

The Foundation Review

Volume 13
Issue 2 *Shifting Power in Philanthropy*

6-2021

Walking the Talk in Participatory Philanthropy

Megan Meyer
University of Maryland

Emily Smith Goering
Kaye Implementation & Evaluation

Karen Hopkins
University of Maryland

Cheryl Hyde
Temple University

Nicole Mattocks
University of Maryland

See next page for additional authors

Follow this and additional works at: <https://scholarworks.gvsu.edu/tfr>



Part of the [Nonprofit Administration and Management Commons](#), [Public Administration Commons](#), [Public Affairs Commons](#), and the [Public Policy Commons](#)

Recommended Citation

Meyer, M., Goering, E., Hopkins, K., Hyde, C., Mattocks, N., & Denlinger, J. (2021). Walking the Talk in Participatory Philanthropy. *The Foundation Review*, 13(2). <https://doi.org/10.9707/1944-5660.1562>

Copyright © 2021 Dorothy A. Johnson Center for Philanthropy at Grand Valley State University. The Foundation Review is reproduced electronically by ScholarWorks@GVSU. <https://scholarworks.gvsu.edu/tfr>

Walking the Talk in Participatory Philanthropy

Authors

Megan Meyer, Emily Smith Goering, Karen Hopkins, Cheryl Hyde, Nicole Mattocks, and Jonalyn Denlinger

Walking the Talk in Participatory Philanthropy

Megan Meyer, Ph.D., University of Maryland; Emily Smith Goering, Ph.D., Kaye Implementation & Evaluation; Karen Hopkins, Ph.D., University of Maryland; Cheryl Hyde, Ph.D., Temple University; Nicole Mattocks, Ph.D., University of Maryland; and Jonalyn Denlinger, M.B.A., J Denlinger Consulting

Keywords: *Participatory philanthropy, community foundations, CBPR, community building, community-based organizations*

The Changing Landscape of Philanthropy

The philanthropic sector has recently been called on to increase community engagement and beneficiary voice in funding decisions — to democratize philanthropy (CF Leads Cultivating Community Engagement Panel, 2013; Enright & Bourns, 2010; Fifield, 2017; Ruesga & Knight, 2013; Twersky, Buchanan, & Threlfall, 2013). Indeed, in 2018 Inside Philanthropy identified “participatory grantmaking” as the “most promising” reform effort in the philanthropy sector, and in 2019 the World Economic Forum recognized it as one of six key trends (Gibson, 2019, p. 33–34).

Participatory grantmaking ranges from soliciting constituent feedback on areas of concern to encouraging active constituent participation in or control over grantmaking decisions, program implementation, and outcome evaluation. This movement is a response to criticism of traditional, donor-driven grantmaking, which can be risk averse and unresponsive to community-defined needs, and can limit the ability of foundations to build civic capacity, leadership, and self-governance in the communities they aim to strengthen (Buteau, Chaffin, & Buchanan, 2014; Gibson, 2019; Johnson, 2016; Millesen & Martin, 2014).

The growing desire among funders to meaningfully engage communities is grounded in both social justice and democratic ideals of self-determination and citizen participation, and recognition that community members

Key Points

- The philanthropic sector has been called on to increase community engagement and beneficiary voice in funding decisions — in other words, to democratize philanthropy — and foundations have responded with a variety of innovative grantmaking models. One of those, participatory grantmaking, comprises practices that range from soliciting feedback from constituents to encouraging their active participation in or control over grantmaking decisions, program implementation, and outcome evaluation. Little research, however, has examined the perceptions of foundation or community stakeholders involved in participatory grantmaking initiatives.
- This article examines the participatory grantmaking process of a Baltimore, Maryland, community foundation that invested \$1.5 million in an initiative to support community-building and improvement activities in two communities it had engaged with in the past. It uses data from focus groups and interviews conducted over the five years of the initiative that sought to learn how the foundation’s involvement was perceived and experienced, and in what ways its model of participatory grantmaking influenced collaboration and trust among community-based organizations and resident engagement in and ownership of programs and activities.

(continued on next page)

If philanthropy is to effectively address inequality, it must give away both money and power.

possess valuable expertise regarding local conditions, needs, and solutions to community problems. Mobilizing this expertise can enhance impact and sustainability, and deciding with community members how and where to allocate resources is seen by some as necessary for the renewal of civil society broadly (Bell & McCambridge, 2018; Enright & Bourns, 2010). Others argue that minimizing the control and influence of “elite philanthropists” is also critical to the health of American democracy (Gilothe, 2018; Rooney, 2018). As Davies (2019) suggests, philanthropy is at a crossroads: If philanthropy is to effectively address inequality, it must give away both money and power.

Foundations are responding to these calls and experimenting with a variety of practices, such as crowd-sourcing project ideas and funding decisions (Wales, 2011); engaging nonprofit service providers and clients to decide on the scope and content of the request-for-proposal process and, sometimes, the final grant awards (McNamara, Cumming, & Pulis, 2018); and venture philanthropy models that engage both donors and community leaders to identify high-performing nonprofits for support (Miller, Gollub, Kaufman, & Danzig Epelman, 2014).

Key Points (continued)

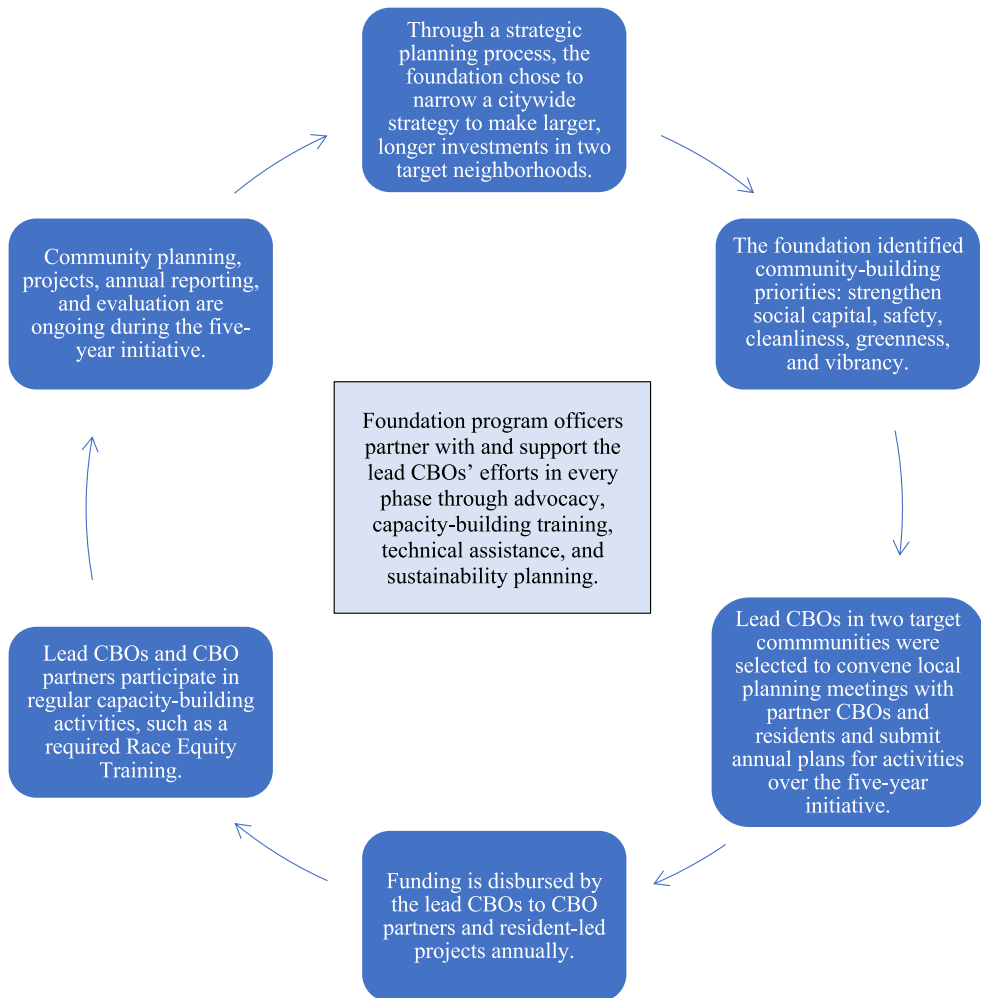
- Learning from the community-based initiative suggests that changing the power dynamic between funders and grantees can facilitate project success. This article concludes with a discussion of what the foundation learned about shifting power away from the funder and closer to the community, how those lessons have informed its current strategy, and what implications this has for philanthropy more broadly.

Participatory budgeting, adopted mostly in Latin America but gaining popularity in Europe and North America, asks citizens to decide how city budgets should be spent and may also hold promise for foundation funding-allocation processes (Baiocchi & Lerner, 2007; Justice Funders, 2020; Lerner & Secondo, 2012).

The variety of methods employed has led some to question what participatory philanthropy actually means (Gibson, Levine, & Dietz, 2010), and while enthusiasm for participatory models is high, some have raised questions about such potential risks as the influence of slick marketing on funding decisions and a slide to the “middle,” where only safe, uncontroversial grant proposals get funded (Kean, 2007). Clearly, what is called for is careful research that examines participatory processes and outcomes, and accurately reflects and includes the perspectives of key stakeholder groups. This article examines the participatory grantmaking process of a Baltimore, Maryland, community foundation in order to improve future participatory philanthropy projects and their evaluations.

Community foundations are uniquely positioned to transform philanthropy. Since their creation in 1914, U.S. community foundations have distinguished themselves by serving and building community among residents in specific geographic areas, composing boards of community members, and empowering those boards to inform and guide donors about pressing community needs (Colinvaux, 2018; Graddy & Wang, 2008). Their impact has increased alongside their significant growth in numbers and scope — 300% since the 1980s (Colinvaux, 2018), to make up 10% of all foundations in the United States (Mazany & Perry, 2014).

Even so, changes within the last decade — commercial charitable gift funds, grassroots giving circles, and online resources like Guidestar and Charity Navigator — have challenged community foundations to prove their value (Bernholz, Fulton, & Kaspar, 2005; Mazany & Perry, 2014). Those working in urban communities of color have been criticized for perpetuating white-dominated, elite philanthropy models

FIGURE 1 Framework for Foundation Participatory Philanthropy Initiative

(Love, 2015). If they expect to lead — and even survive, many argue, community foundations must put even more decision-making power in the hands of the communities they support (Easterling, 2011; Mazany, 2019; National Taskforce on Community Leadership, 2013).

One Attempt to Walk the Talk

The community foundation examined here engaged in a version of participatory philanthropy in which it made an investment of \$1.5

million over five years¹ to support community-building and improvement activities in two communities with which it had prior engagement. (See Figure 1.) Parkside and Harborview, discussed in this article,² could be termed “tipping communities” because they presented not only reinforceable strengths, but also challenges that if unchecked could debilitate the areas.

Lead community-based organizations (CBOs) in each community were the key point of contact

¹ The initial investment was intended to be for three years, but the foundation added two years of funding to extend the full initiative timeline from 2012 to 2016.

² The names of the two communities have been changed to ensure confidentiality.

for the foundation, and were the agents through which all foundation funds were distributed in each community. These lead CBOs were required to:

1. Identify and work with several other CBO partners.
2. Convene community planning processes annually to identify priorities for action.
3. Establish and revise annual budgets.
4. Support and distribute small grants to a wide range of resident-led activities, enhancing bridging and bonding social capital among diverse groups and improving safety, cleanliness, greenness, and arts and culture.
5. Participate with partner CBOs in ongoing capacity-building activities, including a training titled “Race Matters” to center racial equity in their collaboration.

While the proposals submitted by the lead CBOs had to satisfy these criteria, the foundation gave significant decision-making power to communities. There was a shared decision-making process every year among lead CBOs, their partner organizations, and participating residents. These partners identified and revised projects and budgets without intervention by the foundation. The lead CBO reported annually on these activities and accomplishments, along with revised budgets. Additionally, the funding model went beyond giving money for projects, encompassing capacity-building investments in the lead and partner CBOs; support for conferences and board, staff, and leadership trainings; and technical support related to business operations.

A critical part of the foundation’s power-sharing model was the high-touch role played by two foundation program officers, one for each community, who served as liaisons with the lead CBOs, the foundation board, and evaluators from the University of Maryland. While approximately .5 of a full-time equivalent of their positions was officially allocated to these activities, they spent significantly more time than that

to support the lead CBOs in their community convening, planning, and resource-allocation work and to manage challenges as they arose. The program officers also advocated for additional funding from the foundation and leveraged additional investments from the foundation’s partners to support community plans and activities.

Over the five years of the two-community initiative, more than 50 resident-led projects received small grants dispersed by the lead CBOs that ranged from \$500 to \$15,000. The funding supported renewal of urban gardens; community cleanups and tree plantings; redesign of public spaces, including lighting, safety improvements at busy intersections, and mural projects; summer movie nights in the park; intergenerational and cross-race dialogue/art projects; and youth-led events and entrepreneurship activities, such as a mobile delivery service of produce from a neighborhood farm.

A community-based participatory research (CBPR) approach guided the research: the university research team collaborated with foundation program officers and lead CBO staff to design and conduct focus groups and interviews with core participants in 2014, two years into the initiative, and at its end, in 2016. Two key research questions guided the qualitative data collection and analysis:

1. How was the community foundation’s involvement in the initiative perceived and experienced?
2. How did the foundation’s model of participatory grantmaking facilitate or hinder collaboration and trust among neighboring CBOs and increase resident engagement in and ownership over program planning and activities?

Method

We used a purposive sampling strategy to capture perspectives among foundation program officers assigned to each community, lead CBO staff, and core participants, including community residents and staff from partner CBOs. Six

focus groups (n = 23) and 12 individual interviews were conducted in 2014, and three focus groups (n = 10) and two interviews with community foundation program officers were conducted in 2016, yielding a total sample of n = 47.

In addition to gathering perspectives from those playing different roles in the initiative, we were conscious about recruiting a diverse representation of participants to gain perspectives across race, class, age, and gender. Providing demographic information was voluntary, thus demographic information was not provided by all participants. (See Table 1.) While we actively recruited for diversity and allowed anyone to participate in either a focus group or individual interview to establish a sense of trust and transparency, we were ultimately reliant upon those who agreed to participate. According to analyses of 2010 U.S. Census data for the neighborhoods, our sample was representative in terms of age and gender; however, white and middle- to high-income residents were somewhat overrepresented (personal communication).

Employing CBPR best practices, university researchers, foundation staff, and lead CBO staff worked together to develop the semi-structured interview guide used for focus groups and interviews, which included questions to capture participants' perspectives on the following:

- the initiative's decision-making processes, goals, and impacts;
- the level and effectiveness of the support provided by the community foundation;
- the extent and nature of interactions among partner organizations and between these CBOs and community residents;
- implementation strengths/benefits and challenges; and
- the usefulness of the evaluation process itself in guiding decision-making during the initiative and identifying meaningful lessons learned to be applied to future initiatives.

TABLE 1 Demographic Information for Focus Groups and Interview Participants

Variables	N(%) / M
Age	39.28
Gender	
Male	15 (36.6)
Female	26 (63.4)
Race	
White/Caucasian	29 (72.5)
Black/African American	10 (25)
Hispanic/Latinx	1 (2.5)
Income	
< \$25,000	7 (18.4)
\$25,000–\$74,999	22 (57.9)
\$75,000 >	9 (23.7)

While standardized, the semi-structured nature of the interview guides allowed members of the research team to engage in significant probing during conversations and collect rich data.

Individual interviews were conducted over the phone or in person, lasted anywhere from 20 to 60 minutes, and were recorded and immediately transcribed. Focus groups were held in respective communities, lasted approximately 90 minutes, and were recorded and immediately transcribed. Once collected, data from focus groups and interviews were de-identified before analysis to ensure the confidentiality of participants.

Data Analysis

Analysis was conducted following data collection in 2014 and 2016 using a cyclical coding approach (Miles, Huberman, & Saldana, 2020). First-cycle coding entailed two researchers simultaneously open coding all transcripts from the 2014 wave of data collection (one by hand using Microsoft Word, the other using the qualitative data analysis tool NVivo), generating well over 100 descriptive, in vivo, and process codes (Miles et al., 2020). The two research members met weekly while coding to discuss code choices and initial definitions, reach consensus, and

Key components of the participatory grantmaking approach included lead CBOs partnering with as many other CBOs in their communities as possible, and a high degree of autonomy, power, and flexibility for lead CBOs and planning teams to identify and fund a variety of resident-led projects, big or small.

revise codes before second-cycle focused coding (Charmaz, 2014) or pattern coding (Miles et al., 2020), which produced a distilled number (48) of codes that formed the basis for the 2016 wave of data collection. After this second wave, the research team adopted a template approach (Crabtree & Miller, 1999), using the initial list of codes and “sensitizing concepts” (Padgett, 2017, p. 151) from the literature on community building and participatory philanthropy to develop a structured codebook used to reanalyze all transcripts.

Using NVivo, the research team created a coding hierarchy and proceeded to reread and recode all transcripts from both data collection waves, remaining open to new/emergent codes as analysis proceeded. Over several weeks of coding, the researchers met regularly to discuss coding and code definitions, discrepancies in interpretation, and their annotations or “jottings” (Miles et al., 2020, p. 86), and engaged in what Strauss and Corbin (1994) call “constant comparative analysis,” examining patterns as well as inconsistencies and irregularities.

Results

We consider here two related themes, both central to participatory grantmaking processes. First, we look at the engagement and

partnership benefits and challenges that resulted from the funder’s high-touch, flexible, and shared decision-making approach. Second, we consider one of the most important components of any participatory endeavor — the shifting nature of trust between the funder and communities, and then within the communities themselves.

Engagement and Partnership: Benefits and Challenges

Key components of the participatory grantmaking approach included lead CBOs partnering with as many other CBOs in their communities as possible, and a high degree of autonomy, power, and flexibility for lead CBOs and planning teams to identify and fund a variety of resident-led projects, big or small. These components of the funding model resulted in deeper collaboration among neighborhood CBOs and greater resident engagement, ownership, and leadership development than these communities had experienced previously. The CBOs’ staff and community members alike recognized the benefits of being able to rapidly pursue actions they prioritized rather than comply with top-down, predetermined activities or strict foundation requirements. A core participant from the Parkside community observed, “They said, ‘What do you wanna do?’ ... We had \$2,700, and so we did a little bit of all those things with that initiative.” A member of the Harborview CBO staff remarked,

What I really appreciated from [the foundation] was they trusted to receive the input from residents of the organizations in saying “this is what we need; and let’s go ahead and do it,” and didn’t hover over or micromanage. ... I found sometimes with other funders that jumping through all the hoops and the obstacles makes people want to disengage.

“I think one of the biggest outcomes would be leadership,” a participant with one of the Harborview community’s partner CBOs said. “Give that opportunity that sometimes residents have never had,” such as a budget proposal, that would create a “teachable moment.”

Another member of a Harborview partner CBO had this advice:

For someone to say, “I want to do this project and I want to do it in the next three weeks,” just make sure that the association president signs off on it and you have five other residents or six other residents on your block who are going to support it, and it can happen and it can happen quickly instead of going through all the bureaucracy of it.

The foundation’s participatory approach quickly generated a variety of creative, resident-led projects and resulted in important collaborative outcomes in both communities. Participants described making new connections, normalizing and deepening existing relationships, competing less, and working more intentionally and strategically on common problems. “A lot of projects are co-led as opposed to led individually,” a staff member from a Harborview CBO noted. “It’s a lot of the same players, but just much deeper connections.” A Harborview core participant said the approach may have “normalized some relationships and some connections that should have already been a priority for our different organizations.” Another core participant from that community said, “I see the impact in how our programming is more thoughtful and intentional because we are working together more instead of competing with one another.”

Increased collaboration became the foundation for greater bridging social capital. “The neighborhood is diverse,” a core Parkside participant said; “they’ve done things to bring the neighborhood back together.” A Harborview core participant observed,

The goal is to build connections and relationships between members of a really diverse community in terms of age, ethnicity, and cultural background, and to do that through the process of collaborative leadership development among all kinds of people who might not have seen themselves or been empowered as leaders before.

Such capital also laid the groundwork for conversations about power, racism, and inter-organizational competition. One CBO member in Parkside described experiences from a

The foundation’s participatory approach quickly generated a variety of creative, resident-led projects and resulted in important collaborative outcomes in both communities.

first-of-its-kind event that was hosted by a Jewish CBO and co-sponsored by a CBO largely representative of African American youth:

I think [the members of the host CBO] were really sincere in their outreach. ... One of my young people, who’s not the most patient, attended the [event] and was like, “Those people are racist.” ... So I think there’s, it’s not like all happy sort of feeling. But I think getting close enough so that stuff can come out is a good sign, rather than just having no contact whatsoever. ... I think the more that we’re authentically connected, the more opportunity there is to talk about that kind of stuff.

Social capital was also built between CBO and foundation staff, as a key aspect of the foundation’s multiyear grantmaking approach was not to just disperse money and review grantee reports, but instead to work hand-in-hand with lead CBOs to support projects, identify successes and failures, and discuss strategy. A staff member from Parkside’s lead CBO observed,

I think the idea of a three-year process, a three-year grant that would allow you to actually dig deep into the subject without having to reapply each year, without having to think about whether or not your report showed enough progress or not, it allowed them to become a more intimate partner with us, where you could actually interact with the funder as a partner — meaning [we could say to them], “This isn’t working. And we think it’s not working because of this. We think we need to do this instead.” Those are strategic discussions that you have inside your organization all the time, but ... a lot of people are just not comfortable with a funder because you just don’t know what they’re gonna do.

Nevertheless, a CBO staff member in Parkside recognized the “delicate line” this required foundation program officers to walk:

I have definitely heard critiques from people I trust deeply in the community that believe it’s inappropriate for an elected official or a funder to have any real formal role. And so there’s a line that you have to be careful with. And I think they’re very cognizant of that line. They want to be there to bring resources to the table, to use their own interests in building neighborhood agendas, to assist, without overriding the wishes of the people who are living and working there. A delicate line.

Even when that line was walked well, the approach posed some noteworthy challenges. For instance, program officers were essentially creating unanticipated position responsibilities and tasks for themselves as the initiative unfolded. The Parkside program officer observed,

I would say in this work we took more of a hands-on organizer role in some instances, or more of a, “I’m a voice at the table with everyone else” role, versus, “Let me just give you a grant and you go do.” And that’s not normal for foundation work because, obviously, it takes a lot of staff time to do that, and usually that happens beyond your regular 9-to-5 workday. And so you’re talking about evenings and weekends.

Reconfiguring their positions also meant continual negotiation not only with CBO staff and community members, who were used to a more traditional top-down approach from funders, but also with their foundation colleagues and board. The program officer for the Harborview community said,

We had to defend our work all day, every day, to fellow staff, to most of our leadership, and to the board. ... And — I told [the other program officer] this many times — I am so grateful that we had each other to say, “No, we’re staying the course in this work.” And staying focused on resident engagement, resident leadership, community engagement: that this is like a long-term investment. And the work was very personal to both of us. ... I think the conversation started to change in terms of people better understanding the work,

... before moving on to another neighborhood or more, that there is sort of an understanding, recognition, and investment in the people who are doing this work from the staff person, ‘cause there’s a lot of defending our work, defending our neighborhoods while we were also in the mix trying to sort through relationship stuff within the neighborhood context.

Additionally, as appreciative as the community members were of program officer availability and flexibility, and their own role in funding and programming decisions, there were still concerns and unmet needs. At times participants wanted more directive “guidance” and goal clarity, oversight, and expertise from the foundation. “I think there was just a lot of confusion on what [the foundation] wanted out of these dollars,” a Parkside member said. “So having clear guidance would have been helpful, I guess.” A core participant from Harborview said,

The best thing that [the foundation] can do for us in terms of providing us with help is in specific and targeted capacity building within the organization. ... Let’s say you give us your communications person. She sits in our office for one day a month ... and thinks about what we can do.

These statements suggest that despite the foundation’s efforts to support CBO capacity building, some stakeholders were hoping for even greater assistance with planning and capacity-building activities. A core participant from Harborview pointed to the need to help the CBOs engage issue experts:

We live in what I would refer to as a transitional neighborhood. We are pretty deep into a transition, so what I would have hoped for is for some guidance and resources ... not only monetary, but also for people who have done this before and have some experience with taking a neighborhood and guiding it along in a way that isn’t haphazard. That is what I hoped for it.

The depth of capacity-building needs among partner CBOs and the amount of resources necessary to build their capacities and competencies may have been underestimated by the foundation in this initiative.

Trust/Mistrust

The level of involvement by foundation program officers and the multiyear funding commitment strengthened social capital between the community foundation and grantees. Lead CBO staff members said this sharpened reciprocal understanding and generated unusually high levels of intimacy, honesty, transparency, and trust, which led to more effective collective problem solving. A Harborview staff member said,

There's just been this kind of creation of trust at this point where you don't feel like you have to hide things that aren't necessarily going well; you can ask for feedback ... without being concerned that you might, that it might, create a problem for the funder — that they think there's a problem with your work.

Trust within communities, however, rested on history, and there were distinct differences between how much trust the participatory grantmaking strategies generated in Harborview and in Parkside. Most participants recognized that using a lead CBO as a fiscal agent to distribute money flexibly and quickly across a wide variety of groups made sense logistically, especially since many smaller block clubs did not have 501(c)(3) status. However, both the historical extent of collaboration or factionalism in the community and the character and perceived level of legitimacy of the lead CBO were critical to whether stronger relationships and trust were generated in the process. When asked about replicating the strategy in other communities, one core participant in Harborview remarked:

In addition to whoever the lead is going to be, it needs to be a very strong organization; they need to be respected in the community and know their community. There also needs to be already — if not in place, at least in conversation — a network of partners. ... I feel if the nonprofit partners for [Harborview] had not already had, at some level, history and relationships and had worked on things in the past, whether in some it may have been more closely than others, we at least had some connection. And that I think helped us move forward quickly, and we didn't have to go through all that — the dating and coordinating and getting to build trust and getting to know each other — because we had already gone through all that.

The level of involvement by foundation program officers and the multiyear funding commitment strengthened social capital between the community foundation and grantees.

This common view of collaboration in Harborview contrasted with numerous comments from Parkside community partners about both the history of factionalism there and the limited ability of the lead CBO to effectively bring groups and residents together. One Parkside core partner said:

It seems like there's been a lot of infighting, and somebody gets mad and leaves one board and goes to another board, and same thing happens. And they're jumping boards, and instead of it being one conglomerate group, which you would think is [the lead CBO], it's not happening.

Another Parkside core participant went further, condemning the funding-distribution strategy and the lead CBO and suggesting the initiative may have done more harm than good:

I think the money — well, the goals of [the foundation] — were positive; their intentions were good. Their implementation was very poor. I think the funding did more harm to [the] neighborhood. I think it was used as a political weapon. It was routed through an organization that ... doesn't have a lot of support, and it was used as a political weapon to [pressure] the people that received it. Because they [the lead CBO] need partners in order to get more money. So, it would have been much better had [the foundation] bypassed the target organization and made it available. I understand that's a little bit more paperwork, it's a little tougher to manage when you're dealing with 12 or 14 little block clubs, but it removes the harm that was done.

[F]oundations intending to implement a participatory grantmaking model need to think very carefully about the use of a lead CBO as both a convening and a fiscal agent.

Especially in communities with a history of factionalism, like Parkside, careful assessment of the lead CBO's capacity and legitimacy is critical. Participants described a number of factors affecting such legitimacy, including an organization's history of communication, its capacity to set goals and track progress, the representativeness of its board, its leaders' interpersonal and relationship-building styles and their abilities to bridge differences in the community, and its track record of sharing power and credit for accomplishments with other community groups and stakeholders. A number of core participants in Parkside criticized the lead CBO as failing in many of these areas.

Even in Harborview, where collaboration was high, the lead CBO staff were well aware that having the role of the fiscal agent could threaten the trust they had previously built with partner CBOs. Said one staff member,

We now have Memorandums of Understanding with our partners, and we hadn't had that kind of formal contract set up; and we've learned it's really pretty necessary. But it's just something new that we hadn't negotiated before with some of our really close partners. ... I mean, negotiating — that level of formality — can be helpful if there's a breach in trust or people don't do what they say they're gonna do. But having to negotiate over that kind of formal agreement when ... you're used to having a very informal, trusting relationship, can make things a little uncomfortable initially.

Clearly, foundations intending to implement a participatory grantmaking model need to think very carefully about the use of a lead CBO as both a convening and a fiscal agent.

Discussion

Responding to recent calls to deepen their engagement of and accountability to members of the communities they support, foundations are experimenting with participatory grantmaking and citizen-led community-building practices. This study begins to give voice to stakeholders involved in one community foundation's participatory grantmaking and community-building initiative. While this analysis identifies a number of key benefits of this grantmaking approach, it also demonstrates that the devil in participatory grantmaking is in the implementation details.

Key benefits and impacts described by participants related mostly to the quality of interorganizational relationships and increased collaboration and social capital within neighborhoods and between CBOs and the foundation. (See Table 2.) While these outcomes are not the neighborhood-level improvements (crime, educational achievement, economic development, etc.) that foundations and their donors typically emphasize, they are nonetheless valuable outcomes that are important to capture when measuring "success" in community-building and participatory grantmaking efforts.

This examination also identifies, however, several aspects of participatory grantmaking that did not work so smoothly, and lessons learned that may be useful to other foundations considering participatory grantmaking and community-building practices. Among the most critical lessons is that the effectiveness of having a lead CBO convene a planning process and distribute funding is highly dependent on the history of factionalism within the target community and the legitimacy of the lead CBO in the eyes of both other CBOs and residents. Ultimately, our findings relate directly back to questions raised by Gerzon (1995) over two decades ago:

How can grant making be structured to maximize the community's role, while still guarding against the tyranny of localism? When communities are divided, how can grant money be targeted to foster community-based consensus, rather than further arm polarized interest groups? (p. 194–95)

TABLE 2 Key Benefits, Challenges, and Lessons Learned

Benefits	Challenges	Lessons Learned
<ul style="list-style-type: none"> • High levels of intimacy, transparency, collaboration, and trust between foundation program officers and lead CBOs, which resulted in candid and ongoing strategic conversations about initiative successes and failures • High resident engagement, ownership, and leadership development as a result of the flexibility and autonomy provided by the foundation for groups to carry out a variety of innovative projects in each community • Enhanced collaboration among CBOs that generated authentic relationships and bridging social capital, which set the stage for conversations about power, racism, and interorganizational competition 	<ul style="list-style-type: none"> • High level of existing factionalism within one target community • Limited legitimacy of the lead CBO in one community as perceived by some partnering CBOs and residents • Limited organizational and communication capacity of the chosen lead CBO in one community 	<ul style="list-style-type: none"> • Realistically assess foundation program officer time needed to generate high trust and collaboration among participating CBOs and navigate complex neighborhood power dynamics. • Accurately assess the lead CBO's legitimacy and capacity. • Enhance communication and conflict-resolution training for foundation program officers, particularly when working in factionalized communities. • Explore more broad-based funding distribution models, like participatory budgeting, to decrease the power of a lead CBO and enhance transparency and communication with community stakeholders. • Identify creative ways to engage donors directly in participatory funding processes to strengthen the connections between donors wanting to be engaged and residents wanting donors who "roll up their sleeves" and participate in grassroots projects.

As illustrated in our analysis, the answers to each of these questions depends largely on the unique history and context of each community. Even the best-planned participatory grantmaking process will struggle under conditions of community factionalism or organizational disarray, as was seen in the Parkside community.

In communities like Parkside, other options are preferable. The foundation could assign to the community a program officer highly skilled in communication and conflict resolution to provide extensive support and technical assistance to the lead CBO and its partners. Alternatively, the foundation could adopt a more broad-based and decentralized funding distribution approach, such as participatory budgeting. This model could increase transparency, decentralize power within a community, and put funding distribution decisions more directly into the hands of residents. Foundations can either partner

with lead CBOs to implement a participatory budgeting process or directly implement one themselves.

Participatory budgeting models raise critical questions of their own, however — especially for community foundations working within complex, diverse urban communities — and could impact neighborhood stability and the health of existing CBOs. For instance, an ethnography of participatory budgeting practices by Ganuza, Nez, and Morales (2014) argues that participatory budgeting fosters civil society centered around citizens rather than community associations. Would such practices undermine the legitimacy and strength of existing CBOs, which many times serve as critical anchors in communities? Both the lead CBOs described here, for instance, continue to operate in and provide important community-building functions to these two communities, and a void would be felt if they were weakened or closed their doors.

A second important lesson learned from this evaluation is a reality check concerning the level of foundation infrastructure necessary to successfully implement a participatory grantmaking strategy[.]

A second important lesson learned from this evaluation is a reality check concerning the level of foundation infrastructure necessary to successfully implement a participatory grantmaking strategy, as staff time and professional development at both foundation and CBO levels is necessary to manage ongoing engagement, convening, and communication work. This initiative demanded exceptional effort by foundation program officers, who had to provide a steady, visible presence throughout the initiative, respond to CBO capacity needs, and navigate complicated neighborhood power dynamics. Top foundation leadership must understand these realities and recognize that program officers may need to dedicate themselves full time to participatory grantmaking and community-building processes and be given significant professional development training in community-building and conflict-management practices, especially for diverse and factionalized target communities. If top leadership and colleagues are not tuned into these demands, program officers may find themselves squeezed from both ends and face burnout.

As with all research, this study raises many more questions for investigation. One critical perspective not captured here is that of donors. What benefits and challenges would arise if donors were more engaged directly in community-building and grantmaking decisions? Some of our participants wanted more donors and foundation board members to “roll up their sleeves” and witness their efforts

directly, rather than simply reading reports of results. Additionally, given the growing desire for engagement particularly among younger donors, how could community foundations go even further than the foundation studied here and involve donors in the participatory process? Perhaps donors could review and vote alongside residents on which resident-designed projects or initiatives their donation dollars should fund. There may be strategic advantages to community foundations of doing so. Miller et al. (2014) document how changes made by the Jewish Community Federation and Endowment Fund toward a venture philanthropy model that engaged both donors and community members more directly in funding allocations resulted in increased donations and network expansion.

Another set of questions relate to the long-term impact of this initiative and whether or not foundation leaders and donors felt the money was “worth it.” While interviews with top foundation leadership and donors were beyond the scope of this project, we know the foundation continues to support these two neighborhoods, that the two lead CBOs are still operating, and that the program officers felt the capacity, leadership development, and relationships built among partnering CBOs and diverse groups of residents were the most important outcomes. The Parkside program officer reflected on this:

I feel like that’s the larger story. And if there’s a takeaway, that’s the takeaway: It’s really the importance of building partnerships in the community, the importance of developing inter-generational and diverse leadership in community, and building capacity of community-based organizations so that there are paid staff who are community organizers, paid staff who can spend time, energy, effort focused on key issues in the neighborhood. That has nothing to do with safe, clean, and green and vibrant, although if those things are in place, safe, clean, green, and vibrant begin to happen.

Nevertheless, these neighborhoods would still be considered tipping communities, as factors beyond the foundation’s control (such as the COVID-19 pandemic, economic recession, polarized political climate, and protests for racial

justice seen in the past few years) greatly impact the economic health and social well-being of these urban communities and others like them across the nation.

Strengths and Limitations

The CBPR approach adopted for this research presented both advantages and challenges. Working closely with community partners over a five-year period helped ensure the research included the perspectives and met the needs of various stakeholders. This “prolonged engagement” (Padgett, 2017, p. 186) enabled data collection at two time points and enhanced the quality of that data. However, the demands of the CBPR approach, which required nearly bi-monthly meetings with community partners, precluded gaining full “saturation” during qualitative data collection and analysis.

For instance, ideally, we would have interviewed residents beyond the core participants (which may have yielded a more representative community sample, since a number of leaders from the partner agencies who chose to participate were white) and collected multiple types of qualitative data, including observational data (from community and core team meetings in each neighborhood and foundation board meetings) or archival data (such as transcripts of meeting minutes). Formal member checking of transcripts was also not feasible, as study participants had limited time or desire to carefully read through them. Nevertheless, we did obtain reactions to our analyses when we shared findings and data summaries with participants at key community stakeholder meetings (Padgett, 2017).

Despite the limitations of this research, our presentation of findings may be helpful to other foundations engaging in participatory

If [foundations] pay closer attention to their participatory grantmaking practices and community-building efforts, they may both compete better for donors and have a stronger ability to strengthen civic capacity and social cohesion in the communities they seek to support and revitalize.

grantmaking and community-building initiatives in economically and racially diverse urban communities.

Conclusion

Community foundations will likely remain important anchor institutions across the United States. And yet, to survive, thrive, and increase their impact they are being challenged to examine their grantmaking practices and to innovate to satisfy both the donors they court and the communities they serve. This study offers some initial insights into how to maximize the benefits and minimize the risks of participatory grantmaking and begins to address the critical importance of foundations carefully considering the implications of their funding methods. If they pay closer attention to their participatory grantmaking practices and community-building efforts, they may both compete better for donors and have a stronger ability to strengthen civic capacity and social cohesion in the communities they seek to support and revitalize.

References

- BAIOCCHI, G., & LERNER, J. (2007). Could participatory budgeting work in the United States? *Good Society*, 16(1), 8–13. <https://doi.org/10.1353/gso.0.0009>
- BELL, J., & MCCAMBRIDGE, R. (2018). Democracy in practice: How the Ford Foundation and its BUILD grantees are changing philanthropy. *Nonprofit Quarterly*, 25(4), 11–22.
- BERNHOLZ, L., FULTON, K., & KASPER, G. (2005). *On the brink of new promise: The future of U.S. community foundations*. Blueprint Research Design, Monitor Company Group. <https://community-wealth.org/content/brink-new-promise-future-us-community-foundations>
- BUTEAU, E., CHAFFIN, M., & BUCHANAN, P. (2014). *What donors value: How community foundations can increase donor satisfaction, referrals, and future giving*. Center for Effective Philanthropy. http://cep.org/wp-content/uploads/2014/04/CEP-Research_What-Community-Foundation-Donors-Value-1.pdf
- CF LEADS CULTIVATING COMMUNITY ENGAGEMENT PANEL. (2013, October 18). Beyond the brink: A new call to action on resident engagement by community foundations. *National Civic Review*, 102(3), 4–12. <https://doi.org/10.1002/ncr.21130>
- CHARMAZ, K. (2014). *Constructing grounded theory*. Sage.
- COLINVAUX, R. (2018). Defending place-based philanthropy by defining the community foundation. *Brigham Young University Law Review*, 2018(1), 1–56.
- CRABTREE, B. F., & MILLER, W. L. (1999). *Doing qualitative research* (2nd ed.). Sage.
- DAVIES, R. (2019, April 29). *Philanthropy is at a turning point. Here are 6 ways it could go*. World Economic Forum. <https://www.weforum.org/agenda/2019/04/philanthropy-turning-point-6-ways-it-could-go/>
- EASTERLING, D. (2011). Promoting community leadership among community foundations: The role of the Social Capital Benchmark Survey. *The Foundation Review*, 3(1), 81–96. <https://doi.org/10.4087/FOUNDATION-REVIEW-D-11-00022>
- ENRIGHT, K., & BOURNS, C. (2010, Spring). The case for stakeholder engagement. *Stanford Social Innovation Review*. https://ssir.org/articles/entry/the_case_for_stakeholder_engagement
- FIFIELD, M. (2017). Thinking big: Community philanthropy and management of large-scale assets. *The Foundation Review*, 9(3), 9–22. <https://doi.org/10.9707/1944-5660.1372>
- GANUZA, E., NEZ, H., & MORALES, E. (2014). The struggle for a voice: Tensions between associations and citizens in participatory budgeting. *International Journal of Urban and Regional Research*, 38(6), 2274–91. <https://doi.org/10.1111/1468-2427.12059>
- GERZON, M. (1995). Reinventing philanthropy: Foundations and the renewal of civil society. *National Civic Review*, 84(3), 188–195. <https://doi.org/10.1002/ncr.4100840304>
- GIBSON, C., LEVINE, P., & DIETZ, P. (2010). *Citizen-centered solutions: Lessons in leveraging public participation from the Make It Your Own Awards*. Case Foundation. <https://casefoundation.org/wp-content/uploads/2010/09/Citizen-Centered-Solutions-Report.pdf>
- GIBSON, C. (2019). Moving beyond feedback: The promise of participatory grantmaking. *Nonprofit Quarterly*, 26(2), 30–38.
- GILOTH, R. (2018). Philanthropy and community engagement. *National Civic Review*, 107(2), 26–36. <https://doi.org/10.1002/ncr.21361>
- GRADDY, E., & WANG, L. (2008). Community foundation development and social capital. *Nonprofit and Voluntary Sector Quarterly*, 38(3), 392–412. <https://doi.org/10.1177/0899764008318609>
- JOHNSON, J. M. (2016). Necessary but not sufficient: The impact of community input on grantee selection. *Administration & Society*, 48(1), 73–103. <https://doi.org/10.1177/0095399713509241>
- JUSTICE FUNDERS. (2020). *Resonance: A framework for philanthropic transformation*. Justice Funders, Resonance Collaborative. <http://justicefunders.org/resonance/>
- KEAN, S. (2007, July 26). Casting ballots for charity. *Chronicle of Philanthropy*. <https://www.philanthropy.com/article/Casting-Ballots-for-Charity/178125>
- LEAT, D. (2004). *The development of community foundations in Australia: Recreating the American dream*. Queensland University of Technology. <https://core.ac.uk/download/pdf/19891818.pdf>
- LERNER, J., & SECONDO, D. (2012). By the people, for the people: Participatory budgeting from the bottom up in North America. *Journal of Deliberative Democracy*, 8(2), Article 2. <http://doi.org/10.16997/jdd.148>
- LOVE, D. (2015). The non-profit industrial complex in Baltimore. In L. Grandpre & D. Love (Eds.), *The black book: Reflections from the Baltimore grassroots* (pp. 124–157). Lulu.com
- MAZANY, T. (2019). Are community foundations living up to their promise? *Nonprofit Quarterly*, 26(4), 38–45.

- MAZANY, T., & PERRY, D. C. (Eds.). (2014). *Here for good: Community foundations and the challenges of the 21st century*. Routledge.
- McNAMARA, M. J., CUMMING, S. J., & PULIS, J. (2018). Negotiating bottom-up participation in the complex game of philanthropy: Insights from the Community Ideas Factory. *Canadian Journal of Nonprofit and Social Economy Research*, 9(2), 41–61.
- MILES, M., HUBERMAN, A. M., & SALDANA, J. (2020). *Qualitative data analysis: A methods sourcebook* (4th ed.). Sage.
- MILLER, A., GOLLUB, E., KAUFMAN, I., & DANZIG EPELMAN, A. (2014). The Impact Grants Initiative: Community-participatory grantmaking modeled on venture philanthropy. *The Foundation Review*, 6(3), 6–21. <https://doi.org/10.9707/1944-5660.1208>
- MILLESEN, J. L., & MARTIN, E. C. (2014). Community foundation strategy: Doing good and the moderating effects of fear, tradition, and serendipity. *Nonprofit and Voluntary Sector Quarterly*, 43(5), 832–849. <https://doi.org/10.1177/0899764013486195>
- NATIONAL TASK FORCE ON COMMUNITY LEADERSHIP. (2013). *Framework for community leadership by a community foundation*. Council on Foundations. <https://cfleads.org/wp-content/uploads/2019/10/CFLeads-Framework-1.pdf>
- PADGETT, D. (2017). *Qualitative methods in social work research* (3rd ed.). Sage.
- ROONEY, P. (2018). The growth in total household giving is camouflaging a decline in giving by small and medium donors: What can we do about it? *Nonprofit Quarterly*, 25(3), 44–49.
- RUESGA, A., & KNIGHT, B. (2013). The view from the heights of Arnstein's ladder: Resident engagement by community foundations. *National Civic Review*, 102(3), 13–16. <https://doi.org/10.1002/ncr.21137>
- STRAUSS, A., & CORBIN, J. (1994). Grounded theory and methodology: An overview. In N. K. Denzin & Y. S. Lincoln (Eds.), *Handbook of qualitative research* (pp. 273–285). Sage.
- TWERSKY, F., BUCHANAN, P., & THRELFALL, V. (2013, Spring). Listening to those who matter most, the beneficiaries. *Stanford Social Innovation Review*. https://ssir.org/articles/entry/listening_to_those_who_matter_most_the_beneficiaries
- WALES, J. (2011, May 25). "If you want an answer, ask everyone": The rise of crowd-source grantmaking. *HuffPost*. https://www.huffpost.com/entry/if-you-want-an-answer-ask_b_742111
- Megan Meyer, Ph.D.**, is an associate professor at the University of Maryland School of Social Work. Correspondence concerning this article should be addressed to Megan Meyer, University of Maryland, School of Social Work, 525 West Redwood Street, Baltimore, MD 21201 (email: mmeyer@ssw.umaryland.edu).
- Emily Smith Goering, Ph.D.**, is a research associate at Kaye Implementation & Evaluation.
- Karen Hopkins, Ph.D.**, is an associate professor at the University of Maryland School of Social Work.
- Cheryl A. Hyde, Ph.D.**, is an associate professor at the School of Social Work in the College of Public Health, Temple University.
- Nicole Mattocks, Ph.D.**, is a research assistant professor at the University of Maryland School of Social Work.
- Jonalyn Denlinger, M.B.A.**, is founder of and principal consultant for J Denlinger Consulting.