Joint Affinity Groups (JAG) have conducted innovative and successful collaborative research projects that advance the missions of the participating organizations. These projects tend to have more defined timelines than ongoing collaborations, yet they can have significant impact.

Women & Philanthropy

Begun in 1975, W&P is among the oldest of the Council on Foundation’s affinity groups. W&P seeks to support women, especially women of color, working and serving in leadership roles in foundations and corporate philanthropy, as well as to increase funding for programs serving women and girls.

The central message in W&P’s strategic plan is “Centralized Knowledge, Decentralized Action.” W&P is committed to building a centralized base of knowledge about women in philanthropy that will support action at the local level. With this message in mind, W&P entered into collaborative research with Jankowski Associates (JA) and local women’s funds throughout the United States.

JA is a research firm based in Washington, D.C., that conducts in-depth research on foundations nationally. According to JA, “the most exciting development in the world of foundation philanthropy is the growth in new foundations. One-third of all foundations

have been created since 1996, and their assets already top \$43 billion.” W&P works with JA to conduct focused research on these new foundations, collecting data on the number of women in leadership roles and the amount of dollars going to programs that serve girls and women. W&P then develops partnerships between JA and local women’s funds. With input from these funds, JA produces customized regional reports that focus on their surrounding communities. The information contained in these reports helps the local funds identify new opportunities. JA provides technical assistance in understanding the data, but the real interpretation is done by the local funds that have an understanding of the community context. Says Anne Mosle, president of the Washington Area Women’s Foundation, “This report helped us realize that although there are huge gaps in wealth, education and opportunity among women, so too are there assets to bridge those gaps from new foundations in our community.”

The collaboration continues beyond conducting the research to the actual application of the findings. For example, W&P is co-organizing an event with the Women’s Foundation of Colorado (WFC). Using data from JA’s report, W&P and WFC developed a mailing list of 75 foundations that are likely prospects for membership in W&P or WFC. These foundations are invited to the co-sponsored event on women and the economy. At the event, findings from the research will be shared and discussed. W&P and WFC will share information on any funder that joins either organization. Similar events are being planned in collaboration with the Washington Area Women’s Foundation and the Women’s Foundation of Minnesota.

The collaboration is entirely aligned with W&P’s central message: W&P serves as an information resource that supports partners at the local level to take informed, effective action. W&P’s executive director, Kim Otis, says that “without this new data, we wouldn’t be in the game of approaching new foundations.” JA is excited about the practical application of its research to make a real difference at the local level.

Joint Affinity Groups

JAG is a nationwide coalition of funder affinity groups that focus on issues of diversity, inclusiveness, and accountability to communities. While each of JAG’s member organizations focuses on a different population (such as Asians, the disabled, women, etc.), they all share a similar mission of increasing the visibility and influence of marginalized groups within philanthropy.

These groups also share a common challenge: They have all operated to one degree or another on the assumption that by supporting leadership among minority groups within philanthropy, then funding to these groups would follow. But there was no research showing that the assumption was accurate. All of JAG’s members had an interest in better understanding the relationship between diverse leadership and how funding decisions are made.

In 2001, nine JAG partners decided that they had a collective interest in exploring the realities of diversity in philanthropy and its relationship to funding streams. Working with researchers from Rutgers University, University of Minnesota and the National Network of Grantmakers, JAG surveyed 500 program- and executive-level staff and featured in-depth interviews with 109 staff members from 29 foundations.

The co-sponsors of the study are:

- Asian Americans/Pacific Islanders in Philanthropy
- Association of Black Foundation Executives
- Disability Funders Network
- Funders for Lesbian and Gay Issues
- Hispanics in Philanthropy
- National Network of Grantmakers
- Native Americans in Philanthropy
- Women & Philanthropy
- Women's Funding Network

The resulting report, "The Meaning and Impact of Board and Staff Diversity in the Philanthropic Field," shows that philanthropy has made some progress in becoming more diverse but still faces many important challenges in addressing diversity issues if grantmakers are to respond effectively to the needs of the communities they serve. Foundation culture, the report found, is alienating for those who are not from white, upper-class backgrounds, and efforts to increase diversity were often precarious and unsustainable. The report concludes that leadership from the top of foundations is critical to having impact on the issue and calls for continued efforts to educate the field. The full report is available at www.mcf.org/mcf/resource/JAGreport.htm.

Conclusion

Several factors make these collaborations successful. Paramount is project relevance to each participant's mission. Due to the transactional costs alone, collaborations are inher-

ently more difficult than projects done independently. Collaborative projects that fall outside an organization's mission ultimately won't be viewed as worth the extra effort required. In each case highlighted here, the collaborations added significant value to the work of the organization and participating collaborators.

The collaboration must also make wise use of the particular skill and expertise of the participants. With funders, the particular contribution is often money. Yet choosing partners who also bring strategic relationships, technical knowledge or subject matter expertise is equally important.

Establishing clear roles and responsibilities is also critical to the success of a funder collaboration. Deciding how decisions will be made, how costs will be shared, who owns the work product and how work will be divided must occur early in the process before problems arise.

Finally, it is important that participants all value collaboration. Collaborations can be labor intensive; they may or may not make sense from simply a cost-efficiency perspective. Often the true value of collaborations lies in the greater visibility brought to an issue, allowing natural allies to present a unified voice and discovering win-win solutions that meet the needs of all partners. To be successful, collaborators need to understand that the importance of these benefits outweighs the additional work required.

For more resources on collaboration, visit www.geofunders.org.



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