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# The Impact Grants Initiative: Community-Participatory Grantmaking Modeled on Venture Philanthropy

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*Keywords:* Strategic philanthropy, venture philanthropy, community-participatory grantmaking

## Key Points

- The Jewish Community Federation and Endowment Fund (JCF) launched the Impact Grants Initiative (IGI), a model of grantmaking based on venture philanthropy, but offering high engagement opportunities for previously unaffiliated local donors and community leaders.
- Before adopting the IGI model, the JCF used a community-participatory grantmaking approach that had become stale in engaging its donors, community leaders, and professional staff. Younger existing and potential donors were developing interests in documented outcomes, metrics, and impact, and those interests did not align with JCF's grantmaking approach.
- IGI builds on the concepts of venture philanthropy, combining theories and techniques used in venture capital and corporate business with philanthropic practice, provides a platform to highly engage donors, and results in strategic and tactical community investments. It focuses extensively on generating measurable results that are realistic and attainable and allows for the periodic reallocation of resources based on evolving priorities and goals.
- Participation in IGI grant rounds has more than doubled the number of community members engaged in philanthropy through the JCF.

## Introduction

In 2010 the Jewish Community Federation and Endowment Fund (JCF) launched an ambitious pilot to revolutionize its grantmaking efforts.

Known as the Impact Grants Initiative (IGI), this new model, based on venture philanthropy, offered high engagement opportunities for previously unaffiliated local donors and community leaders while identifying high-performing nonprofits capable of making significant impact on local Jewish communities. The community-participatory grantmaking model has since expanded to include 10 active grant rounds with 156 unique community participants and another six planned for implementation over the next 12 months. In the process the IGI has seed-funded innovative startups, refreshed the image of the JCF in its community, sparked novel and international partnerships, cultivated new community leaders and philanthropists, generated more charitable contributions, and helped make the JCF not just a philanthropic catalyst but also a learning organization and emerging center for philanthropic education and training.

The JCF, established in 1910, is one of the oldest federations in the federation movement. Its purpose, like the other 152 Jewish federations and more than 300 "network" communities (volunteer-driven federations), is to raise funds and distribute resources among programs serving the Jewish community. Each year, the federation movement raises and distributes "more than \$3 billion annually for social welfare, social services and educational needs," placing it among "the top 10 charities on the continent" in terms of grantmaking (Jewish Federations of North America, 2013). In the Bay Area, the JCF covers approxi-

mately 2,400 square miles that encompass all of Sonoma, Marin, San Francisco, and San Mateo counties and a significant portion of Silicon Valley (Atherton, Menlo Park, Palo Alto, Los Altos, and Mountain View). It provides both funding and direct programming to Jewish communities in the Bay Area as well as communities in Israel, the former Soviet Union, and Hungary.

In the fiscal year ending June 2013, the JCF awarded more than 8,800 separate grants totaling \$176 million through the combined resources generated from its annual development efforts, donor-advised funds, supporting foundations, and endowment funds. The bulk of its discretionary grants, amounting to approximately \$14.3 million, originate from its annual fundraising appeal, which raised \$18.9 million in the same year.

### The Problem

Before adopting the IGI, the JCF used a community-participatory grantmaking approach that had become stale in engaging its donors, community leaders, and professional staff. The JCF had impaneled 11 standing committees that involved nearly 200 people in making grant decisions. These committees maintained a consistent level of expertise on several areas of focus including education, health and social services, and Jewish culture.

The grantmaking approach used by the committees, however, had devolved into a primarily reactive mode in which community members made funding decisions without engaging in more proactive efforts to learn about emerging issues or pressing needs. It thwarted their efforts at insightful assessments and evaluations of the funded projects and organizations with an eye to realigning financial resources. Because committee members did not turn over consistently, opportunities to recruit new community members were equally limited. The JCF had few avenues to engage community members and minimal capacity to best align its financial resources with organizations able to create the most disproportionate community impact relative to the investments.

Challenges with the grantmaking approach were compounded by several external factors. The

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organization had struggled to maintain consistent professional leadership, had poorly managed its position in the local Jewish community, and had failed to sufficiently cultivate the emerging generations of philanthropists that could take up the mantle of supporting the Jewish community as older generations of Jewish philanthropists (e.g., Richard and Rhoda Goldman) passed. Coupled with the economic recession that began in 2008, the JCF was reeling from a significant drop in its annual donor base (from 10,000 to 6,500) and significant reduction in its annual fundraising proceeds (from \$25 million in 2007 to \$18 million in 2010). A public perception developed that the organization lacked the wherewithal to award its grantmaking resources effectively, especially in times of reduced resources. Moreover, the JCF was struggling to attract new donors and community leaders willing to engage with the organization.

The JCF was struggling simultaneously, like other philanthropies and public charities dependent on donor contributions, with a donor base that had become much more interested in providing philanthropic support directly to nonprofits implementing well-thought-out plans. Consistent with studies published recently on donor behavior, the JCF became aware that its existing and potential donor bases wanted to get more involved at the personal level, to see the tangible impact of donations, and to take a hands-on approach to grantmaking. The JCF learned that younger

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existing and potential donors were developing interests in documented outcomes, metrics, and impact, and that those interests did not align with its grantmaking approach. These conclusions find reinforcement from recent studies<sup>1</sup> such as the report “Next Gen Donors: Respecting Legacy, Revolutionizing Philanthropy” (Johnson Center & 21/64), which concluded that donors ages 21 to 40 “want to do their research, to create results that can be measured, to take risks on new approaches to persistent problems, and to give more than just money” (Goldseker & Moody, 2013).

The internal and external factors weighing down the JCF's grantmaking approach led its staff and community leadership to conclude that the organization would continue to struggle to grow its donor base until it could present itself as an effective funder capable of identifying community needs, laying out key priority areas, planning and developing appropriate strategies, and aligning its philanthropic resources to those ends. The JCF needed to find new ways to grow its donor base and to personally engage the next generation of philanthropists and community leaders. It also needed to empower them to realize the community changes they wanted to create. Last, it needed to truly partner and collaborate with the organizations it funded, by dampening the power

dynamics between funder and grantee and elevating the opportunity to institutionalize new, more equal types of relations.

### **The Opportunity and Expected Outcomes**

In 2010 the JCF – hampered by the economic recession and a downturn in its yearly donations – set on a path to revitalize its business model and community engagement. It launched a strategic-planning process in 2011 that culminated with new organizational priorities that repositioned the JCF's programs and activities in three new strategic roles:

1. strategic investments through grantmaking,
2. nonprofit capacity building, and
3. supporting emerging community leaders and philanthropists.

The JCF also restructured and consolidated its grantmaking operations, and designed and launched the IGI as a new grantmaking tactic. A joint partnership between community leaders and JCF staff created this new tactic with the explicit intent of offering high-engagement opportunities to donors and community members while also identifying high-performing nonprofits to support (Stannard-Stockton, 2009).<sup>2</sup> The community leaders and JCF staff positioned the IGI model as a new approach to harness people's time and talents, and to attract to the JCF younger donors interested in participating in meaningful grantmaking.

This new approach – a wholesale redefinition of how the organization would provide meaningful

<sup>2</sup> High-performing nonprofits – distinct, for example, from the high-impact nonprofits profiled in “Forces for Good: The Six Practices of High-Impact Nonprofits” (Crutchfield & Grant, 2007) – are those organizations that have strong internal leadership, well-defined missions with effective and aligned programs, financial health, and the ability to learn and adjust as they evolve. They represent organizations positioned to generate impact. In reviewing proposals, the IGI grant committees emphasized an applicant's leadership, mission-aligned programs, and learning culture as major criteria for selecting the final grantees. A strong record of financial health was de-emphasized, especially in those grant rounds that sought to fund and scale up emerging organizations through capacity-building support.

<sup>1</sup> Additional relevant studies include the yearly Millennial Impact Report funded by the Case Foundation and published starting in 2009 by Achieve (<http://www.themillennialimpact.com>).

grantmaking experiences – was positioned as a key way to increase community engagement and provide advanced learning and leadership opportunities. The JCF’s community and staff leaders viewed the IGI as a means to:

- engage a higher number of new community members engaged in the JCF’s efforts,
- build more thoughtful interactions between community members and community organizations through the new grantmaking tactic,
- fund new organizations vital to the local Jewish ecosystem, and
- generate greater excitement in the community about the JCF’s grantmaking efforts.

The organization’s leaders theorized that a proactive focus on enhanced engagement and leadership opportunities offered by the IGI grantmaking approach would engender more philanthropic charitable giving, notably in the form of donations to the JCF. Further, by engaging new donors and re-engaging donors who had become frustrated with the JCF, the leadership also believed that this new approach would help generate goodwill for the organization that would translate into more active volunteers reflective of the new generations of emerging philanthropists in the Jewish community.

### The Venture-Philanthropy Model

The community leaders and JCF staff modeled the IGI on the concepts of venture philanthropy, which combines theories and techniques used in venture capital and corporate business with philanthropic practice, provides a platform to highly engage donors, and results in strategic and tactical community investments. It focuses extensively on generating measurable results that are realistic and attainable and allows for the periodic reallocation of resources based on evolving priorities and goals.

Venture philanthropy generally structures funding as multiyear grants, ranging from a minimum of three years up to seven or more. The approach also actively engages donors by involving them in establishing funding priorities, identifying possible grant recipients, vetting and approving proposals, and aligning their expertise and interests with

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Venture-philanthropy models exist throughout the country. Prominent models include organizations such as Social Venture Partners in Seattle (<http://www.svpseattle.org/>), Venture Philanthropy Partners in Washington, (<http://www.venturephilanthropypartners.org/>), and New Profit in Cambridge, Mass. (<http://www.new-profit.com/>). The Bay Area is home to two other prominent venture-philanthropy models: REDF (<http://www.redf.org/>) and SV2 (<http://www.sv2.org/>). Each leverages its donors’ expertise and resources to strengthen local nonprofits for maximum community impact.

**Applying the Venture-Philanthropy Model**  
Repositioning the JCF and its grantmaking tactics

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first involved establishing the venture-philanthropy model and launching a pilot grant round in Fall 2010. But the JCF’s leadership understood that building an exact replica of other venture-philanthropy models, especially with the expectation that donors raise and pool their own financial resources, would not build strong momentum for engaging its community members. As such, the JCF’s community leadership approved launching the grant round with \$1 million of community funds to award through three-year grants.

Working with JCF staff, the community leaders also agreed on three measures of success that have been carried forward to subsequent grant rounds:

1. Align funding with innovative program approaches at new or established organizations while also supporting the development of more engaged partnerships between the funded organizations and the JCF.
2. Increase the number of community leaders engaged with the JCF and build continued pathways for their further engagement with the organization.
3. Increase participants’ philanthropic activities, including charitable donations to the JCF.

Last, the community leadership and JCF senior staff adopted basic principles for the pilot round that have continued to find application in subsequent grant rounds:

- The broad theme of each grant round – such as advancing young-adult engagement in Jewish life – would be established by the JCF’s community leaders and senior staff. But the community members of each grant round would determine the specific goals and outcomes that relate to the broad theme (i.e., an informal theory of change). In the case of the pilot, JCF lay leadership requested that the grant round focus on funding innovative approaches engaging adults ages 21 to 45 in Jewish life.
- Each grant round should include a balanced mix of community representatives, including individuals who have consistently engaged with the JCF, those who were engaged in the past but ceased their involvement, and those who are new to the organization.
- The group of community representatives engaged in a grant round should also reflect a diverse mix of annual financial contributions to the JCF. Intentionally, the pilot grant round, followed by subsequent grant rounds, did not require an upfront minimum contribution to participate (i.e., the concept of “pay to play”).

### **The Pilot IGI Grant Round Blueprint**

In advance of the launch of the pilot grant round, JCF staff worked with venture-philanthropy experts to define and establish the overall blueprint. The focus was on creating a supportive environment for the community members and developing an education curriculum to build participants’ grantmaking skills. The curriculum focused on:

- understanding contemporary philanthropy approaches,
- identifying community needs and allocating resources,
- vetting nonprofits’ ideas,
- analyzing proposals and conducting due diligence,

- monitoring grant implementation,
- assessing grant implementation, and
- evaluating and measuring success.

The curriculum also anticipated providing training to future grant-round leaders in order to strengthen their ability to manage the grant rounds effectively.

Using SV2 and other social ventures as models, the IGI pilot envisioned a grant round that would involve five or six monthly meetings of community members involved in the grantmaking process. The six-month time frame for the pilot, which has remained consistent in subsequent grant rounds, runs counter to general philanthropy conventions that grant processes should take less time. The longer time frame, however, aligned intentionally with one of the JCF's new strategic roles, namely to support emerging community leaders and philanthropists. Research published by Hope Consulting earlier in 2010 had documented that only a small portion of donors (32 percent) had conducted any research about nonprofits and even fewer (21 percent) had researched nonprofit performance (Hope Consulting, 2010). The longer time frame of the IGI grant round would provide an important opportunity for JCF staff and community leaders to teach philanthropic best practices and research to the participating emerging philanthropists.

The six-month time frame would also permit the grant-round participants to spend more time learning about the community issues they aim to address before requesting proposals from the field. Through these monthly meetings, the community members would refine the grant round's intended focus area through an intensive overview of the priority issues, promising and best practices, and review of potential grantee organizations. At least two meetings would involve outside speakers and experts who would expand the community members' knowledge of the intended focus area.

After refining the focus area and learning more about the funding opportunities, the community members would define the expected outcomes of

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the grant round, work with JCF staff to develop the Request for Proposal guidelines, and assist in outreach to potential applicants. Upon receipt of the proposals, the community members would shift to a due diligence review of the organizations to identify which of the applicants represent high-performing nonprofits that would most benefit from additional philanthropic support while also maximizing measurable community impact from the JCF investment.

The IGI blueprint specified that community participants would also conduct site visits or in-depth interviews of applicants. In-person presentations to the full grantmaking committee were anticipated as a final step before the community members finalized their grant recommendations. At the conclusion of the grantmaking process, community members in the grant round would have the opportunity to shift into a liaison role between the JCF and a funded organization. In this role, liaisons would check in grantees throughout the grant period to monitor progress toward goals. They would report back to the larger grant-round committee and help determine if their respective assigned organization warranted continued

*Over six months, the community members participated in a highly engaged process that culminated with the recommendations to award grants to seven nonprofits with demonstrated ability to impact the local community.*

funding. Ultimately, the liaison would help JCF staff evaluate the effectiveness of the grant at the conclusion of the grant period.

The final element envisioned was that the success of the initial IGI grant round would also present opportunities to further leverage resources to support the organizations funded by the JCF. For example, community members with donor-advised funds could be invited to provide additional match support to grow the funds and leverage the combined resources of an IGI grant round to further impact the community.

### **The Pilot IGI Grant Round Implementation**

The pilot grant round engaged 26 community members in an intensive process over six months to vet and identify organizations with innovative approaches to engage adults ages 21 to 45 in Jewish life. The organizations that were awarded funding represented emerging organizations with strong social entrepreneurs at the forefront of engaging young adults through new and innovative efforts.

Over six months, the community members participated in a highly engaged process that culminated with the recommendations to award grants to seven nonprofits with demonstrated ability to impact the local community. In that time frame, the community members:

- refined the focus area of the pilot grant round,
- identified the outcomes the grant recipients were expected to generate,
- developed specific grant application guidelines for the grant round,
- reviewed proposals from 34 organizations, and
- conducted site visits with 13 organizations.

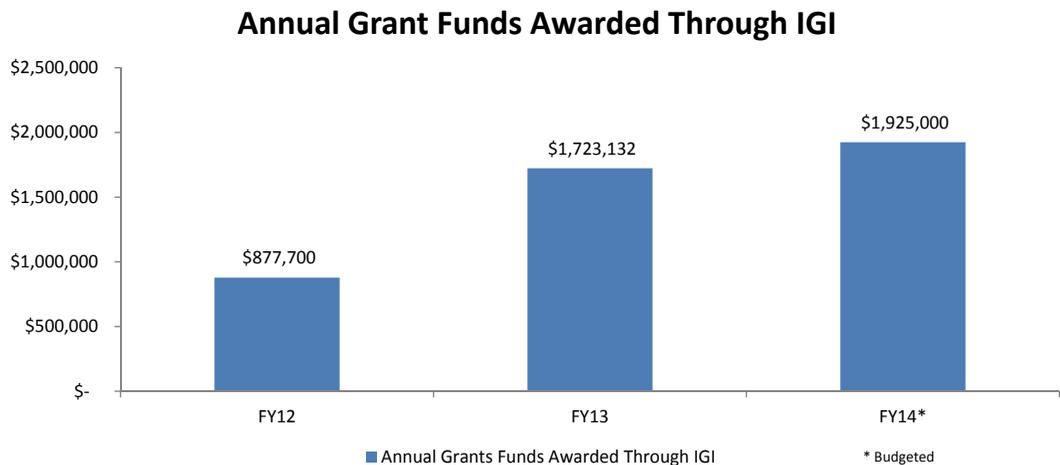
None of the seven organizations that received funding had been previously funded by the JCF. Of the 26 community members engaged in the pilot grant round, 19 volunteered to continue to participate in the process as liaisons between the JCF and the funded organizations. In their respective roles, the liaisons continue to check in with the grantees to assess progress toward the expected outcomes. The liaisons also work with the JCF to evaluate the effectiveness of the grantees at the conclusion of the grant period.

In general, the pilot grant round adhered to the blueprint developed for the IGI. A few key elements, such as the in-person presentations to the full grantmaking committee, were not implemented. Nevertheless, the success of the pilot grant round persuaded JCF staff to anticipate and embrace variations on the blueprint in future grant rounds in order to maximize the effectiveness of the experience. The design of the IGI has allowed the JCF to maintain its focus on the three measures of success initially defined by its community and staff leaders. Subsequent grant rounds have placed more emphasis on one or more of the three measures, but all have been a mainstay of each grant round.

### **Expanding the IGI Model**

Building on the success of the pilot grant round, the JCF expanded the IGI approach in 2012. Two separate grant rounds engaged committees of young adults and Russian-speaking Jews. The Young Funders IGI granted \$228,000 over two years to programs working to engage its cohort (ages 21-28). The grant round provided an immersive experience for participants and culminated with a large-scale community celebration of approximately 500 young adults to showcase the

FIGURE 1 Annual Grant Funds Awarded Through IGI



agencies and projects receiving funds, and to highlight the importance of young-adult philanthropy.

The Russian-speaking Jews grant round intentionally tested the proposition that the IGI process could also effectively work to fund minigrants. In this case, the grant round committee awarded seven minigrants totaling \$24,000. The grants address a wide range of needs for young adults and Russian-speaking Jews in the community.

The IGI approach was further incorporated into the JCF's renewed regional grantmaking efforts (suspended in 2010). The regional grantmaking efforts have engaged new donors in the funding process while also providing higher levels of funding through multiyear grants to local organizations. Two donor committees were formed in the communities south of San Francisco encompassing San Mateo County and significant portions of Silicon Valley. The committees identified and addressed key regional issues through grantmaking aligned with the JCF's overall goals.

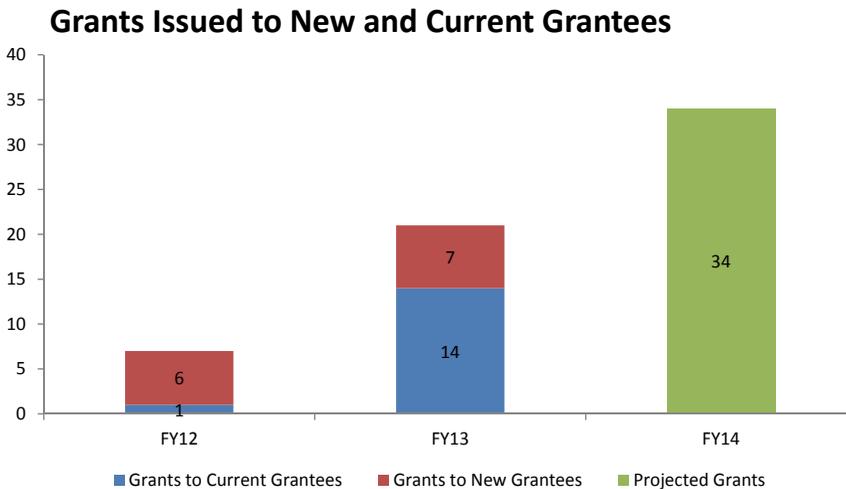
Collectively, the regional committees awarded nearly \$850,000 over three years to support five local organizations tackling the large issue of engaging families in Jewish life. New regional grant rounds south of San Francisco, in San Mateo County and the northern portion of Silicon

Valley, were launched in spring 2013. The JCF also extended the IGI approach to Marin County (north of San Francisco).

Finally, the IGI approach was adopted for an innovative partnership with the Israel Venture Network (IVN) with a funding pool up to \$1 million. This grant round launched in January 2013 and engaged local community members in a unique collaboration with Israeli colleagues to identify and co-fund high-performing social ventures in Israel. Both the partnership model and the focus on social ventures were new facets for the IGI approach. Through the partnership with IVN, the JCF did extensive training for IGI participants on social enterprises and what it means to fund social enterprises as opposed to nonprofits. The IGI culminated in a weeklong trip to Israel to visit the seven finalists and make final funding decisions onsite. The grant-round committee ultimately decided to fund three enterprises.

Total funding under the IGI model increased from an initial outlay of \$877,700 in the JCF's fiscal year 2012 to \$1.72 million in fiscal year 2013 with a budgeted \$1.92 million expected this fiscal year. That figure represents more than 13 percent of the discretionary funds available to the JCF to grant. (See Figure 1.)

FIGURE 2 Grants Issued to New and Current Grantees



### Success Outcomes and Evaluations

The implementation and expansion of the IGI model directly correlated with the three primary success outcomes established by JCF's community and staff leaders. The seven grant rounds completed to date aligned funding with 28 innovative program approaches at new or established organizations. Of those, nearly 50 percent (13 organizations) had never received funding from the JCF. Collectively, the current IGI grantees engage more than 25,000 people each year. In several cases, the funded organizations leveraged their JCF grants to attract other institutional support and individual donors. That trend should continue with completion of an additional nine grant rounds in fiscal year 2014, in which an anticipated 34 organizations will receive funding from the JCF, approximately 30 percent of the total number of organizations funded by the JCF through its discretionary funds. (See Figure 2.)

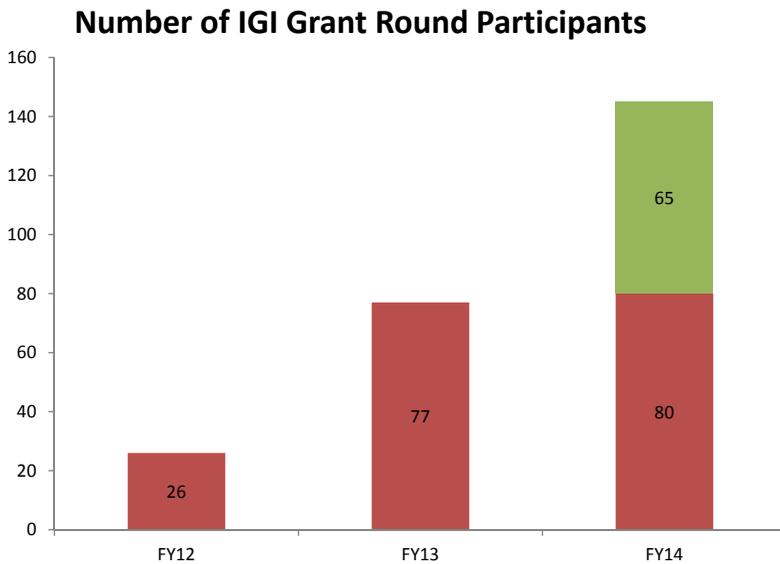
#### *Engaging New Community Members and Young Adults*

Participation in IGI grant rounds has significantly increased the number of community members engaged in philanthropy through the JCF. The IGI grant rounds completed and underway have engaged 156 unique community members. Of these, 71 were already engaged with the JCF in

some form when they joined their respective IGI grant round. A larger contingency of 85 community members, however, was unengaged or had previously ended its involvement with the JCF. Notably, of the total number of community members engaged, 27 have participated in more than one grant round and several have taken on leadership roles in their respective second grant rounds. The new grant rounds of fiscal year 2014 are expected to engage another 65 community members. (See Figure 3.) The combined total of IGI participants will exceed the number of community members engaged through the previous grantmaking approach deployed the JCF before 2010.

Importantly, the IGI approach has also served as a major engagement tool for young adults, or "next gen" donors, and as a springboard for broader affiliation with the JCF through volunteer leadership. For example, none of the 17 participants in the first Young Funders IGI round took an active volunteer role at the JCF before their participation in the grant round. One year later, nine community members now participate in the JCF's Young Funder's Network, a cohort group of people in their 20s and 30s from major local philanthropic families. Others have joined other JCF volunteer and grantmaking committees ranging from the

FIGURE 3 Number of IGI Grant Round Participants



JCF's Young Adult board to its board of governors and the finance and administration committee.

#### *Developing Community Leadership*

Mirroring the young-adult engagement, other community members from IGI grant rounds have continued to develop their own volunteer and leadership paths with the organizations. Many have continued to serve as liaisons to grantees (on average, each organization works with a team of two liaisons). As liaisons, they monitor the grantees and assess their progress toward the expected outcomes. The liaisons also work with the JCF to evaluate the effectiveness of the grantees in meeting their stated objectives.

Participation in an IGI grant round is now seamlessly incorporated into JCF's larger cycle of leadership development. JCF staff works closely with grant-round participants and cultivates interested community members as leaders for rounds; several participants in first rounds are now chairing successive IGI rounds. Staff also works with JCF's leadership-development division to identify individual participants' strengths and interests and match them with further leadership opportunities. After participating in an IGI, community

members have gone on to join JCF's young-adult engagement and philanthropy division and programming, serve on a JCF governing or non-IGI grantmaking committee, join the JCF board of governors, and more. The IGI thus has created strong affinity for the JCF even as it fosters leadership and philanthropy in the Jewish community.

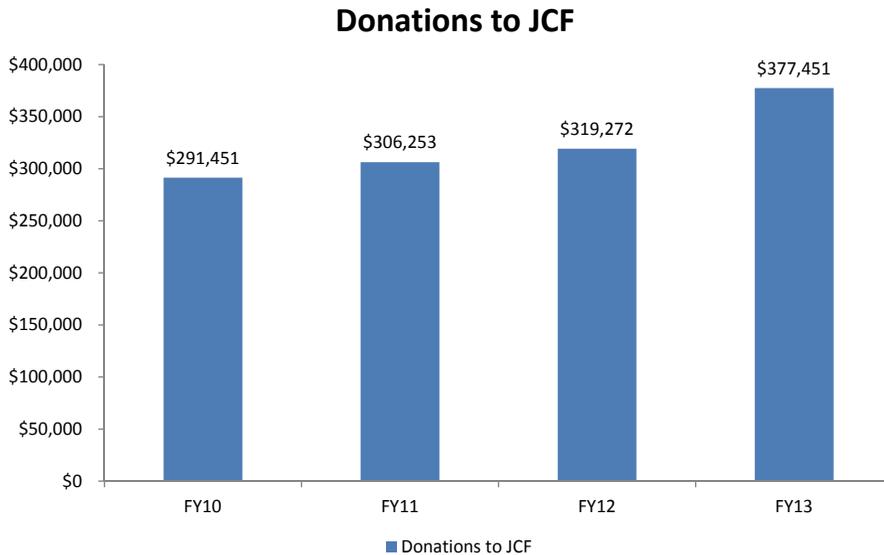
Overall, the JCF has seen great leaps in IGI participation in terms of engagement. IGI participants go on to other JCF programs, activities, committees, and leadership pathways.

#### *Impact on Philanthropic Behavior*

Participation in an IGI grant round has increased community members' awareness of the richness as well as financial need in the local Jewish nonprofit ecosystem. In looking to establish and expand the IGI model, the JCF's community and staff leadership intended for participants to increase their philanthropic activities, especially through charitable donations to the JCF. To date, participation in an IGI grant round has also moderately increased financial donations to the JCF.

In terms of financial donations to the JCF, for example, 10 young-adult IGI participants made

FIGURE 4 Donations to JCF



gifts, for a total of \$8,150. In this way, the IGI became a vibrant access point for young adults in the community to enter the JCF “family” and assume volunteer leadership positions with the organization. Demographic research shows that Jewish young adults in the Bay Area, in keeping with general trends of the millennials, tend to be unaffiliated, nondenominational, and challenging for established community institutions such as federations or synagogues to interest and retain as committed stakeholders. As such, the success of the IGI in engaging young adults is a prized outcome for the JCF.

Donations to the JCF from the entire cadre of 156 IGI grant-round participants grew at a modest 4 percent in the years prior to their involvement. After their participation in an IGI grant round, however, the JCF documented a much larger increase – of 18 percent – in charitable donations to the organization this past fiscal year as a result of gaining donations from individuals new to the JCF as well as increasing donations from participants already giving to the organization. (See Figure 4.) Overall, community members who

were previously uninvolved, unaware, or uninterested in supporting the JCF have changed their minds and begun contributing, in levels that may prove especially significant if participants become perennial donors over the long term.

Apart from the immediate dollars raised, the JCF now sees improved relationships with the donors who participate in the IGI, many of who find renewed inspiration and meaning in supporting the JCF. For example, one community member who participated in a regional IGI grant is a member of a very involved family and has long been a donor to the JCF, but appreciated the organization mostly in the abstract. Following her participation in the IGI grant round, she said that this year, for the first time, she really understands the work of the JCF, sees its impact in her geographic region (a priority of hers), and can connect her gift to the benefit endpoints. She said her family conversation about charitable donations was a lot easier this year as a result.

Her story underscores that even regular donors to the JCF may only partially value the organiza-

tion or truly understand the scope and range of its work in the community – yet would appreciate the JCF even more with greater exposure. In this regard, the IGI model has become a potent tool in relationship building, and the benefits of having constituents more personally connected and invested in the organization are both a wonderful outcome alone and can potentially lead to greater fundraising possibilities with participants and their social and professional networks.

### *Formal Evaluation*

Beyond tracking the three success measures defined by its community and staff leadership, the JCF has also advanced an evaluation framework for the organizations funded through the first regional grant rounds. In this context, the shared outcomes were established by the five grantees. The organizations now work with an independent evaluator to both assess the impact of their individual grants and their shared efforts in order to assess the broader impact of their collective efforts.

Separately, with the benefit of two-year implementation experience, the JCF staff is now centering on developing more formal ways to track how participation in the IGI grant rounds impacts these important consequences for the organization:

- dollars raised,
- number of donors,
- engagement of community members/volunteers,
- development of community leadership,
- perception or public image of the organization (helped by IGI participants becoming ambassadors), and
- philanthropic education (and whether participation has helped educate people to make meaningful philanthropic decisions).

### **Lessons Learned and Implications for Other Funders**

When originally designed, JCF staff leaders expected the model to help inform other funders that make up the federation movement. Many federations across the United States face simi-

*A philanthropic endeavor that builds the educational, community-relations, and leadership capacity of committee volunteers, the IGI model requires heavy time and staff resources.*

lar challenges in seeking out ways to improve engagement of local community members, especially younger philanthropists skeptical of the federated approach to philanthropy. By successfully adopting a venture-philanthropy approach, the JCF expected that other federations would implement similar efforts in order to reshape their grantmaking efforts. However, the IGI model also has relevancy to community foundations and other funders that seek to engage community members in participatory grantmaking. The following summarizes the lessons distilled from the IGI grant rounds looking to replicate this venture-philanthropy approach.

A philanthropic endeavor that builds the educational, community-relations, and leadership capacity of committee volunteers, the IGI model requires heavy time and staff resources. Examples of some of the ways the JCF has learned to effectively deploy its resources are provided below. Some of these points are a work in progress, as the JCF continues to refine best practices around the IGI.

### *Effective Use of Staff*

In practice, the JCF program officers who staff grant rounds have played multifaceted roles beyond those of the traditional program officer. These have included roles of administrative support, recruitment chief, philanthropic expert, and charity vetter as well as community liaison, philanthropic curriculum writer and educator, and representative voice of the JCF to local nonprofits and to applicants for IGI funding. In any given

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IGI round, program officers are accountable to the JCF and the IGI community members. In addition, at any given time, IGI program officers are expected to be eloquent advocates of the IGI funding priorities when speaking to JCF's donors and stakeholders.

The JCF has deepened its understanding that IGI program officers must not only be effective in their traditional roles, but also expert educators, trainers, and facilitators who play a major role in developing both the intellectual content for the IGIs and the community members who become strategic philanthropists as part of their IGI experience.

In order to facilitate a series of regional IGI grant rounds, the JCF hired two full-time program officers to facilitate these opportunities. These program officers joined existing program staff also

assigned to lead grant rounds. Additional staff, especially from our development and marketing departments, have been assigned to work with the program officer leading each grant round. The IGI grant rounds have involved a team of four program officers, two program directors, and two development specialists. The associated staff expenses reflect a significant portion of the responsible department's current operating budget. But those associated expenses are also not deducted from the grantmaking budget for each grant round and are positioned as expenses necessary to bring the grant rounds into fruition.

Operating as a community of practice, the entire IGI team meets weekly to discuss the status of grant rounds and work through implementation issues. The team also uses the weekly meetings to discuss how to best support community members leading their grant rounds, and to share information about grantee organizations that have received grants through multiple IGI grant rounds. Collectively, the team also works to refine and update the internal materials developed to guide each grant round and to review which donors to recruit for participation in future grant rounds.

#### *Engaging and Positioning Community Members*

An IGI grant round runs most smoothly with thoughtful attention paid to the experience of community members at all stages of the process, from initial recruitment to follow-up after their grant round concludes.

At the recruitment stage, it has proven somewhat easier to attract volunteers with a preselected theme established by the JCF's community leaders and senior staff, rather than to obtain commitment to participate without an issue focus, and then guide members through the issue area selection process as part of the committee work. It may require months to recruit committee chairs, and this process should begin several months before each grant round begins.

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sible philanthropic relationships with some of the same organizations that might apply for IGI grant funds. With this in mind, staff have found it helpful to formulate a policy on conflict of interest very early in the IGI process, potentially even discussing possible conflicts at the recruitment stage. For example, a community member who became a leader of one of the regional IGI grant rounds was also a major donor to several of the nonprofit applicants based in that region applying to the IGI for funding. Formulating expectations in advance on whether and in what circumstances members need to recuse themselves from the grantmaking process would have smoothed out and streamlined decision-making.

Once the IGI grant round is formed and community members begin meeting, sufficient time needs to be built in to train the group to be savvy funders, learn about and choose a funding approach, prepare Requests for Proposals, and make and monitor grants. The original IGI blueprint can quickly become extended, becoming a six- to nine-month endeavor, in order to do justice to the in-depth work that community members enthusiastically undertake. This time frame provides ample time to meet the objectives of doing excellent grantmaking, engaging volunteers with content that is of great interest and viewed as very important to the life of the Jewish community. In addition, it allows community members to deepen their level of philanthropic education, develop a detailed sense of the microregional needs in their communities, build partnerships with regional organizations, and, through a sense of deep interest and mission passion, enhance their own relationship with both philanthropy and serving the Jewish community.

The IGI process requires expert leadership from committee chairs, particularly in the beginning, and the chairs need to be trained accordingly to effectively recruit other participants and lead their IGI grant round. For example, while most chairs are excellent at recruiting community members from their social circles, they have to reach beyond to connect with members of the community who might not yet be formally connected to mainstream community organizations such as the

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JCF. The JCF has also found it useful to be flexible in the area of committee structures, supporting IGI grant rounds that choose a facilitator rather than chair – as seen with the Israel/IVN IGI grant round, which utilized a professional facilitator. In that case, the flat committee organizational structure of the Israel/IVN IGI and lack of participant hierarchy worked very well.

Overall, the JCF has learned to consider variables including individual, group, leadership, regional, and organizational dynamics in defining the leadership structure of each IGI committee. While there are general structures parallel in all IGI grant rounds, committee leadership approaches should not be one size fits all. Similarly, approaches to decision-making must be specific to the structures and dynamic of each IGI grant round. While the spirit of collaboration, cooperation and transparency are essential to making good decisions, determining whether a decision-making process will be consensus based, consultative, majority rules, or even oligarchic is specific to each grant round and its leadership structure.

Community members can be very engaged and energized by being positioned as experts and being tasked with interviewing community lead-

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ers, applicants, and other nonprofits. They gain exposure in the community and deepen their engagement with IGI proceedings by reporting back to their committees. And having participants serve as grantee liaisons through the duration of the multiyear grants is a great model for continuing engagement and impact. It has been challenging for IGI staff to monitor the depth of liaison relationships with grantees and organizations, and JCF is working on ways to foreground it.

After a grant round concludes, members have typically bonded socially with one another, found meaningful connection with the mission of the IGI, and expressed a desire to continue the work, either as a committee or in some new way. The JCF is working to develop engagement paths, and plans to support those paths with staff and dedicated financial resources. In addition, the JCF is focusing more energy on follow-up with individuals, bringing in its leadership-development division to help identify the best fit for each person's continuing volunteer path with the agency.

The JCF is also observing how the relatively short-term, immersive experience of the IGI model changes participants' engagement as volunteers and leaders with the Jewish community. New questions include how the addition of community-member mentorship and other focused community-member development activities would provide a "tipping point" toward long-term sustainable volunteerism and engagement. Alternately, the agency and the community may want to recalibrate expectations of volunteer engagement and notions of what success looks like in this arena. The question remains of the rate at which continued member engagement in any capacity after the IGI rounds ends should be considered a positive outcome – or whether the type of engagement also needs assessment.

#### *Furthering the JCF's Mission*

Developing Jewish leaders and philanthropists remains central to the JCF's mission, and as such the IGI model meets that objective. Always striving for programmatic excellence, however, JCF staff identified two main areas where IGI content could be strengthened to further the mission.

#### *Jewish Content*

JCF staff learned to incorporate Jewish material deliberately into the general educational content being taught to community members in IGI grant rounds. Tightening this focus strengthens participants' understanding of the history and context of Jewish philanthropy, which by extension grounds them in the formative Jewish texts that lay the broad basis for the cultural value of giving back. This focus ties directly to the JCF core values, one of which is Tzedakah, or charity.

#### *Philanthropic Educational Content*

Each IGI includes educational content on strategic philanthropy, including how to assess nonprofits, read Form 990 tax forms, create Requests for Proposals, evaluate proposals, reflect on performance metrics, and judge where it is possible to make the most outside impact with grant funding. IGI rounds also include educational content on the issue area the committee will fund (such as distinguishing between social enterprises and nonprofits, in the case of the Israel/IVN grant round, or

learning about the barriers of Jewish young adults to accessing community programs).

Assessing grant rounds that have occurred in the last two years, however, staff has realized the need to step up efforts at focused philanthropic education for each new group. Participants are not necessarily versed in strategic philanthropy. Focusing on the educational content more closely, and formalizing a basic curriculum and centralized list of excellent expert speakers, will enable the JCF to hone in on this somewhat under-realized aspect of the process.

### Future Directions

Three years into the IGI approach, the JCF's community and staff leadership has concluded that the model works. The IGI model reflects the JCF's move toward more results-oriented grantmaking and better positions the organization to meet the challenges and opportunities of the future. It provides grants for a longer duration: typically, a three-year period in order to provide organizations with the funding commitment needed to achieve their long-term goals. It empowers community members by making them active participants in the grantmaking process, enabling them to feel they have significantly contributed to their community and creating a more in-depth experience with the JCF. Last, it requires focused results that support innovative thinking in both program delivery and leadership.

Other funders, especially those philanthropies looking to heighten community participation in grantmaking efforts, can easily replicate the IGI approach. The flexibility and adaptability of the IGI model can also reflect the geographic focus areas of a grant round or the population subsets involved in the process. For instance, having successfully mapped the IGI model with funding social enterprises in Israel, the JCF has now begun to determine how to build a grant round that will engage community members in international grantmaking. Broader field adoption within the philanthropic sector – especially by those institutionally actively engaging and cultivating donors – could significantly elevate communal philanthropic practices and impact.

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