

# The Foundation Review

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Volume 13 | Issue 3

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9-2021

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### Recommended Citation

(2021). TFR 13.3 Full Issue. *The Foundation Review*, 13(3). <https://doi.org/10.9707/1944-5660.1585>

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In this issue:

Tools

Donor-Led Community Engagement ..... 7

Reflective Practice

Myths About Causal Analysis in Philanthropy ..... 17

Learning Amid Disruption: Bouncing Forward Into a Changed World ..... 30

Sector

How the Kellogg Foundation Supported Philanthropic and Nonprofit Studies ..... 47

Brazilian Foundations and the Responses to COVID-19 ..... 67

Community Foundations as Community Leaders ..... 79

Book Review ..... 92

Executive Summaries ..... 97

Call for Papers ..... 100

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# THE FoundationReview®

PUBLISHED QUARTERLY

VOL. 13 ISSUE 3

***The Foundation Review*** is the first peer-reviewed journal of philanthropy, written by and for foundation staff and boards and those who work with them implementing programs. Each quarterly issue of *The Foundation Review* provides peer-reviewed reports about the field of philanthropy, including reports by foundations on their own work.

**Our Mission:** To share evaluation results, tools, and knowledge about the philanthropic sector in order to improve the practice of grantmaking, yielding greater impact and innovation.

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## Cover Photo:

Grand Valley State University professor Dr. Jenny Jenkins uses a Cooper hawk on the university's Allendale, Mich., campus to aid in her research on chickadees. Photographer: Kendra Stanley-Mills



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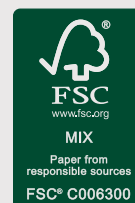
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# In this issue:

## Tools

---

### Donor-Led Community Engagement: A New Model for In-Kind and Philanthropic Giving?

7

Jessica K. A. Word, Ph.D., and Connor Gahre, M.H.A., University of Nevada–Las Vegas

## Reflective Practice

---

### Lost Causal: Debunking Myths About Causal Analysis in Philanthropy

17

Jewlya Lynn, Ph.D., PolicySolve; Sarah Stachowiak, M.P.A., ORS Impact; and Julia Coffman, M.S., Center for Evaluation Innovation

### Learning Amid Disruption: Bouncing Forward Into a Changed World

30

Rachel Reichenbach, Ph.D., Humanity United; Jewlya Lynn, Ph.D., PolicySolve; and Jen Heeg, Ph.D., Independent Consultant

## Sector

---

### Assessing Philanthropic Impact: How the W.K. Kellogg Foundation's Building Bridges Initiative Supported the Field of Philanthropic and Nonprofit Studies

47

Peter C. Weber, Ph.D., Auburn University, and Robert Long, Ph.D., Independent Fellow

### Brazilian Foundations and the Responses to COVID-19

67

Marcos Paulo de Lucca-Silveira, Ph.D., Pietro Rodrigues, Ph.D., Marketa Jerabek, Ph.D., and Marcia Kalvon Woods, B.A., José Luiz Egydio Setúbal Foundation; and João Paulo Vergueiro, M.A., Brazilian Fundraisers Association

### Community Foundations as Community Leaders: The Role of Community Leadership in Creating Change

79

Colton Strawser, Ph.D., Community Leadership, Engagement, and Research (CLEAR) Institute

## Plus

---

### Book Review – *The Upswing: How America Came Together a Century Ago and How We Can Do it Again*

92

### Executive Summaries

97

### Call for Papers

100

# Editorial

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Dear readers,

I think of this issue of *The Foundation Review* as our pandemic issue. While we have an upcoming issue focused on how foundations responded to the pandemic, this issue was the most *impacted* by it. Authors were working on these papers as their offices and their children's schools shut down. Papers were submitted late, and then reviewers had their own challenges in squeezing in time to thoughtfully read and give feedback. Months later than scheduled, this unthemed issue shares some exciting research and thinking.

**Word and Gahre** share insights learned from the work of the Wynn Resorts Foundation to support capital improvement projects. While capital funding is not new to philanthropy, this article describes an unusually high level of engagement by the foundation. They essentially project managed these capital projects and brought in other partners, leading to some long-lasting volunteer relationships.

One of the key questions in philanthropy is, "Are we making a difference?" While many of the issues that foundations fund are deeply rooted and require systemic change, **Lynn, Stachowiak, and Coffman** argue that philanthropy can be doing more to assess causality. Being able to clearly attribute change to what foundations funded and grantees did is often seen as impossible. The authors argue that there are more robust approaches to evaluation that should be more widely used that would enable a deeper understanding of causality.

The last two years have brought tremendous disruption to the philanthropic sector (along with the rest of society). **Reichenbach, Lynn, and Heeg** explore the journey Humanity United went through in 2020, focusing on the disruption as a moment to rethink how they might seek to change systems and adapt to emergence and unpredictability.

The reason this journal exists is to disseminate knowledge and improve practice in the philanthropic sector. As such, it is one of the signs of professionalization. An earlier step in this process of professionalizing the sector was the establishment of education programs focused on the sector. **Weber and Long** evaluated the impact of the W.K. Kellogg Foundation's Building Bridges Initiative, a five-year program to fund nonprofit academic centers as a strategy to increase the nonprofit sector's capacity. They found that the initiative advanced the institutionalization of nonprofit management education by legitimizing grantees both within and outside universities, supporting program delivery and expansion, and fostering collaborative networks.

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**Lucca-Silveira, Rodrigues, Jerabek, Kalvon Woods, and Vergueiro** analyze of the role of Brazilian foundations and their innovations during the COVID-19 pandemic. The authors suggests that foundations have been subject to three major innovations: use of social intelligence for the provision of donations and social goods, new technology that can coordinate fundraising campaigns and mobilize civil society support, and shifts in the modus operandi of foundations.

**Strawser** explores the relationship between taking a leadership role and fundraising outcomes for community foundations. Based on interviews with leaders at 11 community foundations, he found that those that claimed a community leadership role were more successful in fundraising and had a higher profile within their regions that those that did not.

This issue concludes with a review of *The Upswing: How America Came Together a Century Ago and How We Can Do it Again*. **Layton and Martin** note that authors Putnam and Romney Garrett take a simultaneously broad and richly detailed look at the growth and decline of “community connectedness and social solidarity in America.” The issue of how the culture gets back to being a “we” culture is critical, and one that the philanthropic sector needs to understand and address.

We hope you find that this issue was worth the wait.



A handwritten signature in black ink, which appears to read "Teresa Behrens".

Teresa R. Behrens, Ph.D.  
Editor in Chief, *The Foundation Review*  
Executive Director, Dorothy A. Johnson Center  
for Philanthropy at Grand Valley State University





# Donor-Led Community Engagement: A New Model for In-Kind and Philanthropic Giving?

Jessica K. A. Word, Ph.D., and Connor Gahre, M.H.A., University of Nevada–Las Vegas

**Keywords:** *Corporate foundation, in-kind donation, capital improvement*

## Introduction

Nonprofits and foundations always seek ways to increase impact through creative use of resources — not only direct funding, but connections and relationships as well. In Las Vegas, Nevada, the Wynn Resorts Foundation accomplished this by employing a strategic approach to corporate-led donor engagement that departs from traditional models of corporate philanthropy to involve both the community and internal stakeholders in unique ways that build buy-in among donor networks and long-term capacity for nonprofits. Guided by its Transformative Impact Model (TIM), the foundation lent its own expertise and leveraged its professional networks to coordinate in-kind capacity-building donations that revitalized the Veterans Village Crisis Intervention Center and The Shade Tree, a shelter for women in crisis and their children.

This article reviews some traditional approaches to corporate-led donor community engagement before it examines the planning, coordination, and completion of the two Las Vegas projects. It goes on to outline four key elements of the TIM, and discusses the strengths and challenges affecting the model's applicability to other funders and communities. Insights into the TIM were gathered from interviews with stakeholders: employees of the Wynn Resorts Foundation and Wynn Resorts Management; Veterans Village and The Shade Tree staff; and tradespeople and contractors involved in planning and construction. We also reviewed media and public relations accounts of the two projects, as well as other publicly available information.

## Key Points

- While philanthropic relationships between nonprofits and businesses are complex and ever evolving, the dominant pattern is one where the process is largely managed by the nonprofit, with businesses providing little more than monetary resources or in-kind donations in response to specific “asks.” This article explores the Transformative Impact Model, a new approach to corporate donor-led giving employed by the Wynn Resorts Foundation that allows community partners to take ownership of capital improvement projects.
- In support of two such projects for a pair of nonprofits in Las Vegas, Nevada, the foundation not only lent its expertise, but also leveraged its professional network to encourage and coordinate in-kind donations and cash gifts — a process that normally would have been led by the organizations themselves through capital campaigns. In addition, the foundation's engagement of leadership and front-line employees from Wynn Resorts Management in these philanthropic efforts led to new and lasting volunteer relationships with the two nonprofits.
- This article reviews some traditional approaches to corporate-led donor community engagement before it examines the planning, coordination, and completion of the Las Vegas projects. It goes on to outline unique elements of the Transformative Impact Model, and discusses the strengths and challenges that shape the model's applicability to other funders and communities.

*Many CSR activities mirror those of foundations. Corporations will often define a giving strategy and create a grantmaking or other engagement process to identify and evaluate beneficiaries.*

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The capital projects, part of a philanthropic effort undertaken by the foundation and the two nonprofits from 2016 to 2019, were unique in their reliance on Wynn Resorts Management's networks and its business partners to resource work that nonprofits more commonly manage themselves through capital campaigns. The TIM facilitated ownership of the projects by the foundation's community partners and engagement with both leadership-level and front-line Wynn Resorts employees in large-scale, volunteer philanthropic efforts.

### **Corporate Social Responsibility**

Relationships between nonprofits and businesses are complex and ever evolving, with a broad range of political, commercial, strategic, and philanthropic purposes (Suárez & Hwang, 2013; Galaskiewicz & Sinclair Colman, 2006). The dominant pattern, however, is one in which donations are primarily monetary, the process is largely managed by the nonprofit, and businesses provide little more than funding or in-kind donations in response to specific "asks" or giving categories defined by funders (Patrizi & Heid Thompson, 2011). These and other traditional approaches to giving also include grants and corporate sponsorships, and many businesses encourage employees to contribute their time or money directly to nonprofits or by participating in events intended to draw attention to corporate philanthropic efforts.

### **Corporate Giving**

Corporate philanthropy is often part of the larger strategy of corporate social responsibility (CSR), defined by Lantos (2002) as "certain corporate community service activities that accomplish strategic business goals" (p. 207). The benefits of CSR can include financial savings and support for nonprofits and communities as well as goodwill, tax benefits, and positive public relations for businesses (Drews, 2010); CSR has even been linked to positive shareholder valuation (Wan-Jan, 2006). But these efforts also draw frequent criticism as little more than token public relations and marketing activities.

Many CSR activities mirror those of foundations. Corporations will often define a giving strategy and create a grantmaking or other engagement process to identify and evaluate beneficiaries. These approaches often ask nonprofits to submit proposals in response to grant opportunities or otherwise rely on them to build relationships with funders. This process can take a large investment of time and energy on the part of a nonprofit, which nevertheless is likely to see it as necessary to create trust and gain advantage when seeking corporate and other large-donor support (Faulk, Willems, McGinnis Johnson, & Stewart, 2016). Other methods of building these relationships include large-scale social events, such as gala fundraisers, or even strategic recruitment of a corporate manager to fill a seat on a nonprofit's board.

Some critics have characterized corporate donors and foundations involved in traditional philanthropy as little more than charitable banks that support the costs of carrying out community work in exchange for goodwill, tax benefits, and positive public relations (Brown, David, & Sharma, 2020). While galas and branded events provide a platform for corporate sponsors to showcase their philanthropy, such forms of engagement that require little active donor participation rarely change relationships among nonprofits, donors, and the community; nor do they capitalize on such corporate assets as a funder's network or knowledge base.

In traditional philanthropy, the primary interactions between donors and grantees consist of relationship building prior to the “ask” and accountability measures after the funds have been awarded — similar to contractual relationships, which are often conducted at a distance. The grantee is the primary driver of the outcomes and draws from its own expertise and experience to carry out the work, often with little further support from donors.

This largely passive approach has also been criticized as too distant from the actual work in a community (Patrizi & Heid Thompson, 2011) — a disconnect that can limit strategic thinking as well as direct involvement from other community stakeholders, thereby depriving donors of information that most accurately relates what is happening on the ground. This kind of failure to engage the abilities and deep knowledge of community partners blunts the overall impact of funders’ investments.

Some recent critiques of philanthropy and CSR argue that a strategic perspective focused on collaborative value creation would result in better outcomes for both nonprofits and corporate partners (Austin & Seitanidi, 2012). Collaborative value creation depends on a stronger commitment from funders to not only invest in change, but to also help create it in partnership with others in the community. This approach requires strategies that engage organizations with a broad range of assets and skills that can be brought to bear on community needs.

Despite calls for more effective philanthropy, it is relatively unclear how to improve the current models of corporate giving in a way that increases the benefits to the donor and the community.

### In-Kind Donations

Broadly defined, in-kind donations “include any donation of goods or services for a charitable purpose” (Barth, 2016, p. 48). In particular, many businesses have in-kind giving programs that donate unused goods or food to nonprofit organizations or encourage employees to volunteer for a particular activity (Suárez & Hwang, 2013).

*Some recent research, however, suggests that corporate volunteer programs are of benefit to the volunteers themselves. This research suggests that employees can find meaning in their volunteer roles that they do not find in their work, which in turn might have a spillover effect on job performance that benefits employers and employees.*

These donations are usually made, again, from a distance, with employees often choosing the organization or project they want to support. In-kind donation programs are often based upon the surplus goods that individuals and organizations have available that can be repurposed for philanthropy.

In-kind donations of employee labor have been under-studied — in part because employee volunteer efforts are usually tracked by the employer rather than by nonprofits or volunteer organizers (Gautier, Pache, & Chowdhury, 2013), so little is known about their impact on donors or recipients of the goods and services. Some recent research, however, suggests that corporate volunteer programs are of benefit to the volunteers themselves (Rodell, 2013). This research suggests that employees can find meaning in their volunteer roles that they do not find in their work, which in turn might have a spillover effect on job performance that benefits employers and employees.

A lack of strategic thinking behind many in-kind donation efforts has led to criticism that they can create as many problems as they might solve. Among the research that does exist is

*Bringing together a range of (often competing) firms in a cooperative effort created the opportunity for a larger overall contribution to Veterans Village than would have been possible from a single donor.*

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into donations of inappropriate materials that were not immediately useful and whose influx created logistical challenges for already over-taxed response managers (Islam, Vande Vate, Heggstuen, Nordenson, & Dolan, 2013). This suggests that in-kind donations could be more valuable with better coordination, which can be achieved only by working directly with nonprofits and those they serve.

### Case Studies

The first of the two Wynn Resorts Foundation's Las Vegas projects targeted for intervention through the TIM was a seven-day build of the Veterans Village Crisis Intervention Center; the second was an extensive remodeling of The Shade Tree. Each provided a vehicle for deeper engagement with Wynn employees and community partners. Using these cases, we will identify key aspects of the TIM and its potential to deepen impact in other settings.

#### Veterans Village Build

While nonprofits typically initiate capital projects with a traditional grant application or specific request for financial support, the 2017 Veterans Village Crisis Intervention Center build evolved through an existing relationship between the organization and Wynn's director of initiatives for military veterans. This relationship allowed both partners to work outside of their typical roles — a key element in the TIM approach.

The Veterans Village, which now operates as part of the SHARE Village Las Vegas, focused

on housing and feeding homeless veterans and connecting them to benefits through the Veterans Administration and other programs. The crisis center was one of the key buildings in the Veterans Village master plan to expand shelter assistance, which called for a complex of new and repurposed housing units for individuals and families.

The nonprofit initially reached out to the foundation to create an architectural design for the center, but a team of construction professionals from Wynn Resorts Management decided to go further and approach businesses that had done work with Wynn Resorts. From architects to tilers, representatives from local professions and construction trades were convened at a series of meetings where the foundation presented a plan to build the crisis center in a single week. Wynn managers then asked those in the room to verbally commit to pieces of the project. Bringing together a range of (often competing) firms in a cooperative effort created the opportunity for a larger overall contribution to Veterans Village than would have been possible from a single donor.

At the end of the seven days, the value of the Veterans Village build totaled \$1.2 million. The bulk of that came from in-kind donations: volunteers from Wynn Resorts Management and local trades who gave their time and skills to the build itself, and gifts of materials and funding for labor and equipment. The project lead was a Wynn Resorts executive in charge of construction for the company; others from the Wynn team of volunteers helped the project clear hurdles including obtaining local permits and inspections within this short timeline so the build could be completed in a week.

The scale of the effort entailed a range of involvement from the wider community, which has helped cement a network of relationships with project participants and the nonprofit.

#### The Shade Tree Renovation

The Shade Tree project was an upgrade of an existing facility, and much of the work involved renovations to meet the growing demand for

shelter services in Las Vegas. While somewhat smaller in scale than the Veterans Village build, The Shade Tree presented unique challenges because the facility remained in use during the work.

The Shade Tree assists abused, homeless, and crisis-affected women and their children. Nevada's only 24-hour shelter and the largest of its kind in the state, provides case management, limited health care, and emergency shelter services. Before the involvement of the foundation, The Shade Tree had a high level of staff and leadership turnover as it faced some financial and management difficulties.

As with the Veterans Village build, foundation leaders approached the construction team at Wynn Resorts and company management obtained commitments from its suppliers and contractors for pieces of The Shade Tree project. The initial target for improvements was a kitchen that lacked adequate capacity and did not meet standards for safe handling and preparation of food for the large number of people the shelter served each day. A tour of the building by foundation staff revealed other capital improvement needs, including a bathroom renovation undertaken by an earlier donor that had been left unfinished for 11 months due to a lack of volunteers.

An additional challenge for this project was the need for security: a number of shelter residents were fleeing domestic violence and required protection. A construction wall was built to separate the work crews from the residents; stricter background checks were instituted and all on the site were required to sign in and out; and guards were hired to direct workers and foot traffic.

In addition to about \$3 million of capital improvements — The Shade Tree gained a full industrial kitchen and renovated its bathrooms and the entire second and third floors — the project facilitated lasting relationships between the shelter and the businesses whose in-kind donations were key to its success. And as the work progressed and additional needs surfaced

*[W]hat began as a capital project became a driver of greater community involvement not only from the foundation and Wynn executives, but also from the company's larger employee base — giving The Shade Tree opportunities to draw upon a broad range of competencies and expertise to support its services to the community.*

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for both the organization and its building, new volunteer commitments from Wynn employees supplied accounting, public relations, marketing, and other management supports. Foundation leadership also reached out to front-line employees at Wynn Resorts, who volunteered to prepare food and beverages for The Shade Tree fundraisers and holiday celebrations for shelter residents. One of the project leads became a member of the shelter's board, and thus was well-placed to follow up on remaining project details. As a result, what began as a capital project became a driver of greater community involvement not only from the foundation and Wynn executives, but also from the company's larger employee base — giving The Shade Tree opportunities to draw upon a broad range of competencies and expertise to support its services to the community.

## Discussion

There are four key elements to the TIM approach and its success with capacity-building efforts for nonprofit organizations: it builds on existing relationships; emerges as a vehicle for greater cooperation and community involvement among local funders, businesses, volunteers, and nonprofits; provides



*For the Wynn Resort Foundation, involvement at all stages of the projects also made it an active partner in the day-to-day problem solving of the two nonprofits. This engagement also allowed both projects to evolve as needs changed.*

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a mechanism to pair traditional funding with useful in-kind donations; and frees partners to act outside of customary legalistic and contractual relationships.

Below is an examination of these aspects and their implications for other funders considering adapting the model or some of its elements to their giving strategies.

#### **Element No. 1: Built Upon Existing Relationships**

While it is not unusual for nonprofits and foundations to form strong relationships, the TIM used these relationships as a starting place for deeper engagement. The Veterans Village and The Shade Tree projects were initiated through existing relationships between the organizations and the foundation. That connection had established the mutual trust necessary to embark on new, large-scale efforts and to allow the work to evolve differently than it would within a more traditional funding model.

These relationships were crucial not only to the delivery of the project, but also to its development. Instead of reliance on a typical grant application or ask, the work was undertaken after the funder observed needs when on site for other projects. This approach makes funders part of strategy development — beyond responding to a demonstrated need, they can address

other issues they encounter. This deeper level of involvement changes the funder's role from a banker to an active participant in the implementation and planning stages of capital projects.

For the Wynn Resort Foundation, involvement at all stages of the projects also made it an active partner in the day-to-day problem solving of the two nonprofits. This engagement also allowed both projects to evolve as needs changed. The initial plan for The Shade Tree, for example, involved only a kitchen renovation, but the scope expanded as the funder grew more aware of the shelter's ongoing operational problems. The project lead reached out to his professional networks for additional in-kind support — a direct response to observed need and not just a way to dispose of excess goods, as is common with in-kind donations.

#### **Element 2: A Vehicle for Involvement**

Capital projects usually are accomplished through cash donations, often take three to five years to complete, and frequently depend on a handful of large donors (Woronkiewicz & Nicholson-Crotty, 2017). Each of the two projects undertaken in Las Vegas under the TIM took at the most 18 months from design to completion and had active participation from the primary donor and its network in support of every aspect of the work, involving contributions from other funders and volunteer suppliers and tradespeople.

These projects also became a way for the foundation to draw attention to the work and needs of Veterans Village and The Shade Tree. Some of the relationships between project volunteers and the nonprofits endured beyond the completion of the capital project — relationships that represent assets for the organizations. Some individuals who were initially asked to make in-kind contributions became longer-term donors and even board members.

The involvement of a greater number of individuals and businesses allowed for personal attachments and relationships to form in ways unlike those made through traditional capital

campaigns or fundraisers. Individuals who were not usually asked to engage in philanthropy — tradespeople and small-business owners who are rarely approached outside of their respective social circles, for example. played a large role in the Las Vegas projects. And direct involvement made the accomplishment of the task personal. As participants talked about their work on Veterans Village and The Shade Tree, some mentioned being previously unaware of the nonprofits' importance to the community, and many often spoke of the pride and satisfaction they felt in meeting such vital needs. A tradesperson who volunteered to contribute to the project said in an interview, "I had heard of the Shade Tree before, but it wasn't until I toured the facility that I understood how I could help."

### Element 3:

#### Pairing In-Kind and Cash Donations

Another key element of the TIM is the pairing of in-kind donations of time and goods with cash donations intended for a specific need. While it is not uncommon for corporate donors to give both in-kind and cash donations to charitable organizations, the Las Vegas projects combined those donations toward larger goals.

The focus on skilled in-kind labor was critical to the success of both projects. The broad range of individual volunteer talent meant work could be accomplished at much lower direct cost than most capital projects and on a much shorter timeline from initiation to completion, increasing the impact of each donated dollar. When The Shade Tree needed tile sourced and installed, for example, the Wynn Resorts team reached out to small businesses in its network that were willing to take on a piece of the renovation work. Often this meant competing firms worked together on the shelter improvements.

The limited scope and timeline of the Veterans Village project also made it easier for volunteers to commit their time directly during the week of the build. In contrast, The Shade Tree's longer timeline meant that instead of individual workers, it was primarily businesses offering paid labor and time to the project.

*Individuals who were not usually asked to engage in philanthropy — tradespeople and small-business owners who are rarely approached outside of their respective social circles, for example. played a large role in the Las Vegas projects. And direct involvement made the accomplishment of the task personal.*

### Element 4:

#### Handshakes Versus Written Commitments

Suppliers, Wynn's executives, and foundation staff made clear in interviews that trust and leadership — specifically that of the project lead — were crucial to the process, freeing the participants to act outside of customary legalistic and contractual relationships.

In practical terms, this meant many commitments were made via verbal agreement or handshake, rather than a contract or pledge. This sped up the projects and allowed them to live outside of normal business relationships, since these commitments did not require attorneys or other third parties.

The use of informal commitments also underscores the importance of networks and other long-term relationships to the success of the projects. Setbacks were approached as problems to be solved as a group, as opposed to unfulfilled contractual obligations; the project lead reached out to other volunteer partners to address unmet needs and keep the work on schedule.



*Instead of placing the onus on nonprofits to secure capacity-building support from individual donors, the Wynn Resorts Foundation engaged its networks and knowledge base to meet the identified capital needs of two Las Vegas nonprofits.*

### **The TIM's Strengths and Limitations**

The key strength of the Transformative Impact Model is how it moves away from more traditional hands-off approaches to giving in order to leverage specific assets and abilities of corporate funders. Instead of placing the onus on nonprofits to secure capacity-building support from individual donors, the Wynn Resorts Foundation engaged its networks and knowledge base to meet the identified capital needs of two Las Vegas nonprofits.

Access to a corporate partner's network can extend the reach of a nonprofit to many of those in the community with whom they had no previous relationship, expanding opportunities for the project at hand and for future fundraising and volunteer recruitment. Another advantage, research has shown, is that corporate connections can lend a legitimacy to nonprofits (Galaskiewicz & Sinclair Colman, 2006) that can increase both the likelihood of support from other donors in the network and the overall visibility of the nonprofit.

Another strength of the TIM as an approach to the Las Vegas projects was the level of involvement and commitment it fostered from the foundation and the other partners. These organizations and individuals were deeply engaged from the planning to the completion of the capital improvements, which seemed to help overcome many challenges and build trust

among the stakeholders that freed participants to operate outside of standard procedures, creating opportunities to lower costs through informal agreements. While largely seen as an asset to the Las Vegas projects, for their managers it is likely the informal structure also increased the risks and complexity of the work. The networks' longstanding relationships and resultant mutual trust made those exchanges possible, but might create challenges for funders other than the Wynn Resorts Foundation.

The TIM was also key to the relative speed with which the Veterans Village and The Shade Tree projects were completed. While relatively small in comparison to many capital projects, they served important functions and their completion had an enormously beneficial impact on daily operations and client services.

For all of its strengths, however, the TIM is not necessarily suited to all or even most corporations or communities. The model has several clear limitations:

- *Dependence on a small group of leaders.* Participants emphasized how important leadership was to the achievements in Las Vegas. The level of leadership and project management skills available from the Wynn Resorts network could be hard to replicate elsewhere, and the diverse skill sets brought to bear are likely not found in many corporations.
- *The lack of a formal legal process.* While handshakes and verbal agreements were reliable bases for the foundation's work with Veterans Village and The Shade Tree, the level of trust that enabled large-scale work to proceed from those arrangements is unusual. Access to a wide donor network of businesses, tradespeople, and volunteers is a boon for nonprofit organizations, but without deep mutual trust and substantial coordination with tradespeople and other volunteers, standard legal protections would be necessary. And that, in turn, might lessen enthusiasm for volunteer participation among smaller firms.

- *The realities of competition.* In markets other than Las Vegas, it may be much more difficult to persuade competing tradespeople and suppliers to volunteer for a capital project. The domination by a single industry of the market structure in Las Vegas, where those sectors tend to do a large proportion of their business with casinos and resorts, is a likely factor in the foundation's ability to generate support for its projects. Since Wynn Resorts is a large and consistent source of work, it may have more leverage to informally enforce handshake deals. Further evidence of this is the fact that the model has not been used at Wynn's other properties — specifically Encore Boston Harbor, in a community where the foundation relies much more on traditional giving and charitable endeavors.
- *A demanding level of dedication.* The TIM requires intensive commitment and a high level of skill from project leaders. While the timeline was relatively short for on-site work on both projects, several months were devoted to preplanning and development,

and coordination of the labor to complete the project goals required almost a year. Maintaining nine months of continuous coordination among competing and individual developers, builders, and suppliers is a substantial investment that might not be possible for many donors.

There are significant obstacles to the feasibility of the TIM — it is not the blueprint for the replacement of more traditional forms of giving anytime soon. Regardless, the Transformative Impact Model stands out as an innovative and extremely impactful approach for nonprofits pursuing smaller capital projects and construction firms that perform such work. The model speaks to the philanthropic impact that can be achieved by combining the talents of highly skilled volunteers and in-kind and cash donations.

### Disclosure

The authors of this article received indirect financial support from the Wynn Resorts Foundation for a related project.

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# Lost Causal: Debunking Myths About Causal Analysis in Philanthropy

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**Keywords:** *Evaluation, systems change, complexity, causal analysis, equity*

## Introduction

When philanthropy seeks to drive change — especially in messy, complex, and dynamic systems — it can feel like strategy development and implementation takes place in the proverbial “black box.” We select ideas that are promising, have reasonably high confidence that positive short-term outcomes will occur, and then hold out hope that the strategy will eventually add up to more than the sum of its parts.

In our experience as evaluators in philanthropy, we observe that evaluations of complex philanthropic strategies often do little to unpack assumptions about what happens in the black box of change once strategies are unleashed. More often, we see evaluations that describe observed changes without investigating how or why they occurred, including the relationships between what was funded, what was implemented, and what resulted. Even more problematic, we see evaluations that simply assume, without investigation, that relationships exist between implemented strategies and observed outcomes.

What if, in addition to learning that change happened, we also learned how and why? What if our evaluations made change pathways more visible, tested assumptions and hypotheses, and generated new insights based on what happened in the black box of a systems-change strategy? What if we understood cause-and-effect relationships not just in more controlled programmatic work, but also in dynamic and emergent strategies that include network building, field building, advocacy, organizing, or movements? This type of learning comes from causal analysis — inquiry that explores cause-and-effect relationships.

## Key Points

- What if philanthropic evaluations told us that changes in the world had occurred, as well as how and why they occurred, including in what ways foundation funding and grantees contributed to those changes? What if evaluations made change pathways more visible, tested hypotheses and assumptions, and generated new insights based on what happened in the “black box” of systems change strategies? This type of learning comes from causal analysis — inquiry that explores cause-and-effect relationships.
- Yet currently in philanthropy, particularly for strategies and initiatives that feature high complexity, few evaluations use robust techniques for understanding causality. Instead, philanthropic evaluation tends to rely on descriptive measurement and analysis. These descriptions often are rich, meaningful, and in-depth, but they remain merely descriptions nonetheless. This article challenges the myths that hold us back from causal inquiry, allowing us to embrace curiosity, inquiry, and better knowing, even (or especially) if it means learning that our assumptions and theories do not hold up.
- We argue that philanthropy more frequently needs to examine causal relationships, using a growing suite of methodological approaches that make this possible in complex systems. Causal methodologies can challenge and strengthen the often uncontested beliefs that underlie philanthropic interventions, while offering evidence about enabling contexts and system drivers. Strong causal analysis considers not only the funder’s model and assumptions, but also the beliefs others hold about how and why change occurs, opening the door to more equitable and less biased ways of understanding change.

Before diving in further, we want to be clear about our focus here — or rather, what our focus is not. First, by causal analysis we do not mean root cause analysis, or the process of discovering the root causes of problems in order to identify appropriate solutions. Second, we are not debating the utility of randomized control trials (RCTs) or quasi-experimental designs (QEDs), which is where conversations about causal analysis often go in philanthropy and among evaluators. While we do address the myth that RCTs and QEDs are the only way to do causal analysis, our purpose here is not to debate their merit or use. Finally, we do not rehash much of the existing literature in this space that covers philosophical theories associated with causal analysis, or its technical aspects, including relevant mathematical models, statistical equations, or machine learning challenges (e.g., Cartwright, 2004; Pearl & Mackenzie, 2018; Rubin, 2005).

Our purpose is to open the conversation about causal analysis so that we can better see what is possible. As we describe in this article, there are many ways to conduct rigorous nonexperimental causal analyses. Causal analysis is possible for strategies that play out in more controlled conditions and settings, as well as strategies situated in complex and dynamic systems, where causes and effects are interrelated and interdependent. We think shedding light on these possibilities will help philanthropy to see the value in causal analysis and when to use it, rather than avoiding it altogether or deploying it in ways that can do harm when the method does not fit the context or the intent.

In this article, we aim to dispel misconceptions about causal analysis that we regularly encounter in philanthropy, including among evaluators. We find these myths get in the way of evaluations that can lead to deep learning and support greater, more equitable impact. By naming and addressing these myths, we hope to increase demand for evaluations that use causal analysis in order to go beyond answering what change happened, and delve more deeply into how change happened. (See text box on page 19.)

## The Case for Causal Analysis

Philanthropic grantmaking requires that foundations make decisions based on assumptions about how to drive change. Grantee selection, the offering of additional supports, and general deployment of philanthropic resources are then based on these decisions. These decisions typically are documented in strategies and theories of change that lay out the short-, intermediate-, and long-term outcomes that are expected to occur as a result of choices made.

Some of these choices are better grounded in research and evidence than others. In complex systems-change work, they more often are based on a combination of experience and intuition. While this is understandable for complex problems and strategies where what you do in one setting does not always translate to another, it is rare that cause-and-effect assumptions for strategies situated in complex systems get tested through evaluation. More commonly, foundations commission descriptive studies about these strategies that feature rich depictions of the context, how strategies were implemented, and any observed changes, but contain little to no causal analysis. The consequence is that the philanthropic sector is not developing knowledge about how change happens (or does not) in systems as a result of different types of interventions.

Given the volume of philanthropic resources devoted to solving problems rooted in complex systems (e.g., criminal justice reform, democracy reform, climate change, education reform), we worry about the lack of causal insight that is emerging. Our concerns are based on the prevalence of:

- Strategies based on how people think change ought to occur rather than a clear-eyed look at how it actually occurs;
- Evaluations that look only for predefined outcomes without testing whether alternative pathways to change or different, equally important outcomes are emerging;

## Tales of Two Analyses: Imagining How Causal Analysis Can Change the Conversation

Late on a Thursday afternoon, Jamie, a senior program officer at a community foundation, arrived at the community center where community members had been invited to discuss the results of an evaluation. The first participants were arriving alongside the two co-facilitators, a community leader, and the evaluator the community had selected. As she helped to set up the presentation and discussion materials, Jamie felt excitement. Something important was going to happen tonight.

With the dozen regular participants in the room, the meeting kicked off. After some grounding, everyone dug into a large visual on the wall — the story of how their community had tackled homelessness through an antiracist lens, ultimately increasing food and shelter access and the number of affordable housing units, and decreasing the number of people reporting housing insecurity.

### The Tale of Descriptive Analysis

There was some pride and joy in the room as a description of the years of work was explored, with a sense of “Yeah, you got that right” and an occasional, “That isn’t how I remembered it.” By the meeting’s end, there was general agreement that the description resonated and would be useful to share with the foundation board, future funders, and the media.

It was a good story about how community members and advocates all worked hard to drive change, with community members taking many small actions they could advance right away while advocates pushed upstream change with local government that took longer to come to fruition. It was a story about how media advocacy mattered and how the work had impact.

By the time the meeting was done, people were tired and many were glad the evaluation had ended. It had used up a lot of their time, but it was important that their story was told in the right way, particularly to their primary funder.

### The Tale of Causal and Descriptive Analysis

There was some pride and joy in the room as the evaluation’s causal and descriptive analysis was investigated, along with some pushback when interpretations differed, as well as acknowledgment of how much of the success depended on outside factors they appreciated, but could not control.

When the meeting was over, participants had come to some conclusions about how change had happened. A number of those conclusions challenged what Jamie believed coming into the work. The biggest was her assumption that investing deeply in nonprofit advocacy was foundational, given the government’s large role in housing. Some evidence supported that advocacy had helped, but stronger evidence suggested the direct actions of local community members and organizations (and the media coverage they earned) had influenced policymaker actions.

In fact, it had been hard to find much evidence that supported advocacy’s role, in part due to the credibility challenges many advocates had with policymakers. The broader racial justice movement that had gained visibility during the same time had also helped, bringing to light deep inequities in the housing system.

As the participants walked out the room, they agreed the evaluation had taken their time, but they also acknowledged it had led to insights and new ways of talking to the foundation about where resources were most needed. As one participant said, “I had a gut sense of what was happening, but it wasn’t what everyone was saying, so I stayed quiet. It wasn’t until I saw the story on the wall that I felt OK talking about my perceptions openly, and even then, I learned a lot about what was less visible to me in my work. We really have a full picture now.”

- Foundations that expend all of their evaluative energy on landscape scans, descriptive narratives, or predefined metrics to explain what happened, without rigorously examining why it happened; and
- Descriptive stories about change that fail to contest philanthropic thinking, and that simultaneously fail to surface and test the assumptions, experiences, and beliefs of those closest to the problems that philanthropy seeks to solve.



*In our experience as evaluators in philanthropy over the last two decades, we have observed a growing number of foundations that are tackling highly complex problems rooted in deeply dysfunctional systems (e.g., improving the ability of Congress to function in spite of political polarization; supporting an economic paradigm shift away from neoliberalism).*

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How did we get here, where descriptive evaluation is the norm? We think it has something to do with how philanthropic strategy and focus has shifted in the sector.

In our experience as evaluators in philanthropy over the last two decades, we have observed a growing number of foundations that are tackling highly complex problems rooted in deeply dysfunctional systems (e.g., improving the ability of Congress to function in spite of political polarization; supporting an economic paradigm shift away from neoliberalism). In doing so, foundations are embracing complexity principles and systems thinking, recognizing that many actors and factors interact in unpredictable and often invisible ways to create the problems that foundations seek to address (Kania et al., 2014). They are treating strategy as more dynamic and emergent and profoundly affected by context, rather than as a series of well-considered and predictable steps that can be forecast in a long-term plan (Coffman, 2016).

As strategy has become more emergent, and as the complexity of context has increased, the

relevance of well-known causality evaluation methods has decreased. Instead of leaning into new causal methods that are appropriate for complexity, many foundations and evaluators have accepted descriptive designs as the best that they can do.

In addition, because constant adaptation must be an essential component of strategy in complex systems, evaluators have shifted to approaches like developmental evaluation (Patton, 2011) that are designed to support emergence. Many evaluators using these approaches, as well as evaluation users, assume that causal analysis is too retrospective and takes too long to be useful in evaluations that support real-time learning.

Complexity is becoming even more relevant now that philanthropy is wrestling explicitly with systemic racism, white supremacy, and how to advance racial equity (Daniels, 2020). Foundations are asking new questions about root causes, who is harmed by the status quo, and ways to produce change that do not reinforce existing inequities and injustices. These shifts have led to funding approaches that are highly dynamic and emergent and designed to tackle upstream drivers of systemic problems, such as advocacy, power building, networks, movements, and field building.

We believe this increasing movement toward complexity in philanthropy is precisely why we need more causal analysis in addition to the good descriptive work already happening. If we seek to advance equity and justice, understanding how change happens and the contribution of specific approaches are critical so that the status quo can be shifted and inequities truly addressed. (See text box on page 21.) In addition, if we don't get better at making our assumptions about change explicit and investigating them, we risk continuing to do harm by replicating processes and activities that allow inequities to persist.

When done well, causal analysis can lift up and leverage the power of stories, lived experiences, and multiple ways of knowing. It can generate powerful ways to create shared understanding across many people involved in the work. When

we do not use causal analysis, we have a more cursory understanding of what we did and what happened under a certain set of circumstances and we lose the ability to test our assumptions, create knowledge about effectiveness that can drive future work, and break through our cognitive and implicit biases.

### Myths About Causal Analysis

In our conversations with both philanthropists and evaluators, we find that misunderstandings and misinformation are at the root of much of the sector's hesitancy to focus evaluation on cause-and-effect relationships. These misunderstandings are repeated so often that they have become a powerful set of myths about causal analysis and its relationship to rigor, usefulness, and equity. It is past time to debunk these myths.

*When we do not use causal analysis, we have a more cursory understanding of what we did and what happened under a certain set of circumstances and we lose the ability to test our assumptions, create knowledge about effectiveness that can drive future work, and break through our cognitive and implicit biases.*

### Does Causal Analysis Matter When Our Focus Is Equity?

Philanthropy's increasing commitment to advancing racial equity will benefit from an increased use of causal analysis. This argument is being made by proponents of critical race theory, intersectionality theory, and evaluators working in real-world settings where equity is a focus. The need for causal evidence related to equity comes from multiple current gaps in our knowledge related to the programs and population-level work we fund, the systems in which we intervene, how we define problems and their potential solutions, and even how we understand pathways to change.

**Programmatic interventions:** While the evaluations of many programmatic interventions have used causal analysis, there is an absence of causal evaluations for programs designed to be culturally relevant, as has been documented in the education field (Dee & Penner, 2017). Lacking the same evidence base as other types of interventions, culturally relevant approaches are less likely to be funded and adopted.

**Population level interventions:** Often, when intervening to address inequities observed in a variety of social systems, "descriptive statistics highlight important outcome differences between groups, but they may do little to establish underlying causes or motivations that can guide policy change or the implementation of interventions" (Sablan, 2019, p. 185). The absence of causal findings means that the causal mechanisms that drive or address inequities remain grounded in theory and assumptions, but are not being tested. We lack evidence about which interventions truly work to advance equity at a population level, and the mechanisms by which they work.

**Pathways to change:** While philanthropic strategies rarely dig deeply into the academic literature on critical race theory, intersectionality, and other ways of deeply understanding inequities, many philanthropic frameworks, theories of change, and other tools are grounded in these concepts. The theorists behind them recognize that causal analysis is needed to move them from theory to evidence. A deeper understanding of the complexity of how multiple identities and needs intersect "is vital for understanding social injustice and intervening on behalf of oppressed groups" (Murphy et al., 2009, back cover). Similarly, systems dynamics that drive inequities and interventions that seek to disrupt them need to be tested in order to move from observing racial differences in opportunities and outcomes to testing theories and assumptions and building an evidence base about how change can happen (Sablan, 2019).



## Rigor and Causal Analysis: Myth 1

***RCTs or quasi-experiments are the only ways to test cause-and-effect relationships.*** Any time the phrase “cause and effect” or the word “causality” comes up in an evaluative context, instantly, the conversation tends to go to the (often polarizing) topic of experimental designs or RCTs. In fact, many evaluators have long argued that RCTs are the best method for assessing causality, with little attention to context (Gates & Dyson, 2017).

We see no need to argue the merits of RCTs or other QEDs. They are useful causal analysis tools in certain contexts. Rather, we want to draw attention to a set of nonexperimental methods that give us a wide range of rigorous options to choose from, many of which are a much better fit for complexity. (See text box below.)

Philanthropy’s movement toward “contribution not attribution” signals an increasing

understanding that attribution — definitively isolating whether an outcome would not have happened without a particular effort — is difficult to impossible to attain in complex and dynamic settings. The standard instead is on contribution and determining whether a credible and plausible case can be made, based on evidence, that causal connections exist. This has led to new thinking on the concept of causality itself. For example, evaluator John Mayne (2012) introduced the idea of a “causal package” as a useful way to think about how one organization’s strategy must interact with a broader mix of complementary interventions, actors, events, and contextual factors to increase the probability that desired changes will occur. The core premise of a causal package is that multiple causal factors must work together in order to produce a change. Each cause alone is necessary but not sufficient. A “package” of necessary causal factors acting together, however, can be sufficient. Especially with ambitious long-term goals that require complex solutions,

### Three Types of Evaluation Designs

#### Experimental

Experimental designs (also called RCTs) have a defining characteristic: the random assignment of individuals or targets to intervention and control groups (also called the counterfactual, or the condition in which an intervention is absent). The intervention group participates in the program or intervention, while the control group does not. Random assignment results in intervention and control groups that do not systematically differ, creating a situation where any differences between the groups that are observed after the intervention takes place can be causally attributed to the intervention with a high degree of confidence.

#### Quasi-experimental

Quasi-experimental designs are like experimental designs in that they aim to make cause-and-effect statements about an intervention or strategy’s impacts, but they do not use random assignment. Most QEDs construct comparison groups or other types of counterfactuals to examine an intervention’s impacts for those who do and do not participate. While attempts are made to make sure that intervention and comparison groups do not systematically differ, some differences may exist.

#### Nonexperimental

Nonexperimental designs, like experimental and quasi-experimental approaches, examine relationships between variables and draw inferences about the possible effects of an intervention, but they do not have counterfactuals that control subjects or conditions. They are most commonly used with interventions or strategies situated in complex systems. Nonexperimental designs that explore causality often incorporate validation, or checking back with key informants on the accuracy of data and reasonableness of interpretations; and counterfactual thinking, exploring whether alternative explanations could have caused or contributed to observed relationships or outcomes.

**TABLE 1** Nonexperimental Causal Designs and Methods

Approach	Methods	Basis for Making a Causal Claim	When and Why to Use It
<b>Theory-Based Approaches</b>	<ul style="list-style-type: none"> <li>• Contribution analysis</li> <li>• Process tracing</li> <li>• Realist evaluation</li> <li>• General elimination methodology</li> <li>• Qualitative impact assessment protocol</li> <li>• Multiple lines and levels of evidence</li> <li>• Innovation history</li> </ul>	In-depth theoretical analysis of causal processes or mechanisms in context	<ul style="list-style-type: none"> <li>• When there is a strong theory of change</li> <li>• When differences in context are likely to matter</li> <li>• When it is important to examine effects for specific groups</li> </ul>
<b>Participatory Approaches</b>	<ul style="list-style-type: none"> <li>• Most significant change</li> <li>• Outcome harvesting</li> <li>• Collaborative outcomes reporting</li> <li>• Collaborative yarning</li> <li>• Rapid outcome assessment</li> </ul>	Validation by participants that their actions and experienced effects are “caused” by the intervention	<ul style="list-style-type: none"> <li>• To capture multiple understandings of change and unintended consequences</li> <li>• More timely and affordable</li> <li>• Sample size is small</li> </ul>
<b>Case-Based Approaches</b>	<ul style="list-style-type: none"> <li>• Within-case</li> <li>• Across-case</li> </ul>	Analysis of causal processes within a case or across multiple cases	To identify causal factors across cases when effects are known
<b>Systems-Based Approaches</b>	<ul style="list-style-type: none"> <li>• Causal link monitoring</li> <li>• Causal loop diagramming</li> <li>• Statistically created counterfactual</li> </ul>	Building a conceptual model of the causal relationships at work, and verifying it with empirical data for each variable, mathematical formula, or computer simulation	To example multiple interdependent causal and nonlinear feedback processes

Source: Gates & Dyson, 2017

interventions or initiatives should be designed with an assessment of the full causal package thought to be necessary to effect change.

The widespread understanding in philanthropy that contribution is the appropriate standard for complexity paves the way for the use of nonexperimental designs and methods that test whether a strong enough contribution case can be made. But both a lack of awareness that these approaches exist and faulty assumptions about their rigor cause them to be rarely used in practice.

## Rigor and Causal Analysis: Myth 2

***There are no rigorous nonexperimental designs for examining causality.*** There are many nonexperimental causal design options. Gates and Dyson (2017) place the array of nonexperimental options for assessing causal relationships (many of them developed in the last 10 to 15 years) into four main categories: (1) theory-based, (2) participatory, (3) case-based, and (4) systems-based. (See Table 1.)<sup>1</sup>

We think about rigor here not as a particular method or design, but as the practice of

<sup>1</sup> While some of the methods in Table 1 exclusively focus on examining cause-and-effect relationships, others can be implemented in ways that are more descriptive than causal. For example, case studies are commonly and usefully used in philanthropic evaluation. For case studies to be causal designs, they need to incorporate methodological approaches that examine cause-and-effect relationships (e.g., using contribution analysis within a single case study design; qualitative comparative analysis across multiple cases).

*While causal analyses in complex, systems-change examples do not seek to create replicable program models that can be implemented regardless of setting, they help to build a better body of knowledge about what has worked, when, and why than descriptive studies alone can achieve.*

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embedding sound evaluation principles and practices into an evaluation. This means, for example, systematically collecting and analyzing data to make sure the conclusions drawn are accurate and credible, openly discussing and exploring possible alternative conclusions, and using participatory approaches for interpreting results and identifying their implications.

An example of a rigorous implementation of causal analysis is the study that ORS Impact and Spark Policy Institute conducted on collective impact, a form of cross-sector collaboration to address complex social and environmental challenges (Kania & Kramer, 2011). The evaluators used a nonexperimental theory-based approach for examining causality (Stachowiak et al., 2020). Their use of process-tracing methodology sought to answer a fundamental causal question: To what extent and under what conditions does the collective impact approach contribute to systems and population changes? The study examined 25 collective impact initiatives via interviews and document review, examined eight initiatives via site visits and process tracing to rigorously test the approach's contribution to demonstrated population changes, and conducted virtual focus groups with three equity deep-dive sites to better understand equity work in the collective impact context.

### Usefulness of Causal Designs: Myth 3

***Causal designs focus on the past and do not help with future decision-making.*** In some ways, this myth has merit — to explore how something happened, we must observe a change that already has occurred. However, this does not mean that causal analysis is only useful in hindsight. Having better evidence about how change happened has a number of benefits for future decision-making.

Building a stronger base of knowledge about complex change can strengthen future strategy decisions in related work. While causal analyses in complex, systems-change examples do not seek to create replicable program models that can be implemented regardless of setting, they help to build a better body of knowledge about what has worked, when, and why than descriptive studies alone can achieve.

Having evidence of how change happened can also help other funders and public-sector actors lean into specific approaches to systems change with more confidence. Many evaluators who use causal analysis promote greater uptake precisely because the approaches increase the confidence of policymakers and funders about what has worked and why (Barrett, D'Errico et al., 2020).

An example of how causal analysis affected future decisions comes from the Agricultural Research Center for International Development, which sought to help winemakers achieve a geographical designation that they believed would help Brazilian producers increase their income (Blundo-Canto et al., 2020). An impact analysis alone would have shown that the geographical designation was achieved, and that the producers increased their sales and margins. However, a participatory causal analysis explained the mechanism by which income increased — efforts to support learning and motivation across producers led to a virtuous cycle of ongoing learning and increased professionalism, which improved the quality of the wine and increased their income. It was this set of mechanisms, not the geographic designation, that made the difference. The causal analysis also found that the changes experienced by producers made them

more resilient to fluctuations in political and institutional support. Identifying these mechanisms had significant implications for future programming and resources dedicated to building capacity for innovation and learning.

#### Usefulness of Causal Designs: Myth 4

***Causal designs are summative only and cannot be used for real-time decision-making.*** If an evaluation's goal is to conduct real-time learning that uses data-informed feedback loops to explore how a system is changing, it is true that some causal methodologies cannot be used. Other approaches, however, are appropriate for ongoing implementation, capturing insights about specific interim outcomes and other types of systems changes as they emerge.

Outcome harvesting is an example of an approach that supports continuous learning. This method collects (harvests) evidence on what has changed and, then, working backwards, determines whether and how an intervention has contributed to these changes. It is useful with complexity, when it is not possible to define in advance with precision what an intervention will achieve over time. Outcome harvesting implemented with processes for validating causal pathways can be repeated over time, providing systems-sensing information combined with evaluative information about how change has happened. This is how Humanity United's Peacebuilding Portfolio is using the method, with biannual debriefings as it harvests and validates outcomes along the way. It allows the foundation team to observe steadily how and why the system is changing, both in response to their interventions and to other factors (Personal communication, Jen Heeg, May 13, 2021).

#### Usefulness of Causal Designs: Myth 5

***Causal designs are not appropriate for complex settings.*** Because many people think about RCTs when the topic of causal designs is raised, it is easy to believe that causal approaches are appropriate only for situations in which RCTs are most commonly deployed — for programmatic efforts or models that provide replicable or semi standardized solutions for problems

that can be addressed using similar methods and procedures. Randomized control trials are less applicable to adaptive initiatives like systems-change efforts that offer flexible and often emergent strategies to address problems that require unique, context-based solutions (Britt & Coffman, 2012).

We recognize that for dynamic adaptive initiatives that take place in complex settings, it is difficult to discern cause and effect, and rarely does any one person hold the whole story of change. Many nonexperimental causal methods explicitly recognize this complexity, seeking to validate causal pathways through multiple perspectives and to understand the impact of larger system dynamics. (See Table 1 on page 23.)

In the study by ORS Impact and Spark Policy Institute referenced earlier, collective impact's contribution to population-level change was examined across many sites. Collective impact as an approach is complex and deeply context dependent. The sites in the study ranged widely across geographic scope, topical area, target populations, and more. The use of process tracing to understand the degree to which the approach plausibly contributed to population-level impacts across settings provided practical advice about which aspects of the approach mattered most. The causal findings helped to build confidence among implementers about the pathways to change they were assuming. The study also helped to illuminate where additional inquiry could further bolster the work, including around equity and the use of data. While the study did not prove collective impact would always create population-level change, it did find that it can contribute meaningfully impacts across different sites, settings, and topics (Stachowiak et al., 2020).

#### Usefulness of Causal Designs: Myth 6

***Causal designs are too burdensome for participants.*** For the four main nonexperimental causal designs identified by Gates and Dyson (2017), deep understanding of how change occurs requires engagement with key stakeholders involved in the work. (See Table 1.) It is through this inquiry that different experiences,

*The solution here is not to pick simplified methods (any more than communities should simplify their context and culture), but rather to give space, time, and opportunity for learning across methods and culture.*

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vantage points, and pieces of information can be brought together to create a nuanced understanding of change. While some secondary or extant data can be additive, strong implementation of causal methods in complex settings does require stakeholder participation.

Rightfully, philanthropy and evaluators are regularly mindful of the burden associated with nonprogrammatic asks of grantees and partners on the ground, including participation in evaluation. In our experience, engagement around questions of causality is additive to the work and worth the time invested. Burden should be assessed not just based on the time required for participation; it should also be judged on the value received from the output. Too often, work that merely describes what happened and which outcomes resulted does not lift up lessons that can inform future efforts. In these cases, the cost of participation can outweigh the value returned for the efforts participants put in.

### **Causal Designs and Equity: Myth 7**

***Causal designs cannot be implemented in ways appropriate for working with communities.***

Another assumption often made is that causal designs are too inherently complex in their design, implementation, interpretation of findings, and reporting of results. This complexity is a barrier, so the myth goes, for communities engaging in participatory evaluation processes.

This myth assumes that community partners lack the ability to engage with and understand

an evaluator's analytical approaches. At the same time, we often assume that evaluators have the ability to understand sufficiently the depth and complexity of a community's experiences, cultures, systems, and history. We argue that causal methods, being merely technically complicated, are less complex to understand in this equation.

The solution here is not to pick simplified methods (any more than communities should simplify their context and culture), but rather to give space, time, and opportunity for learning across methods and culture. Evaluators can use some of the same methods to bring causal designs to communities as communities use to bring their culture and experience to evaluation — through stories, metaphors, visuals, and shared dialogues. Evaluators can also listen for and explore how communities are testing their own causal assumptions, including their ways of measuring and telling stories about how and why change happens over time.

For example, Jeph Mathias' approach to outcome harvesting centers the lived experiences of those in the most marginalized parts of complex systems, not just as data sources, but as part of the study team. In Kenya, he engaged street youth as partners in collecting stories, supporting them to learn from their peers and to listen to other system actors. Independent of the external evaluation team, street youth listened to other street youth. They also accompanied evaluation team members to interviews with leaders at UNICEF and Kenya's Ministry of Youth Affairs, for example. As "insiders," the youth could hear stories that were inaccessible to the external evaluation team and they could act as "contextual experts." This enabled the evaluation team to see otherwise hidden parts of the system and to understand motives and meanings that were underneath the surface (Personal communication with Jeph Mathias, Oct 8, 2021).

Perhaps the myth here actually gets at a very different barrier than the inaccessibility of causal designs. Instead, the real cause of this myth may be the lack of evaluator skills, time, or resources

needed to engage in causal analysis in ways that are accessible and meaningful to communities.

#### Causal Designs and Equity: Myth 8

##### ***Causal designs are rooted in white supremacy.***

We recognize that some causal designs use a statistical research practice that is grounded in a history of white supremacy (Bonilla-Silva & Zuberi, 2008). There are legitimate, serious concerns with these analytical tools that seek to explain differences among humans and human experience through mathematical analyses that simplify and reduce people. Equally legitimate are concerns about research tools that assume there is one factual reality, as opposed to multiple truths that need to be understood. In addition, concerns abound about how these methods define concepts like rigor, objectivity, and validity (Dean-Coffey, 2018).

Fortunately, causal designs are not limited to methods with this historical (and contemporary) set of challenges. The nonexperimental causal designs that appear in Table 1 include methods designed by Indigenous researchers (Shay, 2019); qualitative methods that seek to explore the full story, not simplify it; and mixed methods that seek to understand multiple dimensions through different lenses. Additionally, many of these methods either explicitly acknowledge different ways of knowing or are designed so that the sources of evidence are not limited to one way of knowing.

Causal analysis done well also addresses a fundamental problem with many studies that seek to explain causality in relationship to race. Too many social scientists have described the “effect of race” in their findings, implying causal relationships between race and other outcomes (Bonilla-Silva & Zuberi, 2008). An evaluation that explores causal relationships to understand the drivers of inequity and the effectiveness of interventions is unlikely to make claims that race is a driver of specific outcomes. Instead, such a study is likely to find the ways in which race is a characteristic of who is affected and how by a system and an intervention.

*Causal analysis done well also addresses a fundamental problem with many studies that seek to explain causality in relationship to race. Too many social scientists have described the “effect of race” in their findings, implying causal relationships between race and other outcomes.*

#### Causal Designs and Equity: Myth 9

##### ***Causal designs center philanthropy’s ideas about change.***

Evaluation, as practiced now in philanthropy, tends to take a positivist approach that accepts a foundation’s strategy as is and looks at whether the foundation’s strategy and related theory of change is playing out as expected. As with strategy, most foundations set or approve all evaluation terms for their strategies: what the questions are, who the evaluator is, what the scope of inquiry is, what the design should be, which data matter, and most importantly, what constitutes success.

While this practice of centering the foundation’s ideas about change is typical, it is more about traditional power dynamics in philanthropy and long-standing foundation-and-evaluator routines and habits than it is about evaluation methods. The habit we have of centering foundation priorities in evaluation is changeable. While we acknowledge that foundations have centered their strategies and points of view in philanthropic evaluation, we also recognize that this is the result of the questions we ask (and who is asking them), not the result of the methods we choose. Causal analysis can center anyone’s ideas about change, not just the foundation’s (Beer, Patrizi, Coffman, 2021).

Techniques like process tracing or contribution analysis can focus on outcomes that emerged,



whether intended or not, and build an evidence base for a pathway to change that may or may not match the funder's assumptions, depending on what the evaluator discovers through data collection and analysis. Outcome harvesting, similarly, can be implemented with a focus on the types of outcomes in a funder's theory of change. Alternatively, it can be implemented the way Humanity United's Peacebuilding Portfolio is using it, where the adaptive theory of change offers a general sense of the universe of outcomes to be harvested, but does not limit that universe. The foundation actively seeks the harvesting of outcomes that emerge, regardless of whether it predicted them.

Causal analysis can also be a powerful way to challenge assumptions that there is a "right" pathway. It can demonstrate when these assumptions do not hold true or surface complementary pathways or conditions in the larger context that are necessary parts of the change process. In this sense, causal analysis methods that leave room for emergence can actually feel quite risky for some in philanthropy, as they become a means by which a philanthropic strategy or theory of change can lose its credibility. Yet, this decentering and challenging of the foundation's point of view is an important part of shifting power in philanthropy as well as increasing philanthropic impact.

### **Call to Action**

Repeated and reinforced often enough, myths are notoriously challenging to dispel. Given the number and variety of myths named in this article, it is no surprise that causal analysis tends to

be the rare evaluative exception in philanthropy more than the rule.

We write this article during a time of profound disruption, when the opportunity to change and transform both philanthropic and evaluation practice feels possible. The COVID-19 pandemic and issues like climate change have brought into stark relief the interconnectedness of systems, while the racial reckoning taking place in the United States makes clear that continuing with the status quo will not lead to meaningfully different outcomes and futures. These issues, along with broader questions about power and privilege, are leading to shifts in philanthropic priorities, strategies, and approaches to both grantmaking and evaluation.

We believe that part of evaluation's role in supporting transformative change in this moment is to help the sector get smarter about how change happens in complex systems. Engaging in evaluative work in complex settings should include the use of causal analysis, alongside the active revision of our ideas about change as we learn from these analyses.

Imagine yourself as the program officer in the story above about two types of analysis (page 21). Do you want to facilitate dialogue and learning about change and what can drive it further, or do you want to describe what happened to the people who have already lived through it? We need to let go of the myths that hold us back from using every possible tool that we can, including causal analysis, to both understand and effect change.

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# Learning Amid Disruption: Bouncing Forward Into a Changed World

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**Keywords:** *COVID, equity, systems change, complexity, learning, DEI, justice, human rights, trust-based philanthropy*

## Introduction

The disruptions of 2020 took most of the world by surprise, and the philanthropic sector was no different. Yet, amid disruption, the sector is uniquely positioned to respond without the same restrictions, mandates, and limitations as seen in other sectors.

Humanity United is a small foundation with a global mandate. (See text box on page 31.) We leveraged much of this inherent flexibility within philanthropy during the cascading crises of 2020, starting down this path with many of the same historical organizational habits and challenges as our peer organizations in the sector. This is the story of Humanity United's journey through the crisis, a journey of adaptation, as told by three members (two staff members and one consultant) of the foundation's strategy, learning, and impact team, henceforth referred to as the learning team.

As an organization, we had in years prior made a shift toward a systems and complexity orientation for our programmatic work, while also holding on to vestiges of strategic philanthropy<sup>1</sup> (including a focus on theories of change, expected outcomes, and predetermined grant-level indicators) that remained embedded in our beliefs and practices. When COVID-19 shut down our offices and, overnight, radically disrupted the systems in which we operated, we — like many foundations — were left contemplating our existing multiyear strategies that could not address the crisis at hand and likely would not be the right fit for the future that was

## Key Points

- The philanthropic sector has come to recognize the importance of bringing a systems lens to its work, seeking to influence upstream drivers of complex problems, and being adaptive in its approaches instead of implementing static, multiyear plans. Yet, integrating these concepts into practice continues to pose a challenge.
- Humanity United — a foundation dedicated to cultivating the conditions for enduring freedom and peace — had been grappling with this charge when the disruption caused by COVID-19 led it into a crisis response mode in 2020, similar to many other philanthropic institutions. That disruption also challenged our old ways of being, doing, and thinking, leading to new insights and actions related to equity and power-sharing.
- This article explores the journey Humanity United went through in 2020, focusing on the disruption as a moment to bounce forward rather than trying to preserve the past. We found ourselves rethinking our old ways of seeking to change systems and embracing the future as emergent and unpredictable. We leaned into foresight, complexity science, and emergent strategy as tools for tackling this uncertainty. We pushed ourselves at all levels of leadership and staff to understand our role, our power, and how to show up differently with our partners in the systems we collectively seek to transform.

<sup>1</sup> Strategic philanthropy is an approach to charitable giving that is business-like and data-driven, with a goal of efficient use of resources to solve problems defined by the philanthropic organization (Bennett et al., 2021).

unfolding. The shifts of 2020 — including the worldwide pandemic, a growing racial justice movement, and the increasing call to prioritize local voices in international development — helped Humanity United move more quickly toward a more adaptive approach to both our strategy and learning practices, shedding some elements of strategic philanthropy that had previously hindered our nimbleness. We believe our journey is relevant to other foundations seeking to advance equity and justice by influencing complex, dynamic systems amid what is likely to be a future of many disruptions of different types.

### The Collective Disruption

In March 2020, COVID-19 was declared a global pandemic and overnight we found our existing practices no longer fully aligned with the systems' needs. Migrant workers supported by our grantees and partners saw their workplaces closed and faced increasing stigmatization, and many were trapped or experienced great difficulty getting back to their families. International nongovernmental organizations pulled their expatriate staff out of the Global South, creating an opportunity for more autonomy for local staff but also leaving space for autocratic governments to restrict civic space. Our front-line partners who were working on shifting institutions and structural elements of the system suddenly found themselves stepping into direct service provision to meet the crushing needs created by COVID-19. Instead of being concerned about our grantees' planned outcomes, staff were concerned about grantees' safety, resilience, and ability to adapt to the most pressing and previously unanticipated needs related to the pandemic.

This was a moment of crisis response at Humanity United, similar to what many other foundations worldwide experienced. We could have stayed in this place, focusing on meeting crisis needs, while preparing to bounce back into the strategies we had planned. We could have continued to monitor progress against pre-planned goals, permitting a slowdown but not asking about whether to rethink and redirect. In fact, as of May 2020, we were seeing tools

### Humanity United

Humanity United is a private foundation launched in 2008. With a grantmaking budget of approximately \$20 million, its work focuses primarily on two specific portfolios: forced labor and human trafficking, and peacebuilding.

Staff deploy a range of philanthropic vehicles, including tools that go beyond traditional financial support, among them network development, policy advocacy, strategic communications, support to independent media and journalism, and some foundation-led initiatives.

Humanity United is active in the United States, Latin America, Asia, and Africa, and engages in influence strategies aimed at global institutions and audiences. It invites proposals for funding from select organizations on a rolling basis.

Humanity United is part of the Omidyar Group, which includes a family of organizations and a robust internal systems and complexity community of practice with other strategy, learning, and impact-oriented staff.

and resources shared across the philanthropic field to help organizations ensure current strategies remained on track while simultaneously addressing the crisis.

Perhaps because we were already exploring shifts in our practice from within multiple parts of the organization, that is not how Humanity United responded. We did not bounce back, but rather sought to bounce forward with “radical resilience” (Jon & Purcell, 2018) into a changed world. Resilience has often resulted in a focus on protecting the status quo (Suarez, 2020). However, “radical” resilience focuses instead of concepts of hope, renewal, and transformation, on “bouncing forward” (Cretney & Bond, 2014) into something new. Resilience in this conceptualization is a practice that leans heavily into learning, and is about adaptation — not just in pathways to change, but even in our

understanding of which changes matter (Lynn, Nolan, & Waring, 2021).

## Adapting Forward

Our adaptations in 2020 included crisis response alongside significant shifts in our longer-term practices, with which we are still grappling and experimenting. (See Figure 1.) The way we adapted enabled us to continue to embrace and deepen our systems-change focus; strengthen our commitment and actions related to diversity, equity, inclusion, and justice (DEIJ); bring new attention to power dynamics internally and externally; embrace complexity more deeply as a way of understanding the systems we work in; expand our comfort with working in emergent ways; build more resilience by preparing for different possible futures; and live into our commitment to being flexible and responsive in our evaluation and learning practices.

Embedded in all of these changes are core concepts that may not be familiar to all readers. We will delve into these ideas more throughout the article. As a start, however, we understand these concepts in the following ways:

- *Systems change:* Bringing a systems orientation to our work means we are focused on how structures, relationships, resources, power, and narratives are changing and need to change in order to address complex problems. We are aiming our work at supporting partners who are changing the underlying drivers of behaviors in the system, rather than only alleviating the current pains caused by a broken system.
- *Complexity:* Complexity in our work refers to our recognition of the nonlinear, unpredictable ways in which change happens in systems. Complex, adaptive systems cannot be influenced effectively through preplanned, static strategies, as they are themselves always in flux and often changing in ways that are unexpected.
- *Emergent strategy:* Emergent strategy means to us that we view strategy and learning as operating in mutually dependent, iterative

cycles, where a clear strategic intent can be planned but must also be held lightly, and outcomes cannot be predicted. We seek to attend to the power dynamics inherent in strategy design processes. Emergent strategy prioritizes bringing together stakeholders closest to the problem to identify and propose different ways to address complex problems. We look to anticipate and welcome competing hypotheses of how change will happen.

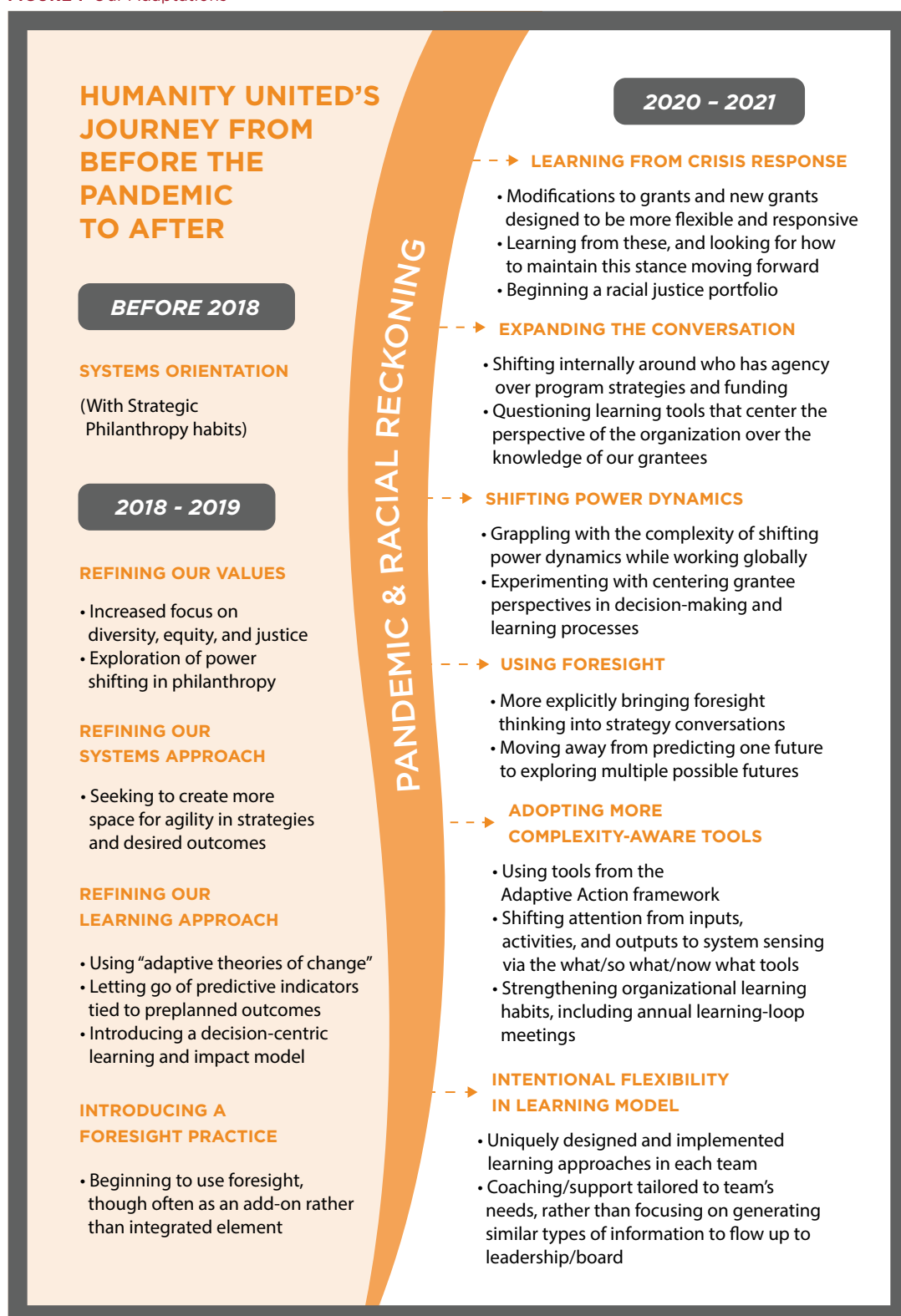
- *Foresight:* Foresight is a practice we are bringing into our work in order to give us new ways of thinking about the future that are not predictive. Foresight refers to a set of tools that help us to imagine a variety of futures, which prepares us to be more ready to respond as the future unfolds and helps us be more intentional in pursuing the future we hope will unfold.

## Learning From Crisis Response

Historically, Humanity United had a rolling grant-application process where program staff identified grantees and invited them to apply through a structured process. The pandemic pushed us to revise that model. Like many foundations, we experienced a surplus of funds as a result of reduced travel and operational costs. Through an internal deliberative process, we distributed these funds as needed, predominantly to existing grantees, and opened up new lines of general operating support to place-based organizations that were dealing with COVID-19 and racial inequities in the U.S. communities where we live (Gopal, 2020).

Additionally, many existing grants in our portfolios were modified in some way due to COVID-19 — to change the scope of the project, shift the funds to general operating support, extend the timeline for the use of funds, or increase funding. Over the course of the pandemic, there has been a greater interest in general operating support and greater attention to whether our grants are going to U.S. intermediaries or directly to our grantees based in other countries. Similar to many of our peer foundations, we are now asking ourselves whether the flexibility in the funding structures we used

**FIGURE 1** Our Adaptations



during crisis response might also belong in other parts of our work.

### Expanding Internal Conversations

In 2020, we saw the conversation around philanthropic distance and privilege build momentum in the wake of a racial reckoning in the United States following the murder of George Floyd and the resulting protests. In response, our staff began asking hard questions about ownership of strategy and funding decisions, and questioning “how far does the circle of agency extends” (Darling, Guber, Smith, & Stiles, 2016, p. 61).

Prior to the pandemic, Humanity United articulated a values-centric approach, including a commitment to DEIJ. While the three-pronged commitment to DEI is widely made, the foundation added the term “justice” to indicate why we are doing this work. In other words, our DEI efforts are in service to justice, a way of thinking that was reinforced by the work of Justice Funders (2019). We also articulated organizational values and what it looks like to deploy strategy and learning within these values. (See Figure 2.) Program staff took the lead in exploring power shifting in philanthropy, how we show up as a foundation, and implementing DEIJ principles within the organization.

In 2020, Humanity United’s organizational energy and commitment to DEIJ strengthened, and we began identity-based caucusing and developing a team-based inquiry process that each of our portfolio and operational teams use to explore how our DEIJ principles can best be integrated into our internal and external work. We also launched an exploratory pool of funding for racial justice. Our conversations about race, power, and privilege started to include board and leadership members, while continuing to be driven by staff throughout the organization. We can look back and see a possible tipping point, where program staff’s questions about our role as funders began to echo at all levels

of Humanity United and within the Omidyar Group more broadly. We began to explore who decides (and who should decide) program strategies and funding, and how the foundation can be positioned to be part of a bigger conversation around “decolonizing wealth,” to borrow a phrase from Edgar Villanueva (2018). Board and leadership participation in and enthusiasm for these discussions was an important signal at Humanity United for more rapid movement toward a DEIJ mindset and culture shift that mirrors the changes happening in the world of philanthropy.

At a practical level, this has led to open and honest conversations about tools previously deployed by our learning team. Some program staff are now actively questioning if it is appropriate for Humanity United to identify our own perspectives on pathways to social change, and when we should instead lean toward supporting the communities and partners we fund to act on the pathways they see and prioritize. Staff are asking important questions about whose priorities should shape a learning plan, and how more equitable learning might transform current practices. Staff have also translated their thinking on these topics into a new, internally oriented organizational strategy and draft theory of philanthropy that touch every aspect of Humanity United.

### Shifting Participation and Power Dynamics

Complexity theorists tell us that in human systems, it makes the most sense for a diverse set of actors with intricate, embedded stakes in the system to develop a clear and shared vision, and then take the “next wise action,” using the language of the Adaptive Action framework.<sup>2</sup> The shift in power that this implies — where decisions about program and strategy are made by grantees and communities, rather than staff and boardrooms — can be difficult to envision and implement at all levels of systems change.

<sup>2</sup> The Adaptive Action framework has been developed at the Human Systems Dynamics Institute under the leadership of Glenda Eoyang (Eoyang & Holladay, 2013). We have been influenced as a team by other complexity science frameworks, including the Cynefin Centre/Cognitive Edge and the work of David Snowden, whose analogue to “taking the next wise action” in complexity would be to follow the order of “probe-sense-respond,” versus the order of “sense-analyze-respond,” in a complicated system (Snowden & Boone, 2007).

**FIGURE 2** Our Values



As a small foundation with a global reach, Humanity United has struggled with the logistics of shifting power dynamics. Some of our projects work at a micro level, designed to rely on staff with deep experience in the context and deep partnerships on the ground, and who can be part of a community of organizers seeking change. Other programs work at a macro level, engaging with a breadth of actors from across the spectrum of business, government, civil society, journalism, etc., to shift multinational or transnational institutions, narratives, and global practice. Emergence and equity look quite

different at these two scales; we are still working out whose voices to center (and how), as well as exploring how to support translocal networks that bridge macro, meso, and micro scales.

Yet, even with these challenges, many staff have been centering grantee perspectives and decisions, and learning practices are seeking to engage grantees in new ways. This year of disruption made more transparent than ever how contexts can change very rapidly, and we have witnessed how many grantees are inherently able to respond quickly and in ways closely tied



### The Origins of the Terms Reparative & Regenerative Philanthropy

**Reparative philanthropy** is a phrase coined by activists seeking for philanthropy to make direct payments to Black and Indigenous peoples in order to address racial wealth gaps responsible for historical and present-day inequalities. The Decolonizing Wealth Project and the Neighborhood Funders Group held a webinar series in early 2021 entitled “Philanthropy and the Case for Reparations,” borrowing the name from the influential article by Ta-Nehisi Coates (2014) for *The Atlantic*, “The Case for Reparations.”

**Regenerative philanthropy** is a term borrowed from Justice Funders’ (2019) Resonance Framework. It places types of philanthropy on a series of spectra, from extractive to regenerative, and supports foundations in identifying and moving along those spectra.

to the changes happening in the system. Like others in the philanthropic field, responding to the events of 2020 helped us to understand this more fully and to rethink the distribution of power and ability to adapt; now, we are learning how to act in new ways.

For example, one of our teams has created an external advisory board; another is taking a deep dive into trust-based philanthropy,<sup>3</sup> having honest discussions about our role as funders and partners and the many modes of shifting power. Several are exploring how to incorporate end-beneficiaries, those affected by violence and exploitation, into ongoing program strategy and learning conversations. Our board and leadership are also having deep conversations about the importance of trust-based philanthropy as a guiding principle for the organization (Gopal, 2021). While we have

not moved all the way to a “regenerative” or “reparative-focused” fund, as advocated by those on the vanguard of philanthropic reform, we do believe that our staff is taking a series of “next wise actions” along the path. It is clear that the will is there to start talking openly and honestly about what is possible.

### Foresight as a Tool for Breaking Out of Habitual Thinking and Increasing Equity

At the end of 2019, influenced by Eshanthei Ranasinghe via the Omidyar Group’s systems and complexity community of practice, we introduced foresight as an optional add-on to our existing strategy and learning practice (Ranasinghe, 2019; Ranasinghe & Hsu, 2020). The foresight practice offered us a new way of thinking about the future, one that let go of the desire to predict and instead explored different possible futures and their many implications for our strategies:

Foresight is not about predicting the future. ... Instead, foresight is about imagining many different futures: positive futures, negative futures, weird futures, and amazing futures. By imagining all of these possible futures, we can begin talking about which futures we want to live and work in — and then take practical steps today to make those futures more likely. (Jeffrey & Lamb, 2020)

With the advance of the pandemic, our learning team invested additional time in embedding our emerging foresight practice, hypothesizing that the widespread failure to prepare for the sorts of disruptions the pandemic wrought could have been mitigated through an embedded, intentional, and inclusive foresight practice. Whether it is conflict, a natural disaster, or an unexpected regime change, major disruptions are common in the systems in which we work. The degree to which grantee and foundation strategies had to be paused, retooled, and adapted in 2020 increased the appetite for more

<sup>3</sup> Trust-based philanthropy is “an approach to giving that addresses the inherent power imbalances between funders, nonprofits, and the communities they serve. At its core, trust-based philanthropy is about redistributing power — systemically, organizationally, and interpersonally — in service of a healthier and more equitable nonprofit ecosystem. On a practical level, this includes multiyear unrestricted giving, streamlined applications and reporting, and a commitment to building relationships based on transparency, dialogue, and mutual learning” (Trust-Based Philanthropy Project, 2021, p. 1).

foresight-oriented thinking across the organization to imagine and prepare for multiple futures.

We have been heavily influenced by the work of Pupul Bisht (2019) to advance “decolonized futures” mindsets and methods, in recognition that traditional foresight practices — based on “expert” knowledge and founded upon U.S. military exercises — are inappropriate for contexts in the Global South. When done well, we have seen how foresight can be a tool to advance equity. Our program teams are now using foresight in diverse ways: some as an internal exploration tool, some to engage generatively with leadership and the board, some to co-sense across the broader Omidyar Group, and some to engage collaboratively with key activists and stakeholders to imagine multiple possible futures, helping to challenge assumptions, blind spots, and interventions.

For example, our peacebuilding team engaged with several partners to work collaboratively with peace activists from around the world to explore the peacebuilding system and imagine alternative futures. Using a futures technique where you design a “thing from the future”<sup>4</sup> participants co-created their desired visions for the future. The team is also actively engaging staff across Humanity United and the larger Omidyar Group in futures (including during Humanity United’s annual retreat and at our Omidyar Group Ohana gathering) to inspire creative thinking and orient around the future we want to be part of creating.

The learning team has intentionally woven more futures-oriented mindsets into our strategy practice and tool kits, and supported foresight training for program staff. Organizationally, however, we are not at the point of wholesale adoption of a new and

*The degree to which grantee and foundation strategies had to be paused, retooled, and adapted in 2020 increased the appetite for more foresight-oriented thinking across the organization to imagine and prepare for multiple futures.*

potentially burdensome process, favoring instead a shift in mindsets and, only where useful, targeted shifts in practice. The main pushback we receive on integrating foresight thinking and praxis into our strategies comes from a desire to steward limited attention on what is immediately useful and actionable.

### Intentional Adoption of More Complexity-Aware Tools

For years before and continuing into 2020, the learning team invested in building our understanding of systems thinking and complexity science. In 2014, we made an explicit shift toward a systems orientation in our strategy practice in response to increasingly common criticisms of strategic philanthropy.<sup>5</sup> Grounded in the work of Rob Ricigliano, the systems and complexity coach for the Omidyar Group (2017), our systems practice:

is both a specific methodology ... and a more general approach to grappling with adaptive problems in complex environments with the aim of making enduring social change at scale. A systems practice helps answer three basic questions: How does the environment within which you work operate as a

<sup>4</sup> In foresight practices, a “thing from the future” is a powerful prompt to help people make concrete the abstract idea of the future, both future values and future actions. The participants were invited to make future objects, such as a poster showcasing their principles, a manifesto for peacebuilders of the future, a podcast or interview with a peacebuilder, etc.

<sup>5</sup> As Katherine Fulton (2018) writes: “Strategic philanthropy believes the way to create change is to decide on a goal that matters and then figure out what it will take to achieve it.” Later in her essay, Fulton lays out its basic problem: “The brutal truth about philanthropy is that those with the power to make decisions are often those who have the least direct knowledge about the problems or opportunities being addressed.” (For more from the ongoing and robust conversation in the field about the shortcomings of strategic philanthropy, see, e.g., Meiksins, 2013; Brest, 2015; Le, 2017.)



*Organizationally, we had begun to realize that while we embraced a systems lens, both our strategy and our learning practices were not nimble enough for the complexity of the systems we sought to influence.*

complex, dynamic system? How will your strategy engage the system in order to have highly leveraged impact? How will you test your assumptions and hypotheses so you can learn and adapt effectively? (p. 7)

Our systems approach has been central to the organization, including being in our very mission: to cultivate the conditions for enduring peace and freedom. We believe that changing the conditions requires understanding how governments, the private sector, individuals, culture, history, and other aspects of a given context limit or enable different types of action.

This approach to strategy and learning in the systems-change space historically revolved around a multistep systems-sensing process explicitly focused on identifying leverage areas to unleash critical shifts in the system. It included the generation of causal-loop maps<sup>6</sup> as a way to begin to disentangle the complexity of the systems we aimed to influence, including human trafficking, forced labor, and peacebuilding, in local and global contexts. To match with our causal-loop maps, program staff were asked to identify potential outcomes not only at the initial entry points into a system but also further

down the road, essentially creating a long chain of outcomes, some of which would be a decade or more into the future. Additionally, many of our impact measurement tools still relied on traditional outcome-tracking processes that were designed for simple or complicated problems. We were experiencing the stickiness of strategic philanthropy, even for an organization committed to orienting toward more adaptive, emergent, and equitable practices.<sup>7</sup>

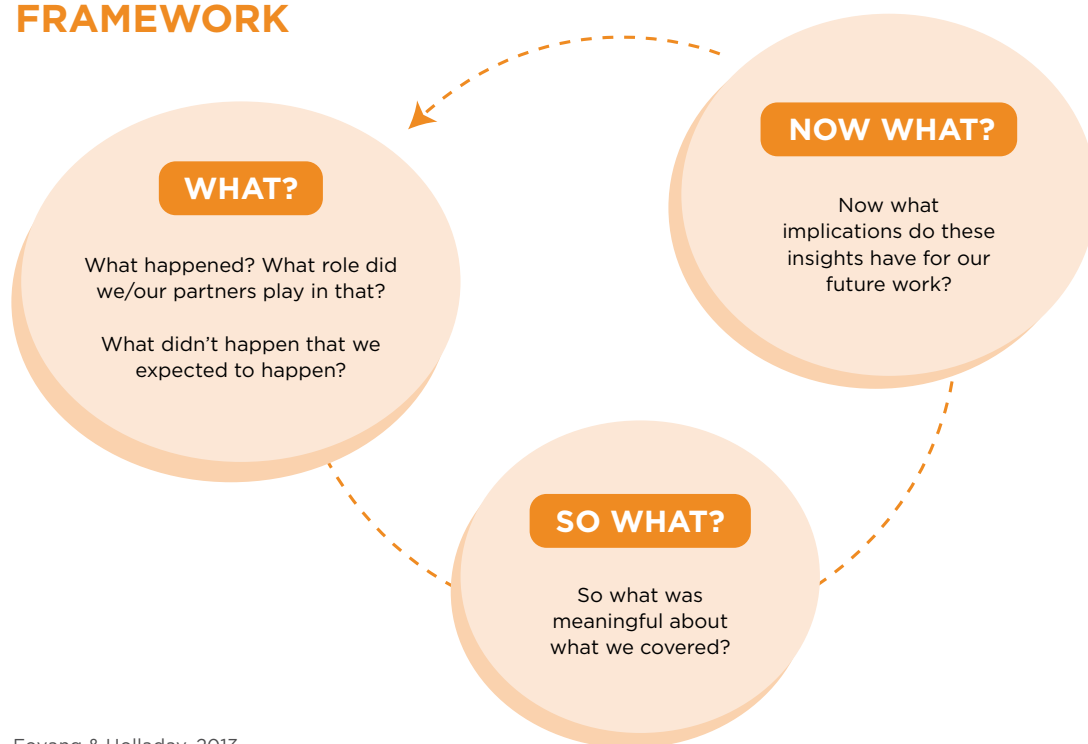
Organizationally, we had begun to realize that while we embraced a systems lens, both our strategy and our learning practices were not nimble enough for the complexity of the systems we sought to influence. We had historically recognized that our work is deeply complex, which suggests we cannot make a static plan and implement it, expecting success to follow. Yet, even as we encouraged experimentation, innovation, co-creation, and adaptation to maximize impact, we had continued to ask for predicted outcomes in ways that discouraged a focus on emergence. We had also not clarified with the board how much we could adapt these strategies in the face of changes in the system or changes to our understanding of what works, without going through a time-consuming strategy refresh process with the board, which had the unintended effect of dampening staff's willingness to adapt their strategies or, at least, discuss their adaptations. In addition, the existing processes kept decision rights inside the foundation and divorced from the fast-moving realities on the ground. Our systems and learning practices, though well researched and carefully designed, tended to over-invest upfront in identifying what was knowable and what could be planned for, resulting in the unintended impact of creating a relatively static view of the systems and subsequent strategies.

<sup>6</sup> A causal-loop map is a type of systems map. It is designed to visually represent key factors, issues, or behaviors in the system and show how they are interconnected, including which ones influence others. These diagrams show them as text or small circles, and the causal relationships are represented as arrows. They can be created in participatory ways, as Humanity United (2017) has done, with potential grantees and other partners.

<sup>7</sup> While this article does not have the space to enter into the conversation on complex versus complicated, the authors agree that the strategic philanthropy model from which we are attempting to shift is largely based on a view of human systems as complicated, rather than complex.

**FIGURE 3** The Adaption Action Framework

## ADAPTIVE ACTION FRAMEWORK



Eoyang & Holladay, 2013

In 2020, it became increasingly clear how staff were hitting up against these unintentionally onerous and rigid structural barriers, thus complicating their ability to address challenges with the nimbleness they needed to be successful. With growing staff expertise in the application of complexity sciences, the reorganization of our program work into broad portfolios that were approved at a higher strategic level with the board, as well as an increased familiarity with trust-based and equitable grantmaking, we began a gradual move toward addressing these shortcomings. Building on input from staff and the influential work of Tanya Beer (2019), the learning team also proposed a new plan for board engagement and organizational learning based on the Adaptive Action framework (Eoyang & Holladay, 2013). The plan was adopted, and the board articulated that the need to respond and adapt superseded the need to

report on predetermined and illustrative indicators (See Figure 3.)

Concurrently, we sought to build this culture by instituting an annual learning-loop meeting, where we used the Adaptive Action framework to discuss team learning and adaptation across the organization. The framework focused attention away from inputs, activities, outputs, and outcomes — almost none of which would have occurred as expected at the outset of 2020 — and toward how our staff's ongoing learning and reflection helped them to be prepared to pivot as the systems in which we work convulsed. Each team presented in a “what, so what, now what” framework, emphasizing what and how they had learned and adapted to meet grantee-identified needs, and how they changed their practices to be more aligned with DEIJ goals and/or shifting power.

*While the pandemic produced the conditions to illuminate the mismatch between our strategic philanthropy habits and our rapidly changing contexts, it will continue to be a useful framework as we bounce forward into a new normal.*

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Importantly, these meetings were separated from organizational reporting requirements. We are optimistic that continued implementation of these annual meetings will offer a safe space to talk about adaptation and lessons learned, reinforcing our collective effort to do our work more emergently. They are also an all-too-rare place for our operations and program teams to have cross-organizational generative conversations about, for example, being responsive to shifting grantee needs by alleviating less necessary grantmaking, compliance, and finance administrative burdens.

This need for complexity-aware frameworks exists in all complex human systems before and after the pandemic. While the pandemic produced the conditions to illuminate the mismatch between our strategic philanthropy habits and our rapidly changing contexts, it will continue to be a useful framework as we bounce forward into a new normal.

### Intentional Flexibility With Our Learning Model

Our learning team had envisioned 2020 as the year we would roll out a new, well-designed, fully articulated decision-based model for learning and impact, documented in a tool kit with a

variety of options for approaching the work, but ultimately fairly directed in its intent. This new practice was based on a transition we had begun in 2019, where we developed and piloted a decision-centric learning and impact model. This model prioritized identifying key decisions at the tactical, strategic, and systemic levels, surfacing questions that might need to be answered at those decision points, identifying evidence to answer the questions, and developing a cadence for the learning tied to those decisions.

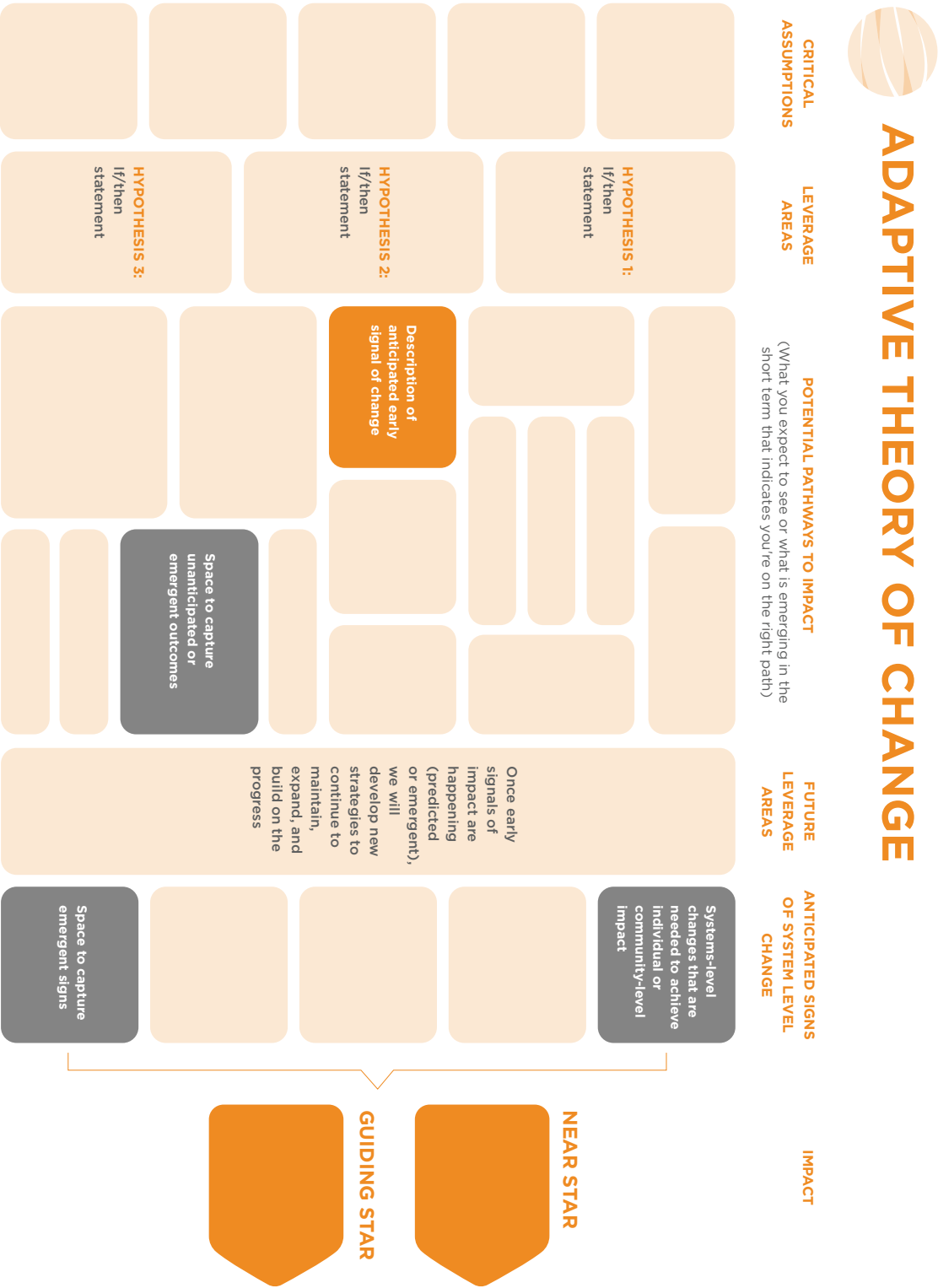
Recognizing the limitations of traditional theories of change, the learning team also developed a model we called an “adaptive theory of change” that left more room for multiple and unpredicted pathways to change, and explicitly included a visual placeholder that assumed strategies and outcomes would need to be adapted as the system changed. (See Figure 4.) Some teams have chosen to use this approach to theory of change in their strategy planning process, and one team is using it as a tool for tracking insights gleaned from outcome harvesting<sup>8</sup> along the way.

The learning team pivoted in other ways as well, such as no longer requiring program staff to track strategy-level indicators or measure predetermined outcomes that were not useful to their team learning, systems sensing, and decision making. Historically, indicator tracking had been in place primarily to communicate to the board, with a habit of seeking indicators that were observable and countable, but not always meaningful. The shift away from these metrics was grounded in the belief that systems change is dynamic, complex, and not entirely predictable. With permission from the board to change how we report portfolio progress, we focused instead on helping teams develop ways of measuring and reporting on all significant change, positive or negative, whether or not we had predicted it.<sup>9</sup>

<sup>8</sup> Outcome harvesting collects evidence on what has changed via stories about specific impacts, and explores the patterns across the stories. It can also include documenting how and whether an intervention has contributed to those changes, along with surfacing unintended outcomes (Lynn, Stachowiak, & Coffman, 2021).

<sup>9</sup> Our decision to transition the learning approach was heavily influenced by the existing literature on emergent strategy and learning models that are appropriate in highly adaptive and emergent settings, including the work of Patrizi, Heid Thompson, Coffman, & Beer, (2013); Darling et al., 2016; Darling, Sparkes Guber, Smith, & Lewis (2019); brown, (2017); and the prior work of one of the authors of this article, Jewlya Lynn (Lynn, 2012; Snow, Lynn, & Beer, 2015).

FIGURE 4 Adaptive Theory of Change Template



*These are the challenges that, if we can make progress on them as a sector, will prepare us to be more radically resilient, adaptable, and open to learning when the next, inevitable crisis arises.*

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For example, the program that focuses on decreasing forced labor in the Southeast Asian seafood industry had 18 indicators in its 2018 dashboard, all of which tied back to a set of core assumptions about how change would happen. They included such things as “number of targeted amendments or policies adopted by the Thai government in support of improved labor practices” and “human trafficking cases prosecuted resulted in significant sentences or jail fines.” The indicators were a mix of qualitative and quantitative, and the explanation of how and why they had changed was offered in an accompanying narrative. Program staff were clear that the indicators could not possibly capture the full value of the change happening in the complex seafood system, nor clearly indicate how the investments were contributing to those changes.

By 2021, that same program had transitioned to a focus on capturing systems changes and outcomes that were emerging in the industry and region, analyzing them quarterly for patterns, and using the insights from the analysis as part of a quarterly meeting with a key external partner. In this new approach, they surfaced in-depth insights about complex dynamics of labor migration in a pandemic that challenged existing patterns of migration in the years before 2020. Under normal circumstances, one would expect that increase in demand due to border closures would make it cheaper to migrate and could give workers more negotiating power, but the opposite is happening. With closed borders, exposure fears, and xenophobia, migrants already in the seafood industry are more

vulnerable to unscrupulous employers exploiting workers by further withholding wages and identity documents to prevent workers from leaving. The team also identified signals that the system is on the cusp of structural changes that are eroding the progress made in recent years. There is evidence that existing laws to protect workers are weakening; for example, new proposed changes to Thai law that will allow “apprentices” as young as 16 onboard fishing vessels, an occupation known to be notoriously dangerous and difficult.

As 2020’s disruptions began, the learning team paused, assuming learning practices might fall to the wayside. However, internal demand was high for tools to help teams respond to the shifts they were experiencing externally, and so we adapted accordingly. We made a conscious decision to support significant diversity in the proposed learning plans across teams, focusing instead on ensuring the learning plans met the teams where they were at, helped to build critical learning and reflection muscles, and offered a longer-term pathway for increasingly sophisticated plans as teams were ready and interested. This was a significant shift from past practices emphasizing common approaches, leading to similar content generated across teams for board reporting.

By early 2021, our major program areas had each adopted their own uniquely designed decision-centric learning and impact plans and processes. The plans had in common a focus on learning about how Humanity United was showing up with partners (related to DEIJ, power shifting, and collaborative behaviors), and a focus on the larger system, including unpredicted (and unpredictable) changes. Plans differed on the types of decisions they prioritized, their learning processes, the cadence for learning, and the types of evidence they plan to use. For example, some teams are primarily leveraging experiential knowledge and capturing insights from partners, while others have outcome harvesting and other formalized evaluation and systems-sensing practices in place.

## Additional Considerations for Philanthropy

As proud as we are of how our teams adapted, bouncing forward from 2020 into a changing world, we also recognize that there are many challenges ahead. These are not our challenges alone, but rather issues that philanthropy is facing more broadly, and that many philanthropic organizations are grappling with. These are the challenges that, if we can make progress on them as a sector, will prepare us to be more radically resilient, adaptable, and open to learning when the next, inevitable crisis arises.

We expect these paradigm-shifting moments of crises to continue to occur in part because of the confluence of major shifts globally (e.g., pandemics, climate change, global conflicts), leading to a significant era of change and break from the past. As Alex Steffen (2021) observes:

To unlock insight into the world we're living in, it helps to remember that we're in a new era, surrounded by systems designed and built in the old. . . . Normal is dead, but the permanent weirdness we live in now is alive with possibility. (paras. 32, 36)

Organizations can use these moments to bounce forward or begin the exploration now to structure themselves for the necessary changes to come. From our experience bouncing forward, we believe the following practices are central to cultivate.

### Taking Time for Emergence

Moving toward more fit-for-purpose ways of learning in complex systems is not possible unless philanthropy commits to reducing other workloads to intentionally free up time for learning and adapting. Without this space, it is difficult to have the mental bandwidth for the creative, out-of-the-box thinking needed for learning dialogues and strategy adaptation.

We recognize that as crises grow more severe and frequent, philanthropic organizations can expect more frequent, more extended, and more intense moments where time and emotional capacity for learning are restricted. This may

be at least partially mitigated if the value of structured, shared learning is elevated in the organization over time, by leadership and in the culture more broadly. It can also be supported by deploying learning practices that are agile, that give up the slow, deliberate information gathering in exchange for timely, rapid insights (Abdill, 2021). We also recognize the importance of giving space for trauma (something Humanity United did intentionally, regularly, and in many ways throughout the year). As the pandemic recedes, philanthropic organizations would benefit from recognizing that trauma is part of living, not something that only happens during a pandemic, and continue to make room for it in learning and strategy processes.

### Breaking the Habit of Predicting the Future

The tools of philanthropy (e.g., strategic plans, predicted outcomes, theories of change) and accompanying mindsets are typically grounded in assumptions about the future, often predicting a specific long-term future and a pathway to it, based on the understandings of staff who are far removed from the context.

At Humanity United, we revised our learning and impact practices concurrent with the organization beginning to use foresight practices. Yet, it took us time to realize that we were holding onto other tools and mindsets — particularly those around theories of change and outcome predicting — that imply you can predict a specific future. Though some teams value these other tools, they risk reinforcing habits that do not benefit our work. It necessitates rethinking how the tools are used — e.g., seeing theories of change as a jumping-off point to scan for outcomes, rather than the focus itself, or allowing for multiple (sometimes conflicting) theories.

Foresight work also introduces a new set of tools and mindsets to help philanthropy become prepared for multiple possible futures, and can be a tool for equity and trust-based philanthropy when those closest to the changes do their own future-sensing, using practices derived from their community. We do recognize that it can be hard to introduce foresight's mental models and



*Foresight can help philanthropy shift from predicting a future to being prepared for many different futures, some of which can be imagined and others of which may surprise us.*

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practices into established strategy and learning processes, but the value of this type of thinking has come to the forefront amid the disruptions of 2020.

Foresight work can be one of the tools of emergent strategy. By bringing together emergence and foresight, philanthropy can hold more closely the notion that the systems we are all seeking to influence are unpredictable and inherently dynamic, and the opportunity is to work with others to disrupt and influence, not drive toward a predefined set of outcomes. Foresight can help philanthropy shift from predicting a future to being prepared for many different futures, some of which can be imagined and others of which may surprise us.

### **Philanthropy Must Relinquish Power, and Do It Collaboratively**

When philanthropic strategies and learning plans assume the ability to have some measure of control over predictable outcomes in a system, a deviation from that plan can be seen as evidence of poor planning or implementation. The application of a complexity lens, however, begins with assuming that human systems are inherently unpredictable, and the strategy's goal (rather than achieving outcomes) becomes "learning to dance with a complex system" by acting, adapting, and acting again (Blignaut, 2019, building on the work of Donella Meadows (2014)).

Whose dance is it, though?

We at Humanity United are not the only ones questioning whether philanthropy should be setting up the dance floor. The disruptions of 2020 have cast doubt among many philanthropic leaders about our collective top-down model of system change, especially that as actors initially outside the system, we can see and influence drivers and root causes with limited capital in ways that will shift the whole system. This is even more true outside of place-based philanthropy. The path to systems change is much more likely through releasing control over outcomes and focusing instead on increasing agency for actors to disrupt the system from within. This ongoing act of ceding the illusion of control and power is not solely the job of program staff, boards, or leadership, but the job of philanthropy at all levels, alongside grantees and other stakeholders.

Yet, before we all rush to do this work, we must consider how ceding our power over strategy, while expecting grantees to advance toward our collective long-term goals for a system, creates its own type of mess. How can grantees assemble around and co-create with one philanthropic organization, while other funders may express different needs? As philanthropists, what is our responsibility to bring together funders to join this process, while separately aligning our back-end needs and processes rather than placing the onus of alignment on grantees? And how might we do this collaborative work given the very different places our institutions are at with regards to releasing power and control?

### **Conclusion**

We doubt anyone at Humanity United or in other philanthropic organizations wants to live through another 2020 or 2021. Yet, how all of us at Humanity United learned and changed during these two years was important, not just for supporting grantees and each other during crisis, but for becoming a more responsive, emergent, equitable, and hopefully more effective foundation.

We are committed to cultivating the conditions for enduring peace and freedom in complex and ever-changing systems, and that commitment



requires us to keep learning and growing. Perhaps the occasional radical disruption to our thinking and practice is a critical part of that growth. After all, we recognize that one of the core concepts of systems-change work (and we are a system as well) is the need to disrupt the current patterns to make way for something newer and better.

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# Assessing Philanthropic Impact: How the W.K. Kellogg Foundation's Building Bridges Initiative Supported the Field of Philanthropic and Nonprofit Studies

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**Keywords:** *W.K. Kellogg Foundation, Building Bridges Initiative, integrated impact services, nonprofit management education, nonprofit academic center*

## Introduction

The Building Bridges Initiative (BBI) was a \$13.5 million, five-year (1997–2002) W.K. Kellogg Foundation (WKKF) program that aimed to increase the capacity of the U.S. nonprofit sector by funding nonprofit academic centers and programs. The initiative was grounded in the assumption that deeper understanding, better-prepared leadership, stronger organizations, and effective support systems would improve the sector's impact on the quality of life across local and national communities.

This study retrospectively evaluates the BBI 20 years after its end. While a growing literature investigates the growth of nonprofit management education (NME), the role of foundation funding is largely ignored. This article fills this gap by assessing BBI's impact — that is, whether the broad goals of the initiative were accomplished. This investigation is crucial at a time when higher education is increasingly relying on external funding and early funders of NME have moved away from funding individual programs in favor of larger infrastructure organizations or specific teaching approaches (e.g., experiential philanthropy). The retrospective evaluation offers lessons on the potentials and limits of private foundations' engagement with emerging academic disciplines.

The next section describes the background of the BBI by presenting the challenges facing the nonprofit sector in the 1990s and the BBI's design in its effort to address these challenges. That

## Key Points

- In the 1990s, nonprofit management education was an emerging discipline with few established academic centers seeking to increase connectivity, build out the field, and gain financial sustainability. While organized philanthropy supported this development, foundations' impact on individual programs and the field more broadly is unclear.
- The W.K. Kellogg Foundation's Building Bridges Initiative, a \$13.5 million, five-year program to fund nonprofit academic centers as a strategy to increase the nonprofit sector's capacity, exemplifies the potentials and limits of a private foundation's engagement with emerging academic disciplines. This article assesses the long-term sustainability of grant investments and to what degree successful projects were integrated into the ongoing operation of universities, and examines the achievements and limitations of this philanthropic effort.

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is followed by a description of the evaluation methodology, a discussion of results and key findings, and an articulation of key implications for future practice.

## Background

Nonprofit organizations operated in a significantly changed environment in the 1980s and

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#### **Key Points** (continued)

- This analysis finds that the initiative advanced the institutionalization of nonprofit management education by legitimizing grantees both within and outside universities, supporting program delivery and expansion, and fostering collaborative networks. However positive those outcomes, the strategy raises broader issues concerning philanthropic impact, as grantees struggled to ensure long-term sustainability, connections to practice, and expanding the field beyond U.S. borders.
- This study is intended to help foundations understand their impact on large-scale institutions like universities and colleges as well as on narrowly focused program areas. It concludes by offering alternative strategies for collaboration between the foundation sector and academia.

Private philanthropy participated in a loosely coupled but coordinated response to these challenges, funding NME following earlier investments in infrastructure organizations like Independent Sector and the Foundation Center.

Since the 1980s, shifts in federal spending, advances in technology, and changing demographics and income distribution altered the relationship between the nonprofit sector and government. Declining government funding and demands for effectiveness pressured the sector to seek alternative revenue sources and increase efficiency, creating a disconnect between the reality of a professionalizing nonprofit sector and the public image of a social sector rooted in volunteerism (Clotfelter & Ehrlich, 1999; Salamon, 1999). The high-profile charity scandals of the 1990s (e.g., United Way, NAACP, Foundation for New Era Philanthropy) further compounded the social sector's existential crisis in highlighting similar financial mismanagement practices across sectors (Gibelman, Gelman, & Pollack, 1997). These financial, policy, and ethical challenges increased the demand for professional training of nonprofit leaders, volunteer and paid staff, and board members.

The growth of NME responded to the sector's transformations in the 1980s and 1990s. Wish and Mirabella (1998) documented the substantial growth of nonprofit programs at U.S. universities, with 17 offerings in 1990, 32 in 1992, and 76 in 1997. Nonprofit management education grew at the master's level against the backdrop of expanding management support organizations (Smith, 1997) and developing nonprofit research centers, journals, and organizations (Hall, 1993). For instance, Independent Sector reported 19 academic centers devoted to the nonprofit sector in 1988 and 24 in 1991 (Crowder & Hodgkinson, 1991; Hodgkinson, 1988). Yet, while on an upward trend, NME was not yet fully established within higher education.

Between the 1980s and early 2000s, organized philanthropy supported academia's response to the challenges facing the nonprofit sector. Several foundations identified key actors driving

**FIGURE 1** Sequence of Targeted Impacts

Source: Robert Long. *Building Bridges Between Practice and Knowledge in Nonprofit Management Education: An Initiative That Is Unleashing Resources for the Common Good* [Confidential programming update], p. 3, 2001. Robert Long Papers, personal collection, Murray, Kentucky.

change in managerial practices, including philanthropic, nonprofit, and multisector infrastructure organizations (Backer, 2001). Various foundation initiatives strategically focused on academic programs to affect systemic change (Poscio, 2003).

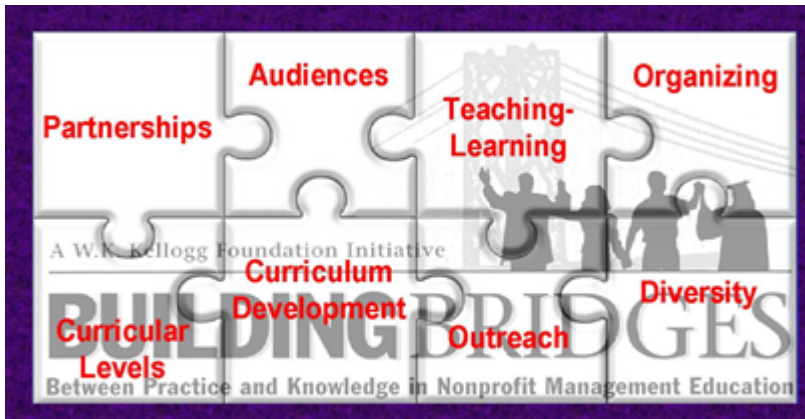
Foundation efforts aimed to improve the sector's capacity while institutionalizing NME within academia to cultivate both the new nonprofit leaders of the 21st century and an informed citizenry.

The WKKF's investments in NME started by establishing the Philanthropy and Volunteerism program area in the late 1980s. The foundation made a first formal step with a cluster of grants under the Academic Center of Excellence initiative in the late 1980s and early 1990s. (See Appendix 1.) Under this initiative, the WKKF awarded 13 grants, averaging \$1,335,594 and ranging from \$150,000 to \$5.75 million. The initiative targeted three levels, focusing on large comprehensive academic centers (with the largest grant supporting the Center on Philanthropy at Indiana University), regional academic centers of pre-service training and continuing education (e.g., University of San Francisco, Case Western Reserve University), and local models of educational programming (e.g., Grand Valley State University, State University of New

York-Oneonta, Duke University). This initial set of grants informed the BBI design, strengthening the case that was made to the WKKF board for investing in academic programs that strategically connected higher education and the fields of practice.

### Design of the Building Bridges Initiative

Within the WKKF's Philanthropy and Volunteerism program area, the BBI broadened the Academic Centers of Excellence initiative. The foundation appropriated \$13.5 million to fund the BBI (a second and separate cluster of grants approved by the WKKF board after the initial 13 grants under the Academic Centers of Excellence), with an average of \$1 million per grantee. Twenty-seven organizations participated in the BBI, 19 U.S.-based organizations and eight in Latin America: Thirteen of U.S. organizations were new grantees and six were existing grantees funded through the Academic Centers of Excellence initiative. (See Appendix 2.) The BBI's programmatic goals aimed to improve the capacity of nonprofit organizations to better serve their communities and adapt to a changing nonprofit management environment, challenged by the policy, financial, and ethical pressures detailed in the previous section.

**FIGURE 2** Guiding Principles

Source: Robert Long. *Building Bridges Between Practice and Knowledge in Nonprofit Management Education: An Initiative That Is Unleashing Resources for the Common Good* [Confidential programming update], p. 4, 2001. Robert Long Papers, personal collection, Murray, Kentucky.

A Sequence of Targeted Impacts was at the center of the BBI, linking investments in higher education to capacity-building efforts. (See Figure 1.) The sequence offers the core of a logic model linking currency of curricula and competencies of volunteer and staff leaders with improving the quality of life in the community. The logic model assumed that if the curriculum has strong currency within the field of practice, then it would engage current and prospective practitioners as well as improve volunteers' and staff leaders' competencies, thus strengthening the capacities of community-based organizations and increasing the positive impact on the quality of life in their communities. The model recognized that the work was not linear, requiring ongoing formative evaluation and looping back over time to adjust the curricula as the participants reflected on the results of their application of the lessons in practice. As this process unfolds, the capacities of community-based organizations to realize their missions continues to improve and the quality of life in communities improves.

The BBI strategy relied on a set of interwoven guiding principles that combined the findings of

the initiative's planning phase and the WKKF priorities. (See Figure 2.) The strategy's effectiveness was informed with the presence of a set of the puzzle pieces within each grant, the combination distinctive to the context of the specific grant. Efforts were made to help ensure that the principles were present among the selected set of grantees, anticipating that they would learn and share their approaches and experiences with each other through the course of the BBI and thereby promote the application of such guiding principles across the field of practice during and beyond the time they shared through the BBI.

The BBI applied the guiding principles in a coherent strategy, linking the field of practice with higher education and encouraging a "two-way flow of information between the needs of the field of practice and the research and teaching in higher education" (Robert Long, November 20–21, 1996, p. 5).<sup>1</sup> The "engaged institution" strategy centered on community–university strategies with grants combining the guiding principles to build bridges between academia and practice. During the development and launch of the BBI, particularly through the grantee selection process, a more precise set of

<sup>1</sup> Robert Long. *Philanthropy and Volunteerism in Higher Education: Building Bridges Between Practice and Knowledge* [A Program Initiative Progress Report to the Board]. Robert Long Papers, personal collection, Murray, Kentucky.



programming targets emerged to support the evaluation development, assessment, and reporting that flowed across the Sequence of Targeted Impacts and offered another level of detail to the initiative's guiding principles. It was during this time that the Integrated Action Plan was being developed. All efforts were made to identify and describe programming targets that built naturally out of the early design work reflected in the targeted impacts and guiding principles. The Integrated Action Plan (Robert Long, August 12, 1996)<sup>2</sup> identified seven programming targets:

1. Develop nonprofit management competencies.
2. Expand multidisciplinary of curriculum.
3. Increase academic programs' responsiveness to practical needs.
4. Increase diversity in leadership.
5. Increase policy development capacity of participants.
6. Increase financial development capacity of participants.
7. Foster institutionalization.

The BBI adopted various programming elements to expand educational programs, creating connections between practitioners and academics that built on each other to foster co-learning opportunities intertwining practice and knowledge:

- *Engaging the field.* In the planning phase, the foundation deliberately engaged the field of NME to develop a practice-informed strategy. In the late 1980s and throughout the 1990s, program officers of the Philanthropy and Volunteerism program area participated in the annual conferences of the field's scholarly, professional, and infrastructure organizations. In 1995, the foundation conducted a targeted, yearlong inquiry, interviewing more than 90 practitioners and academics. This broad engagement established connections with the future BBI grantees. An informational session, held at the WKKF's offices in Battle Creek, Michigan, on June 3–4, 1997, launched the initiative.
- *Commitment to diversity.* The applicants for the core grants were required to form a leadership team including both practitioners and academics. If funded, the leadership teams managed the projects. Initiativewide, leadership teams reflected a diversity profile, including race, gender, and professional background (practitioners and academics). At the end, 143 individuals participated in a project team, with 51 serving full terms and 92 partial terms (Camino & Heidrich, 2000).
- *Promoting organizing and connecting.* Opportunities to support connections among grantees emerged and were encouraged to promote cooperation and shared learning. For example, Connecting Strategies minigrants totaling \$57,210 were awarded to seven proposals in 2000, with grants ranging from \$2,250 to \$13,600. The Building on Bridges minigrants awarded a total of \$100,000 to six proposals in 2002, with grants ranging from \$13,340 to \$29,660. The minigrants built on distinct opportunities that emerged during the BBI to advance the guiding principles. The grants supported various related activities, including conducting additional networking experiences, expanding evaluation efforts, sharing lessons learned, and supporting partnerships among BBI grantees for additional collaborative activities.
- *Support and networking system.* Across the BBI, leadership teams participated in initiativewide networking events to provide opportunities for cross-fertilization of ideas and promoting collaboration. Leadership teams met in four learning communities, maintaining the connections among grantees

<sup>2</sup>Robert Long. *Philanthropy and Volunteerism in Higher Education: Building Bridges Between Practice and Knowledge* [Integrated Action Plan], pp. 5–8. Robert Long Papers, personal collection, Murray, Kentucky.



*The primary objective was expanding NME's reach and access to increase the capacity of the nonprofit sector. The second objective was to institutionalize NME by increasing the capacity of practitioners, scholars, and institutions. The underlying theme of these objectives was to strengthen the connections between academia and practice, the two ends of the bridge.*

and providing opportunities for peer learning. In addition, the initiative team used the Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA) annual conferences to communicate results. It organized annual informal networking for BBI members and colleagues, assisted participants' conference presentations, and sponsored Building Bridges breakfasts.

### Evaluation Methodology

The evaluation is framed as a retrospective cluster evaluation assessing the process and impact of a programming initiative, the BBI. The key purposes of the BBI are stated in the Integrated Action Plan. The primary objective was expanding NME's reach and access to increase the capacity of the nonprofit sector. The second objective was to institutionalize NME by increasing the capacity of practitioners, scholars, and institutions. The underlying theme of these objectives was to strengthen the connections between academia and practice, the two ends of the bridge. The seven programming targets

presented in the Integrated Action Plan offer a framework for these two key objectives, including a range of activities that were taking place among the selected grantees and represent the types of work underway across the emerging field of practice. Their identification and articulation grew out of all the BBI development and early implementation efforts, particularly the project and cluster-evaluation design work.

The study assesses retrospectively the long-term sustainability of grant investments. Previous studies and evaluations of the WKKF linked the sustainability of academic centers to institutional stability and academic credibility (Larson & Barnes, 2001; Larson & Long, 2000): Requisites of institutional stability are stable funding, organizational fit, and community connections, whereas academic credibility relates to the centrality of the center's mission to the university and the involvement of faculty in the center's activities.

The assessment relies on semistructured interviews with individuals connected to the BBI (including grantee project teams and foundation program officers), grantee reports, and WKKF publications, along with input from other participants. Quantitative data gathered through BBI project evaluations included reported growth in institutional funding, curriculum development, program and service creation, and enrollment and participation in all activities. The original documentation was primarily used to describe the BBI design, objectives, and strategies, as well as identify the external and internal opportunities for the initiative. The former refers to the changed societal environment within which nonprofit organizations operated in the 1980s and 1990s, whereas the latter refers to the WKKF programming that informed and shaped the BBI.

Qualitative data was collected through 12 interviews with members of 11 of the 19 U.S. grantee teams. (See Table 1.) All academic participants in the BBI for whom contact information could be located were contacted. The interviews were conducted with the BBI participants who responded to the authors' emails. Interviews

were conducted via Zoom in the spring and summer of 2020, lasting between 45 minutes and two hours. Qualitative data is used to address the impact of BBI grants on grantees and long-term sustainability of grantees. (See Appendix 3.)

The analysis relies on triangulating interviews, initiative documentation, and participant observation. The assessment presents these data through three lenses:

- Theory of change (successful strategies of the BBI),
- process evaluation (level of implementation of guiding principles), and
- outcomes evaluation (whether the BBI achieved its goals).

This evaluation assesses the impact of the initiative with two key audiences in mind: funders and nonprofit academic programs/centers. It aims to provide funders and grantees with evidence of impact, thus supporting the case of investments in NME.

Retrospective evaluations are advantageous in that they offer a simple and efficient way of collecting data to assess change over time. Yet, some limitations must be acknowledged, particularly regarding demand characteristics and memory-related problems. Demand characteristics refers to the subjective motivation of interviewees to positively assess a program or initiative; memory-related biases and distortion relate on how specific events are recalled and described (Pratt, McGuigan, & Katzev, 2000). For this study, BBI participants who agreed to be interviewed likely tended to be generally committed to NME, although their responses were both positive and negative. Participants’ personal experience and the development of the programs they were part of probably influenced their recollections and descriptions.

**Results**  
**Theory of Change Alignment**

Retrospectively, the degree of alignment of the grantee with the initiative’s theory of change

**TABLE 1** Interview Participants

U.S. Building Bridges Initiative Grantees
Arizona State University
Case Western Reserve University
Georgetown University
Grand Valley State University
Indiana University
Johns Hopkins University
Nonprofit Services Consortium, St. Louis
Northwestern University
Western Michigan University
Yale University (2 interviews)

impacted the BBI’s success and the ultimate sustainability of the grantee. Specific BBI strategies (mixed leadership teams as well as networking and connecting) were instrumental in achieving some programming targets, whereas the absence of clear strategies for increasing the commitment of internal resources linked sustainability to the grantee institution’s broader alignment with the initiative’s theory of change (that is, the selection of grantees that incorporated some of the guiding principles). The alignment emerged at the level of the program fit within the academic unit, commitment of university resources to the program, and the value commitment of the institution to academic-community partnerships.

The mixed leadership teams ensured an attention to practice in program implementation. These strategies and program fit (both within the institution and the academic unit) were key factors in fostering institutionalization. One interviewee noted, “Being within a non-traditional college in a nontraditional school means there has always been an appetite for being different and not conforming to norms

*Connections to the seven programming targets in the Integrated Action Plan emerged during this analysis. For example, investment of university resources tended to follow increased collaboration across academic units and community partnerships.*

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that constrain some other universities trying to do what we do.” Interviewees observed that in general smaller schools could work “outside the organizational box,” whereas “thick organizational culture” constrained more prestigious universities. Several interviewees cited the fit as important at the department level, where “colleagues” could be champions or barriers. Some programs successfully overcame institutional barriers; these successes depended, however, on funding, which generated short-term support for the duration of the grant.

The organizational grants focused on program development activities with an attention to long-term institutional commitments. Interviewees identified universities committing human and financial resources as crucial for guaranteeing nonprofit programming’s long-term sustainability. Institutional commitment to long-term funding, from assigning development staff to leadership involvement in fundraising, led to serious institutional investment. Interviewees also mentioned commitment to human resources, from development officers to faculty release time and line-item positions. Interviewees considered also limited support for administrative activity and graduate assistant support as positive institutional involvement.

By design, the grantee leadership teams included both practitioners and academics to foster connections to practice and responsiveness to

practical needs of professionals. According to a Centerpoint Institute evaluation, while most participants held a job title of professor (either tenured or tenure track, or adjunct or lecturer positions), nearly one-third were employed at nonprofit organizations, with the title of chief executive, financial officer, program manager, or administrator (Camino & Heidrich, 2000). Interviewees identified institutional factors such as the nature of community partnerships and the institutional value of “applied research” as influencing the long-term success of the community–academic partnerships created through the BBI. The value of “applied research” among academic colleagues and leadership, particularly in the tenure processes, was crucial for maintaining a focus on building community partnerships, helping solve problems, and contributing to the quality of life in needs beyond the grant period. Further, institutional reputation in the community determined both the quality of the partnership and acceptance of outreach work. The genuine quality of the community partnerships both informed supportive leadership and pushed less supportive leadership to get on board.

The strength of institutional silos, traditions, and culture affected the BBI’s impact. Interviewees noted that institutions free of “traditional silos” were more receptive to the BBI’s collaborative and interdisciplinary nature, leveraging the available networking opportunities.

Connections to the seven programming targets in the Integrated Action Plan emerged during this analysis. For example, investment of university resources tended to follow increased collaboration across academic units and community partnerships. In addition, the opportunities for multidisciplinary curricular development and applied research activity were reported as increasing in value among faculty and institutional leadership. Adjusting and developing programs to better align with the needs in the field of practice both informed the curricular content and professional practice. The examination of activity across the seven programming targets helped identify the range of activities that were fostering institutionalization.

## Process Evaluation

Key lessons emerged from the BBI experience. Interviews suggest that the guiding principles were integrated to a varying degree into grantees' activities depending on context and institutional fit. The strategic use of engagement activities and requirements helped build relationships across traditional divides, both on and off campus. The minigrant programs, initiative-wide meetings, and sectorwide gatherings helped break down institutional silos, connecting people and programs that would not have typically come together. As an interviewee stated, an outside funder like the WKCF could put pressure on "working" collaboratively when the grantee university did not do so traditionally. The grant built bridges between academia and practice through educational services: "At the core of each grant is a partnership between the nonprofit community and the educational institution that is focused on improving practice and instruction" (Robert Long, 2001, p. 4).<sup>3</sup>

By design, the grantee leadership teams included both practitioners and academics. An example that was reported in several BBI evaluations and referenced multiple times during the interviews for this study is the positive link between scholarship in higher education and evaluation in the field of practice. Participants described assessment activities that added value to both the body of knowledge and the standards of practice. In reflection, this two-way flow of expertise and application across the "bridge" was described as having advanced the relationship between academic programs and nonprofit organizations that continues today for their situation. Many talked about specific activities that were launched during the BBI that have grown into valuable partnerships with area nonprofits, generating new strategies, improving programs, and increasing financial sustainability, just to name a few continuing impacts.

The grantee selection process captured diverse programs, audiences, delivery systems,

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locations, and partnerships. The mixed leadership teams ensured academic programs' responsiveness to practical needs and helped developing and delivering training and education for nonprofit leaders. By establishing academic centers and programs, the BBI grants helped establishing educational and curricular models specifically related to the needs of nonprofit practitioners. The institutionalization of NME was one of the BBI's targeted objectives. Most selected grantees were academic institutions with an established approach to partnering with the nonprofit sector to deliver management education. The two exceptions were the Society for Nonprofit Organizations, which was developing a distance-learning system in collaboration with the University of Wisconsin, and the St. Louis Nonprofit Services Consortium, which was coordinating the work of 12 management education programs, including four universities. The BBI's breadth strategically planted multiple institutional seeds to grow NME. In fact, interviewees noted how involving multiple academic units in NME made them more broadly aware of activities at the university related to nonprofit studies, increasing

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<sup>3</sup> Robert Long, *Building Bridges Between Practice and Knowledge in Nonprofit Management Education: An Initiative That Is Unleashing Resources for the Common Good* [Confidential programming update]. Robert Long Papers, personal collection, Murray, Kentucky.

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the understanding of interdisciplinary nature of the field and expanding the curriculum's multidisciplinary.

The BBI design further strengthened the partnership and integration among the grantees, the related support organizations, and the sector infrastructure. When the BBI launched, very limited connections existed among these enterprises, many being very early in their development. Supporting the range of efforts with grant funds and strategic connections during the BBI promoted the value of the two-way flow across the “bridge.” Respondents talked at length about shifts in perspective that advanced this result. As one concrete example, one interviewee described a bias at the academic institution toward basic research, one in which engagement of the field of practice was viewed as limiting the objective nature of the findings. While the initial effort may have been a bit forced as a requirement of the BBI, a transition to increased value of what was learned through a more applied research framing was described. Interviewees described how faculty who experienced this transition became fully committed to research that advanced the body of knowledge while informed the field of practice. This shift was a major change for the institution in question, and in the subsequent years attracted other faculty to get involved in the research/evaluation work of the program.

The process evaluation is an ongoing part of the program's learning journey, with the BBI

experience having informed each next step that has been taken in subsequent years. It is very likely that the current leadership may struggle to identify the connections and sequence of changes that evolved over the past 20 years. However, the participants in this study were confident of the impacts they offered, believing that the ripples from the BBI continue to inform the work.

Several of the programming targets in the Integrated Action Plan surfaced during the process evaluation. In some respect, the first six could be found in the interview contributions and they combined in a variety of ways to advance the seventh target — foster institutionalization. The focus on a two-way flow across the bridge promotes connections between the needs of practice and the programs being delivered, helping improve practice across non-profit management competencies. Some of the programming targets were reported as directly impacting grantees. For example, the BBI design requirements helped promote diversity in leadership with its project team requirements. In addition, key nonprofit management topics (governance, policy, finance, etc.) were incorporated into networking sessions.

### Outcomes Evaluation

From the perspective of 20 years after the end of the BBI, participants identified benefits of the initiative at the levels of programs and participants as well as the testing and implementing of specific program models. At the broader impact level, participants credited the initiative with advancing the institutionalization of NME and strengthening academia–practice connections, although the BBI's impact beyond the grantees is difficult to assess.

Interviewees identified lasting networks for both individual members and participating institutions as one of the major benefits of the BBI. As one interviewee recalled, at an institutional level, the initiative formalized relationships between diverse institutions, connecting small colleges, Midwestern public universities, and prestigious institutions on the two coasts. At the same time, interviewees highlighted the



BBI's success in creating strategic connections across disciplines and institutions that might not have otherwise taken place. At an individual level, interviewees noted that the BBI created networks that benefit them professionally to this day. One observed that "some Building Bridges convenings allowed people to meet, who then later were in the same spaces in other settings ... and realized they had other common interests that might be explored in research and other collaborations." Participants explored ideas that would not have naturally surfaced. The networking opportunities also supported collaborative communities of interest within ARNOVA around some research topics, such as the intersection of faith, religion, and philanthropy, that failed to attract substantive scholarly attention in the field.

The BBI grant supported grantees in implementing projects, increasing the availability of NME programs. The projects' scope varied, ranging from large-scale efforts to establish nonprofit academic centers to initiatives expanding educational offerings and testing new delivery modalities. As one of the interviewees noted, "the Kellogg Foundation gave us the ability to test our theories quickly and demonstrate proof of concept to show others as we continued the journey of program development and funding support." Nonprofit programming expanded against the broader background of strengthening connections to practice, with grants funding specific community-based programs, establishing certifications, and expanding faculty pools — often by drawing on local nonprofit professionals as adjuncts. The grants supported nonprofit programs' infrastructure, allowing for advertising, marketing, and curriculum development.

Interviewees viewed the BBI as reinforcing "our idea that it was not enough to stay inside the academy," encouraging programs to expand reach, enhance technical assistance, and build community networks. Bridging practice and academic knowledge was successful because both sides benefited from the experience. University partners developed, in scope and quality, programs beyond traditional outreach initiatives,

*At an institutional and field level, the BBI supported NME's institutionalization by expanding nonprofit programs. More broadly, grants legitimized those programs, leveraging additional grants.*

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coordinating the response to local social needs. Community partners viewed programs as the source of relevant education, research, and technical assistance. A major impact was strengthening the quality of community networks. Interviewees reported moving from engaging community members through "advisory groups" to deeper involvements of "practitioners" in higher education through opportunities for nonprofit professionals and faculty in residence with nonprofits.

At an institutional and field level, the BBI supported NME's institutionalization by expanding nonprofit programs. More broadly, grants legitimized those programs, leveraging additional grants. Interviewees noted that the grant "brought political notice and was fiscally important," winning support from university administrators and guaranteeing flexibility in a context of competition over limited resources. Initiative funding opened doors because, as one interviewee recalled, "I was not just [name of interviewee], but a Kellogg grantee." Another interviewee noted that the grant "had the effect of 'waking up' central administration at all levels that the field of nonprofit and philanthropic leadership and management education was worthy of pursuit." Grantees also leveraged the grant with other funders by "building on the WKKF credibility, raising significant new funding." A preliminary evaluation found that grantees leveraged both institutional contributions (e.g., facility space, office equipment, marketing, tuition waivers, new course development funds, faculty release time, priority access to

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scholarship funds) and an additional \$3.1 million in external funding (Robert Long, 2001, personal collection).<sup>4</sup>

Efforts were made throughout the BBI to advance additional activities that promoted the programming targets. Grantees reported learning about new practices from other grantees and collaborating on the development of their distinctive response. Several of these grew into longer-term partnerships where new curricula and programs were established, such as the ongoing Arizona-Indiana-Michigan (AIM) Alliance of Arizona State University (ASU), Indiana University (IU), and Grand Valley State University. (See Appendix 1.) These types of collaborations were reported as effective methods of increasing responsiveness to the field's practical needs. Although much time has passed, interviewees reported that current close working relationships have their roots in the BBI, and many of those efforts served as examples for other non-BBI programs to follow.

Several interviewees reflected on the lasting impact across the programming targets as the number of programs of study continued to grow. The Nonprofit Academic Centers Counsel (NACC) was launched about the same time as the early BBI work began, and has grown to serve as a resource connection and exchange setting. It advances the same types of programming targets and much more. The quality and

currency of NACC's Curricular Guidelines and the emerging accreditation process for nonprofit studies programs (spearheaded by NACC) are two examples of outcomes that continue today. They offer the growing program of study a road map that promotes impact on targets that help ensure institutionalization.

## **20 Years Later: Discussion of Key Findings**

The BBI's breadth and the grantees' diversity planted the seeds broadly for long-term impact. Still, while some U.S. grantees play a leading role in both the academic and practice field, others shuttered. Of the 19 original grantees, three appear to have either discontinued or limited programming (California State University at Los Angeles, High Point University, and Yale University). Five either closed the academic unit that received the BBI grant (Case Western Reserve University and University of Texas at San Antonio) or morphed into organizations with a different focus and/or priorities (Harvard University, Johns Hopkins University, and the Nonprofit Services Consortium).

This mixed success highlights financial sustainability and institutional flexibility as preconditions for sustainable (stable) academic programs and centers. In this regard, the case of the Mandel Center at Case Western exemplifies the challenges for even extremely successful programs to secure the commitment of internal resources. Retrospectively, the BBI design missed an opportunity by not incorporating mechanisms to promote, attract, and/or leverage additional funds, such as requiring internal long-term institutional funding or supporting fund development.

The timeline of the BBI and the programmatic changes of its participants suggest an evolution of the field over 20 years. Nonprofit management education emerged in response to the practical needs of the nonprofit sector and the BBI supported the response of higher education

<sup>4</sup> Source: Robert Long, *Building Bridges Between Practice and Knowledge in Nonprofit Management Education: An Initiative That Is Unleashing Resources for the Common Good* [Confidential programming update], pp. 8–9. Robert Long Papers, Murray, Kentucky.



offering nonprofit management training at the graduate level. As the field grew, academic programs expanded to include undergraduate education, thus evolving from a narrow focus on the training of nonprofit managers to broader educational concepts aiming to instill the values of philanthropy, altruism, and volunteerism in undergraduate students. This broadening is exemplified in a change in terminology with a shift from NME to nonprofit and philanthropic studies. Two BBI grantees exemplify this institutionalization and conceptual broadening.

The IU Center on Philanthropy added an undergraduate program in 2010 to its graduate programs (both master's and doctoral level), fully institutionalizing as the IU Lilly Family School of Philanthropy in 2012. Similarly, the ASU Center for Nonprofit Leadership and Management grew into the Lodestar Center for Philanthropy and Nonprofit Innovation in 2008, expanding and institutionalizing its academic and outreach programming. While not explicit in the programmatic targets, this broader evolution was not fully outside the BBI scope, as another WKKF grantee — the Nonprofit Leadership Alliance (formerly, American Humanics) — can be partially credited with the development of undergraduate curricular models grounded in practical competencies (Dolch, Ernst, McClusky, Mirabella, & Sadow, 2007).

The BBI showed the impact of investing in public institutions, regardless of size, with a history in service to the community. Smaller institutions with a community orientation were among the most successful grantees because they had fewer cultural barriers to fight and were not primarily focused on academic research. At the same time, the long-term impact and intellectual leadership of scholars associated with the Program on Nonprofit Organizations (PONPO) at Yale encourages a second consideration. As the oldest academic program devoted to the systematic research of nonprofit organizations and philanthropy, PONPO became the training ground for an interdisciplinary group of researchers who had and still have a lasting influence on the field, both in shaping research agendas and leading its infrastructure

*The BBI showed the impact of investing in public institutions, regardless of size, with a history in service to the community. Smaller institutions with a community orientation were among the most successful grantees because they had fewer cultural barriers to fight and were not primarily focused on academic research.*

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organizations. Prestigious universities such as Yale then are well positioned to institutionalize new fields when successful in overcoming their “thick culture.”

Building successful collaborations proved challenging, requiring time, resources, and coordination to overcome barriers rooted in competition. Initiativewide and sectorwide networking built foundational connections for long-term partnerships. The BBI's active communication strategy allowed maintaining and growing partnerships. Clear requirements are crucial for building true collaborations, with equal investments of capacity, time, and resources from all partners fostering long-term partnerships.

The BBI built the capacity of academic programs to establish bridges to practice, promoting desired outcomes from programs delivered and partnerships implemented. Yet, the BBI was less successful at the logic model's impact level. A challenge of responding to the educational needs of community partners is building lasting community connections. Many institutions established organizational cultures that limited their capacity at the impact level. The tenure system, rewarding academic research over outreach at large, research-oriented universities,

*Today's presence of NME within U.S. academia suggests that the initiative helped create the capacity for academic programs to build bridges to practice that promoted desired outcomes.*

challenged practitioner-focused programs. Tenure systems are anchored in traditional academic structures (departments, colleges, and schools) driven by disciplinary expectations.

### Implications

The Sequence of Targeted Impacts offers a framework to reflect on the lessons learned and the potential for organized philanthropy 20 years after the end of the BBI. Today's presence of NME within U.S. academia suggests that the initiative helped create the capacity for academic programs to build bridges to practice that promoted desired outcomes. While the programmatic objectives were reached, the BBI's success at the logic model's impact level is doubtful and complex to assess. A range of counsel for foundations considering strategies connecting higher education and field of practice can be found in 20 Years Later: Discussion of Key Findings.

- *Increased attention to evidence of institutional investment promotes sustainability.* The application and selection criteria would have benefited from adding an expectation of a track record of funding from the institutions' core sources of support. Some BBI projects thrived while others shuttered. Adding such evidence of commitment to the grant selection criteria could increase the quality of alignment across the grantees and help ensure sustainability of each program and among the cluster of programs. Its absence, along with the BBI commitment to the most diverse possible group of institutions, may

have led to some selection bias, resulting in including institutions that brought a specific approach to program delivery or type of partnership without strong confidence for local financial sustainability.

- *Program origins have an impact on sustainability.* Educational programs that are identified with and created by one faculty member or administrator with the idea and drive to establish it, but without direct connections to the department, college, and institutional missions, risk being dropped when the person leaves. Starting with a basis of confidence that the program aligns at the mission and organically builds on alignment with the core discipline and intellectual foundations is more likely to be sustained. Evidence of a proven track record of growth that aligns with the funding opportunity focus can increase confidence in the intended outcomes of the investment. Exploring the requirement of a sustainability plan in a grant proposal can promote this work and, at least, encourage actions that lead in this direction as a part of the work of the grant.
- *Reserve funds to capitalize on unanticipated opportunities.* Planning on the unanticipated, natural changes in context and community allows for the capacity to capitalize on the opportunities to adjust strategy and tactics along the way. Something as simple as holding funds to support opportunities to advance the initiative's purpose that emerge during the process works.
- *Long-term goals must remain the north star of programming and implementation.* It is advantageous to explicitly add expectations to the initiative framing that the strategy seeks to strengthen organizations that are focused on a particular quality-of-life target or type of results in the community. That could have been supported by adding another level to the top of the Sequence of Targeted Impacts with the intention of investing in and tracking the work of those programs and participants most closely aligned with the ultimate impact on mission. Looking back, the BBI would have

been strengthened with such additional focus on ultimate impact in communities. This could have served as a model for other foundations to invest in programs of study that followed the sequence with closer alignment with mission impact goals (e.g., subsectors, populations, issues, challenges).

Engaging the field of practice is a core principle that demonstrates the WKKF “community-based strategy” in action during the period of the BBI. It assumes that doing things “with” people rather than “to” or “for” people is a value that improves the efficacy of the work, increases engagement and ownership, and advances sustainability. The BBI would have been strengthened with more specific expectations and requirements throughout the design, implementation, and evaluation of the initiative.

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## APPENDIX 1 Extended Timeline of the Building Bridges Initiative

Date	Activities
1986	Philanthropy and Volunteerism becomes “emergent program”
1990	Philanthropy and Volunteerism becomes full program area
1992	3-year grant of \$900,000 for the Center for Philanthropy and Nonprofit Leadership at Grand Valley State University (currently the Dorothy A. Johnson Center for Philanthropy)
1994	W.K. Kellogg Foundation (WKKF) and Ford Foundation grants to the Association for Research on Nonprofit Organizations and Voluntary Action (ARNOVA)
1994–1999	Academic Centers of Excellence initiative
1995	Planning BBI: WKKF yearlong inquiry
1996	Nonprofit Management Education Conference at the University of San Francisco
1997–2002	Building Bridges Initiative (BBI)
1997	Launching: BBI informational session at WKKF’s offices in Battle Creek, Michigan (June)
1998	BBI Learning Community: First learning community meeting, in Houston, Texas
1999	BBI Learning Community: Second learning community meeting, in Buenos Aires, Argentina
2000	BBI first minigrant program: Connecting Strategies (7 proposals) BBI Learning Community: Third learning community meeting, Showcase for Nonprofit Management, in Washington, D.C. First WKKF/ARNOVA Breakfast
2001	Second WKKF/ARNOVA Breakfast BBI Learning Community: Gathering Session 389: Linking Theory and Practice in Nonprofit Leadership and Management, Salzburg, Austria
2002	BBI second minigrant program: Building on Bridges (6 proposals) Third WKKF/ARNOVA Breakfast
2003	Planning of Arizona-Indiana-Michigan (AIM) Alliance
2006	\$7.5 million grant from WKKF to AIM Alliance

**APPENDIX 2** U.S. Grantees of the Building Bridges Initiative

<b>University (Program, Center)</b>	<b>BBI Grant Purpose</b>	<b>Current Status</b>
<b>Arizona State University</b>	Create educational programs focused on the relationships among the nonprofit, public, and commercial sectors.	The Center for Nonprofit Leadership and Management grew into the Lodestar Center for Philanthropy and Nonprofit Innovation.
<b>California State University at Los Angeles</b>	Create programs that engage multicultural communities.	The Intercultural Proficiency undergraduate credit certificate program appears for the last time in the 2012–13 academic catalog.
<b>Case Western Reserve University</b>	Engage practitioners in education and research focused on inner-city Cleveland nonprofit organizations.	The Mandel Center was shuttered in 2012. Nonprofit programming was split between the Weatherhead School of Management and the Mandel School of Applied Sciences.
<b>City University of New York</b>	Research the relationship between giving, volunteerism and organizational entrepreneurship, and multicultural American democracy.	The Center on Philanthropy and Civil Society continues to offer programs.
<b>George Mason University</b>	Create a comprehensive educational curriculum in the management of nonprofit organizations.	The university still offers nonprofit management education programs.
<b>Georgetown University</b>	Offer professional and educational activities for senior staff and board members in the Washington, D.C. area.	The Center for Public & Nonprofit Leadership still offers programs.
<b>Harvard University</b>	Research case studies for teaching nonprofit management.	The Center for Public Leadership evolved into the Hauser Institute for Civil Society at the Center for Public Leadership.
<b>High Point University</b>	Establish the Southeast Center for Organizational Leadership and the Center for Nonprofit Leadership.	The centers appear to have been discontinued.
<b>Indiana University</b>	Improve the understanding and the practice of philanthropy and fundraising.	The Center of Philanthropy became the IU Lilly Family School of Philanthropy.
<b>Johns Hopkins University, Institute for Policy Studies</b>	Create teaching material to prepare students for effective collaborations among the nonprofit, for-profit, and government sectors.	In 2012, the institute morphed into the Johns Hopkins Institute for Health and Social Policy at the Johns Hopkins Bloomberg School of Public Health.
<b>Nonprofit Services Consortium</b>	Offer education, training, and technical assistance opportunities through a training consortium.	The Nonprofit Services Consortium morphed into a nonprofit management support organization with no connections to academia.
<b>Northwestern University</b>	Establish a Center for Nonprofit Management and Social Entrepreneurship to provide research and training.	As the Center for Nonprofit Management, it continues to offer programs.
<b>Portland State University</b>	Strengthen the leadership and infrastructure of community nonprofit organizations throughout Oregon.	The Institute for Nonprofit Management continues to offer programs.



**APPENDIX 2** U.S. Grantees of the Building Bridges Initiative (continued)

University (Program, Center)	BBI Grant Purpose	Current Status
<b>State University of New York at Albany</b>	Strengthen the leadership and management competencies of individuals engaged with issues related to women, children, and families throughout New York.	The Center for Women in Government and Civil Society continues to offer programs.
<b>Learning Institute for Nonprofit Organizations/ The Society for Nonprofit Organizations</b>	Strengthen nonprofit sector leadership and management through a new collaborative approach to distance education.	The Society for Nonprofits continues to offer programs. The Learning Institute was moved online in 2005.
<b>University of Pennsylvania</b>	Link faculty and students to local problem solving in nonprofit organizations advancing family, community, and neighborhood development in Philadelphia.	The Barbara and Edward Netter Center for Community Partnerships is still in place.
<b>University of Texas at San Antonio</b>	Increase the number of African American and Mexican American students entering programs of study for careers in the nonprofit sector.	Due to budgetary reallocations, the Center for the Study of Women and Gender was reclassified as a program within the College of Liberal and Fine Arts.
<b>Western Michigan University</b>	Develop a new approach to the delivery of university-based nonprofit management education programs, in direct collaboration with other management service providers and the Kellogg Youth Initiative Partnerships.	The university offers a major and two minors in public and nonprofit administration.
<b>Yale University</b>	Develop a comprehensive research and education program focused on the leadership and management needs of religious professionals and secular managers working in faith-based organizations.	Limited programming: The Program on Social Enterprises, in conjunction with the MacMillan Center for International and Area Studies, manages the Program on Nonprofit Organizations.

### APPENDIX 3 Interview Protocol

1. How did the grant relationship develop?
  - Prompts: Who or what factors were instrumental in establishing the relationship? What was your role in the process? Who else would be good to speak to about the grant?
2. How would you describe the academic center?
  - Prompts: What are the stated purpose and objectives? Is it more academic-oriented or practice-oriented? What are the stated mission and values? How are mission and values reflected in programming? When was the program launched and what was the catalyst? What were the first programs and services developed and what are they today? Did the program receive other significant external funding?
3. How would you describe the impact of the WKKF grant(s)?
  - Prompts: In what area did the grant make the greatest contribution (e.g., institutional development, academic programming, community development, nonprofit management practices)? What were the indirect benefits of the grant (e.g., legitimacy, leverage additional internal/external resources, any of above)? How would the program/institution be different without the grant? Did the grant influence or shape in any way your academic programs (at the level of courses, curriculum, and approaches)? Would academic programs have been different without the Kellogg grant? How did the program(s)/project(s) funded by Kellogg evolve over the past 20 years?
4. What specific actions has your institution taken over the years to help ensure financial sustainability and program development?
  - Prompts: What was the basis upon which this decision was made? What has been the result of this increased institutional support?
5. Reflecting on the history of the center, what factors contributed to make it successful? And what were some of the challenges that the center experienced in its development? Looking back, what would you have done differently to make the center even more successful?
  - Prompts: What were key turning points in the center's development? External factors (e.g., competition, funding, changes in the field)? Internal factors (e.g., changes in governance, leadership transitions, enrollment)?

# Brazilian Foundations and the Responses to COVID-19

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**Keywords:** *Corporate foundation, family foundation, COVID-19, donations, Brazil*

## Introduction

The COVID-19 pandemic has engendered a generalized crisis in Brazil, impacting its social, economic, health care, and welfare systems. It has caused hundreds of thousands of deaths, put unparalleled pressure on the country's Unified Health System (Sistema Único de Saúde), and has had devastating effects on the economy and the well-being of Brazilians.

The first cases in China and the media coverage of Italy's calamity in April 2020 were not enough to prompt a coordinated response to the anticipated COVID-19 outbreak in Brazil. Acknowledgment of the disaster by public institutions came later, after many people had already lost their lives to the virus. However, it could have been worse. From the beginning, Brazil was able to count on the many social actors that mobilized their networks and resources to offer financial resources and lend social expertise to public welfare services.

Despite huge socioeconomic inequalities and a severe economic crisis, Brazil saw civil society mobilize en masse to support causes and nonprofits to mitigate the negative health, social, and economic consequences of the pandemic. The number of social initiatives rose to levels never seen before (Associação Brasileira de Captadores de Recursos [ABCR, Brazilian Fundraisers Association], 2021). Almost 80% of all initiatives were designated to support the vulnerable groups most exposed to the negative effects of the pandemic, 65% of initiatives involved nonprofit organizations, and a significant percentage of social initiatives supported small local businesses as well as local

## Key Points

- This article aims to systematically analyze the contribution of corporate and family foundations in the fight against COVID-19 in Brazil, one of the countries most affected by the pandemic. Despite its resultant economic and social crisis, the pandemic has sparked an unprecedented wave of philanthropy in Brazil. It is estimated that more than \$1.2 billion has been raised and donated by corporations, corporate and private foundations, crowdfunding, and fundraising campaigns.
- Foundations, in particular, have played an important role in financing relevant scientific work, supporting public policies, and assisting nonprofit organizations and vulnerable communities. And while there is increasing knowledge about the activities of Brazilian foundations, systematic analysis is lacking. Our analysis is based on general data from the Brazilian COVID-19 Donation Monitor, reports and websites of the main foundations, and insights from seven in-depth interviews with key figures in Brazilian philanthropy.
- This article suggests that foundations have been subject to three major innovations: use of social intelligence for the provision of donations and social goods, new technology that can coordinate fundraising campaigns and mobilize civil society support, and shifts in the modus operandi of foundations. This article contributes to the literature on philanthropy by providing an analysis of the role of Brazilian foundations and their innovations during the COVID-19 pandemic.

and state administration (ABCR & Grupo de Institutos, Fundações, e Empresas [Group of Institutes, Foundations, and Enterprises] (GIFE, 2021). Certainly, these results came alongside a broader shift in the way the philanthropic sector and corporate and family foundations operate in the country.

More than a year after the COVID-19 outbreak, we explore the role of Brazil's philanthropic foundations in response to the pandemic and reflect on the main innovations in foundations' organization and operating strategies. We begin with an overview of the role of family and corporate foundations in Brazil, locating their increasing centrality among social entrepreneurs in supporting government efforts and civil society needs. Then, we present data regarding Brazilian foundations from March 2020 to March 2021. Based on our analysis, we underline three key innovations:

1. foundations' use of social intelligence (resources and expertise) for the provision of donations and social goods;
2. the new use of technology to fundraise campaigns and mobilize civil society support; and
3. shifts in the *modus operandi* of foundations.

Concretely, this means greater horizontal engagement with nonprofit organizations, less-stringent compliance rules and control mechanisms, more trust in the "on the ground" expertise of nonprofits, and more agile decision-making.

## Foundations in Brazil: An Overview

The Brazilian philanthropic sector dates to the founding of the country, with the opening of the first Holy House (Santa Casa) in 1543 to assist the sick in the coastal city of Santos, one of the first Portuguese settlements. Until 1930, the philanthropic sector was the only provider of public health, education, and social services to the poorest Brazilians, while the state tended to economic matters and the army protected the borders.

It was only after our most recent federal constitution, in 1988, that the sector saw outstanding growth and development. Currently, there are approximately 780,000 nonprofit organizations in Brazil, 72% of which are less than 33 years old (Instituto Brasileiro de Geografia e Estatística [Brazilian Institute of Geography and Statistics], 2019). The philanthropic institutions occupy an important role in the management of public resources of the Unified Health System, with responsibility for 47% of its total hospital admissions and 59% of more complex admissions (Fórum Nacional das Instituições Filantrópicas [National Council of Philanthropic Institutions], 2018). This role makes Brazil one of the biggest and most diverse philanthropic landscapes in the world.

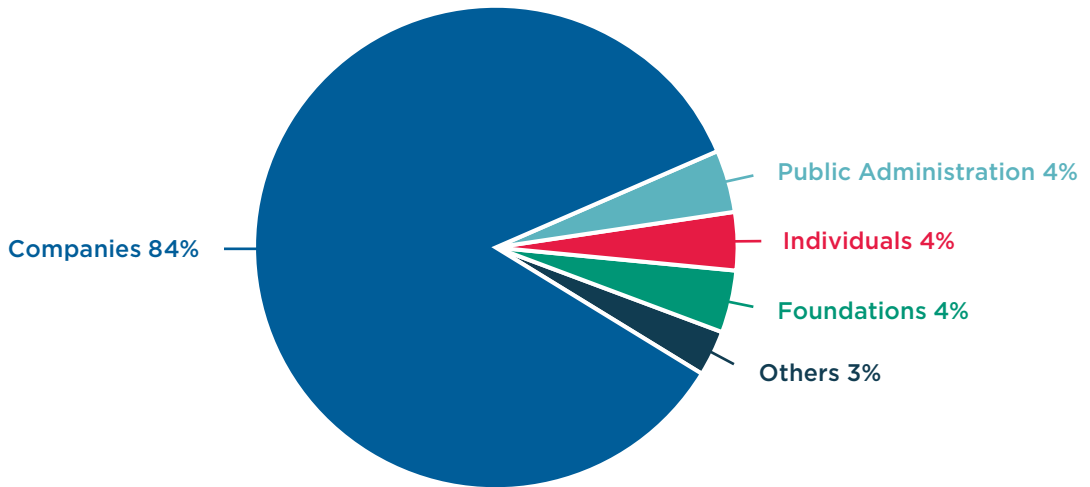
Brazil's philanthropic sector is organized into two types of legal entities: associations, the traditional form through which individuals and legal entities — usually labeled foundations or institutes — pursue a specific purpose; and foundations, which dedicate endowments to specific causes and are more strictly regulated. A foundation-like structure similar to the U.S. model collects endowments and distributes grants to nonprofits, and is employed by both foundations and institutes.

Despite the large number of organizations, the coordination of the nonprofit sector is something relatively new. Created only 25 years ago, GIFE, equivalent to the Council on Foundations in the United States, congregates philanthropic organizations and is driven by the corporate social responsibility movement that followed the redemocratization of Brazil in 1985. Most foundations and institutes in Brazil are linked to corporations and operate with annual budgets funded by companies, generally running their own social projects. Only over the past decade has Brazil seen a growing number of family-based and independent foundations, as well as greater use of the grantmaking model of operation.

## The Increasing Role of Foundations

Over the past few years, foundations have increasingly been framed as part of social

**FIGURE 1** Sources of COVID-19-Related Philanthropic Donations in Brazil from March 2020 to March 2021



Source: ABCR, 2021

innovation groups in Brazil. This means that their activities and services are being understood as motivated by meeting a social need (Mulgan, Tucker, Ali, & Sanders, 2007; Jessop, Moulaert, Hulgård, & Hamdouch, 2013). The rise of movements such as the Giving Pledge<sup>1</sup> have led billionaires all over the world to invest part of their fortunes to social causes during their lifetime. As a result, more money, professional staff, and management tools are being used in the field of philanthropy than ever before. Trends like this have transformed the way foundations operate, making them much more collaborative, strategic, and metric-oriented (Draimin, 2016). The social and economic catastrophe of COVID-19 led foundations in Brazil to engage with the maintenance of intensive care units, field hospitals, and the supply of important services and products. These actions had a significant impact on the general organization of local governments in managing the crisis.

In terms of the total numbers, donations from foundations represented more than 4% of the total of COVID-19-related donations in Brazil from March 2020 to March 2021. (See Figure 1.) Although the donations of corporate and family

foundations in Brazil constitute only a small share of total COVID-19 donations, foundations play a crucial role in the overall donation scenario. A quick analysis of the available donation data does not quite reflect the real importance of foundations — both family and corporate — in the pandemic donation process and in directing philanthropy in the country more generally. Even if most of the donations in Brazil are corporate and do not come from the budget of corporate foundations, we cannot conclude from this that the role of foundations is secondary: a large part of corporate donations involves the support and expertise of their staff, many of which will have experience in donation processes. However, when we look more closely at the destination of these donations, we notice an important pattern: family and corporate foundations reserved more than half of their total donations to finance other nonprofit organization activities. (See Table 1.)

Throughout the COVID-19 crisis, a group of family and corporate foundations were at the center of philanthropic innovation and social initiatives. (See Table 1.) Around 55% of the 20 family foundations analyzed donated financial

<sup>1</sup> See <https://givingpledge.org>

**TABLE 1**

Donations From Corporate and Family Foundations and Philanthropic Funds: March 2020 to March 2021 (n = 64)

	Family Foundations (n = 20)	Corporate Foundations (n = 18)	Institutes, Foundations, and Philanthropic Funds (n = 64)
<b>Donation Value</b> (in U.S. dollars)			
Total	~ \$12 million	~ \$15 million	~ \$37 million
Average	~ \$0.5 million	~ \$1 million	~ \$0.5 million
<b>Primary Gift</b>			
Financial Assets	55%	78%	64%
Products	20%	17%	19%
<b>Purpose</b>			
Health Assistance	25%	22%	27%
Social Assistance	25%	28%	33%
Other	1%		1%
<b>Recipient</b>			
Nonprofit Organization	45%	67%	60%
Donation Campaign	10%	11%	9%
Philanthropic Funding	1%	17%	11%
Individuals	15%		5%

Sources: ABCR (2021); currency exchange in March 2021.

assets; almost 78% of the 18 corporate foundations analyzed prioritized financial aid. In both categories, most donations were designated for legal entities: 45% of family foundations and 67% of corporate foundations destined their financial resources for nonprofit organizations. Health care and social assistance were the chief purposes for foundation support.

Comparisons based exclusively on these values do not reveal the overall impact foundations had on the support and maintenance of nonprofits, because foundations invest in social welfare activities directly and indirectly. In Brazil, several large companies — many of which have been listed as major donors during the COVID-19 pandemic (ABCR, 2021) — appear to have corporate social responsibility (CSR) departments as well as their own foundations or institutes, which are an ultra-specialized arm of corporations and usually enjoy some autonomy within the corporate structure.

Corporate institutes are usually responsible for carrying out the tasks set out by CSR agendas and have their budgets defined annually by executive boards that comprise high-level management, relevant shareholders, and outside experts. However, it is important to note that many of the major corporate donations and initiatives in Brazil not only involved company CEOs, but also their board members and owners. This means that the line between family donations and corporate donations is not so simply drawn, and support for donations among business owners, their families, and shareholders is often decisive. There are important cases where corporate donations are combined with those of its institute or foundation.

Nevertheless, there are important distinctions between family and corporate foundations in Brazil. While most corporate foundations are aligned with the CSR agenda of the companies from which they originate, executing actions



that can be understood as strategic philanthropy, family foundations usually have their own agendas, detached from corporate commitments. Consequently, these foundations can play an important role in social innovations, making higher-risk decisions or involving nonconsensual agendas — for example, gender, racial, and human rights issues — as well as adopting innovative methods, guidelines, and techniques in the various stages of operation.

The analysis to follow suggests that foundations played an important role in innovation during the studied period, not only contributing to new methods of fundraising and donation, but also nurturing a culture of charitable giving in the country. Corporate and family donations made during the pandemic are in large part a result of the expertise and knowledge that Brazilian foundations and institutes have accumulated over the years.

To investigate our object of study, we use a data triangulation approach with both primary and secondary data that enables us to scrutinize the role of different foundations in detail and from various angles. Secondary data are taken from the COVID-19 Donation Monitor (Monitor das Doações), a platform initiated by ABCR to gather information on pandemic initiatives from corporate and family foundations and institutes and other nonprofit organizations and initiatives, to help mitigate the effects of the pandemic, specifically on vulnerable groups. Some of the data are also gathered from Transparência COVID-19, a joint project by GIFE and ABCR to provide an online platform to document the sources and recipients of pandemic-response philanthropy and aid. Additionally, we rely on GIFE for foundation- and institute-specific data. Primary data were extracted from seven in-depth interviews, conducted between October 2020 and March 2021 with central figures from corporate foundations, family foundations, and institutes operating projects and programs across Brazil.

### Innovations in Foundation Practices

The COVID-19 crisis represented a major challenge to Brazil's nonprofit sector, and subsequently to foundations. We argue that these

*During the pandemic, foundations and institutes played a particular and significant role by providing social intelligence to organizations and the public sector, which benefited greatly from the expertise of institutions and their actors.*

foundations have been a central part of Brazil's civil society response to the social consequences of COVID-19, and that this was largely possible due to a silent social transformation. Of the changes we witnessed, three were considered central:

1. Foundations supported the activities of the field with resources and provided their expertise to company CSR projects;
2. The innovative use of digital crowdfunding platforms has increasingly been used to raise money, while the use of public data to support resource allocation decisions has become usual practice; and
3. Changes to patterns of collaboration between foundations and other nonprofit organizations are underway, allowing for more horizontal and trusting relationships and improving the agility and effectiveness of social projects.

### Social Intelligence

During the pandemic, foundations and institutes played a particular and significant role by providing social intelligence to organizations and the public sector, which benefited greatly from the expertise of institutions and their actors. Examples of social knowledge sharing abound, and vary in terms of areas and modes of interaction between foundations and other social actors.

We can observe, for example, foundations' contributions in the health sector. The Oswaldo Cruz Foundation (Fiocruz), which is linked to the Brazilian Ministry of Health and promotes public health, played a fundamental role in responding to health care challenges and supporting research related to the coronavirus. Its United Against COVID (Unidos Contra COVID) campaign<sup>2</sup> raised around \$85 million and enabled Fiocruz to support health care assistance and the expansion of testing capacities. A number of companies engaged in the campaign, including ABInbev, B3, Banco Votorantim, Elopár, Stone, United Health Brazil, and Itaú, as well as family and corporate foundations such as the Lemann Foundation, the Telefônica Vivo Foundation, and the Behringer Family Foundation. Additionally, Fiocruz signed a contract with AstraZeneca for a technology transfer to begin national production of its vaccine, which will have a significant impact on the country's ability to control the pandemic (ABCR, 2021). With its capacity to conduct research on drugs and vaccines, its ability to attract and engage other private players in the health industry, and its expertise in negotiating and managing contracts, Fiocruz led an important initiative that amplified the impact of collective efforts on health care assistance and the national institutional arsenal to combat COVID-19.

Foundations were also essential to programs addressing poverty and hunger. The aggravation of economic crises put millions of Brazilians on the edge of the poverty line, making social support vital. A noteworthy initiative was launched by Telefônica Vivo, a corporate foundation with over 20 years' experience managing social projects for greater socioeconomic inclusion, as well as student and teacher training. The foundation donated a significant amount of money to health care centers and vulnerable communities to guarantee food security. It also contributed funds to Fiocruz and to public health care

facilities across the country, and created a digital education platform and an online platform to encourage volunteering.<sup>3</sup> These resources were in addition to Telefônica Vivo's annual budget for grants in education, which it not only continued to provide but also did so unconditionally, enabling its partners to use the resources as necessary in response to new demands from communities.

The main contribution of corporate foundations and institutes to the COVID-19 donation process cannot be identified only quantitatively. The organizational and social knowledge that these institutions have accumulated over the decades has been central to the success of the donation processes during the pandemic. Among the plentiful examples, however, two stand out. The first is the Votorantim Institute — the social intelligence branch of the Votorantim Group, one of the largest industrial conglomerates in Latin America. In March 2020, the institute, which generates shared value in the communities where the Votorantim Group operates, reviewed and reconfigured 300 existing projects to better address local needs in light of the pandemic. It also managed and distributed an additional \$10 million donated by the Votorantim Group. To leverage the efficiency of social work already being carried out in the communities in which it was operating, the institute created a crisis committee that comprised various stakeholders, including the Beneficência Portuguesa Hospital and the Brazilian Development Bank, which coordinated their actions to enhance the ability of small cities to respond to the crisis. The institute's relationships with communities were key to the success of its response.<sup>4</sup>

Foundations and institutes also facilitate the use and management of funds in a number of crucial ways. Itaú Unibanco Bank, for example, was responsible for Brazil's largest COVID-related donation, which was administered through its own institutes and CSR programs.

<sup>2</sup> See <https://unidos.fiocruz.br/transparencia.html>

<sup>3</sup> <https://fundacaotelefonicaativo.org.br/a-fundacao/nossas-acoes-frente-a-COVID-19/>

<sup>4</sup> <http://www.institutovotorantim.org.br/votorantim-promove-iniciativas-para-combate-aos-efeitos-do-COVID-19-e-anuncia-doacao-adicional-de-r-50-milhoes/>

After donating approximately \$200 million, the financial group created the All for Health (Todos pela Saúde) initiative,<sup>5</sup> which was managed by its foundation, Itaú Social. The resources donated were managed separately and with a specific board of well-known Brazilian health care specialists, who established guidelines for the foundation to use its capacity and grantmaking expertise. The initiative has already supported collective funds against the spread of COVID-19 and assisted nonprofits and several other public initiatives by expanding infrastructure and equipment for hospitals, facilitating large-scale coronavirus testing for civil servants, and training public-sector managers to set up crisis committees.

These examples show that initiatives headed by foundations have contributed to the alleviation of hunger and poverty and strengthened public responses to the health care and immunization needs of Brazilian society. Foundations used their institutional capacity to manage contracts, engage communities, and enable collective initiatives.

### Use of New Digital and Social Technologies

Considering the challenges and scale of a pandemic, it was clear that foundations employed new methods to mobilize more resources, reallocate existing budgets to leverage donations, and nurture a culture of charitable giving. Raising funds through online platforms is recognized as an important frontier in the operationalization of donations (Agrawal, Catalini, & Goldfarb, 2014). The practice has changed the landscape of donation methods and scaled up the potential of donors enrolled in fundraising campaigns.

Of the many innovations in fundraising practices, crowdfunding is one of the most important. It has been shown as a good way to finance services due to its ability to amplify the legitimacy of projects, alert greater audiences to social needs, and engage the community

*Considering the challenges and scale of a pandemic, it was clear that foundations employed new methods to mobilize more resources, reallocate existing budgets to leverage donations, and nurture a culture of charitable giving.*

in campaigns (Lehner & Nicholls, 2014; Liu, Suh, & Wagner, 2018). As in many other parts of the world, the crowdfunding method is also transforming financing practices in Brazil. Once exclusively oriented to finance business ventures, such as in the construction sector, crowdfunding practices have rapidly become relevant in areas as diverse as the arts and organized protest (Belleflamme, Omrani, & Peitz, 2015).

Raising money is a challenge at the best of times, let alone during an economic crisis (Meyskens & Bird, 2015). Raising money through crowdfunding platforms was instantly adopted by civil society actors. Platforms such as Benfeitoria's Matchfunding Enfrente,<sup>6</sup> created by the Tide Setubal Foundation — a family foundation that is dedicated to social justice initiatives and the sustainable development of urban peripheries — have helped to amplify the reach of potential donors and made donating easier by improving the process of choosing and collaborating with different campaigns. The platform had the added incentive that each Brazilian real donated online would be matched by two reais, and was able to mobilize and distribute resources to almost 200 grassroots initiatives. This adaptation contributed to the resilience efforts of the nonprofit sector (Pape et al., 2020), as well as allowing Brazilian society to see the growing number of donations all over the country (ABCR, 2021; ABCR & GIFE, 2021).

<sup>5</sup> <https://www.todospelasaude.org/>

<sup>6</sup> <https://benfeitoria.com/canal/enfrente>

*Given their essential role in organizing and financing public services amid the pandemic, certain Brazilian foundations were elevated to quasi-public institutional status in 2020, regarded as social entrepreneurs able to transform and leverage social change by using planning and executing capacity to promote social goods.*

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Another crowdfunding example set up through the Benfeitoria platform is Families Help Families (Família Apoia Família).<sup>7</sup> Created by the family foundation Instituto ACP, the campaign encourages families to support nonprofits that deliver food parcels to low-income families around the country. The foundation selected the projects, promoted their fundraising campaigns, and called on another four family foundations and other companies for support. The platform raised money from more than 6,000 supporters that was distributed to 86 nonprofits, ultimately benefiting over 71,000 families. The Banco do Brasil Foundation, a corporate foundation, also created a digital platform to encourage donations from individuals and private organizations; and used the funds for projects to assist citizens in need and help small-business owners and micro entrepreneurs to generate income (ABCR, 2021).

New digital and social technologies were also applied in official initiatives, such as COVID campaigns organized by the government of São Paulo state and Brazil's federal government that have relied on the social expertise of foundations. The São Paulo campaign established a

commission to organize donations from both the private and public sectors, and collected over \$300 million. The federal government was able to collect over \$2 million with its donation initiative by encouraging civil volunteering (ABCR, 2021). Of Brazil's 5,570 municipalities, about 120 across the country engaged in digital and offline donation campaigns.

These campaigns were approached in a number of ways. Donation efforts led by nonprofit organizations and citizens used crowdfunding to collect smaller sums of money from a larger number of donors. Campaigns carried out by more significant economic actors, such as corporate and family foundations, collected and donated larger amounts from fewer donors. There were also government-organized campaigns, which introduced a new form of public funding. In this way, all the various economic sectors used these technologies.

### Trust and Horizontal Relations

Based on the insights of secondary data and the interviews with key figures in Brazilian philanthropy, we further argue that the pandemic altered the modus operandi of Brazilian foundations. Given their essential role in organizing and financing public services amid the pandemic (Fernandez & Hager, 2014), certain Brazilian foundations were elevated to quasi-public institutional status in 2020, regarded as social entrepreneurs able to transform and leverage social change by using planning and executing capacity to promote social goods (Lehner & Nicholls, 2014; Quinn, Tompkins-Stange, & Meyerson, 2014). Examples include the foundations' engagement in collective efforts to fund and purchase hospital supplies, equipment, and drugs, as well as their pivotal role in funding local nonprofits and projects addressing poverty and hunger.

We attribute such shifts in the way foundations operate to two main factors:

1. The complex nature of the pandemic challenged so many aspects of daily life, taxing

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<sup>7</sup> <https://benfeitoria.com/canal/familias2020>

the health care system and increasing poverty and food insecurity. All were the result of an ongoing economic crisis, which necessitated quick decision-making in order to reach as many projects, citizens, and vulnerable communities as possible.

2. The struggle among nonprofits for resources, especially from larger donors, during the pandemic led to a restructured relationship between foundations and nonprofit organizations with “on the ground” expertise. Nonprofits often lack institutional capacity because of lean teams or informal accounting and compliance practices.

These two factors laid fruitful ground for innovative thinking and the acceleration of antecedent changes in the way foundations operate. It is clearly noticeable that so far, most foundations were able to lower bureaucratic barriers to nonprofit organizations and collaborative practices, such as simplifying formal requirements for grant applications and providing support for reporting and accounting responsibilities. The debureaucratization of these practices also eased the execution of on-the-ground projects and led to faster, more efficient decision-making (GIFE, 2021). As reported by the Brazilian philanthropic community (Lucca-Silveira, Jerabek, Rodrigues, Vergueiro, & Woods, 2021), COVID-19 catalyzed institutional trends, behaviors, and innovations in collaborative philanthropy (GIFE, 2021), and expanded the understanding, at least among large donors, that financing nonprofits and other social actors is an efficient investment in maximizing the social benefits of philanthropy.

Loosened compliance rules and control mechanisms for partner nonprofits with on-the-ground expertise (GIFE, 2021) led to more horizontal relationships between corporate and family foundations, increased the trust between partnering institutions, and improved access to resources for social initiatives. Nevertheless, as Lucca-Silveira et al. (2021) emphasize, those foundations that had resources and knowledge before the pandemic were better able to engage

*[M]ost foundations were able to lower bureaucratic barriers to nonprofit organizations and collaborative practices, such as simplifying formal requirements for grant applications and providing support for reporting and accounting responsibilities. . . . COVID-19 catalyzed institutional trends, behaviors, and innovations in collaborative philanthropy, and expanded the understanding, at least among large donors, that financing nonprofits and other social actors is an efficient investment in maximizing the social benefits of philanthropy.*

with innovative, collaborative projects than those with less institutional expertise.

In addition, the sector's thematic focus became more diversified. Before COVID-19, most foundations and organizations (61%) were focused on projects to increase socioeconomic inclusion and improve the quality of public education in Brazil (GIFE, 2019). The pandemic called attention to inequalities in other areas, such as health, income, and working conditions, which underscored the importance of basic social assistance. In Brazil, a country with extremely high rates of economic inequality (Barbosa, Ferreira de Souza, & Soares, 2020), foundations and



*[T]he pandemic can be seen as a catalyst for major change in the field, altering a historical pattern of hierarchical relations between foundations and nonprofits.*

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other philanthropic institutions were required to expand their priorities. Nevertheless, educational inequalities have remained important; the pandemic highlighted the socioeconomic inequalities that affect learning outcomes, such as a lack of computers and internet access among poorer households (Lemann Foundation, 2020).

## Discussion and Conclusion

This article has argued that the COVID-19 pandemic triggered changes in the relationships among business, foundations, and nonprofit organizations in Brazil. Where differing views of the country's social development needs had prevented closer interaction between foundations and other nonprofits (Sklair, 2020), the pandemic can be seen as a catalyst for major change in the field, altering a historical pattern of hierarchical relations between foundations and nonprofits. The increasing number of foundations and institutes taking on the role of grantmakers can already be observed, particularly through family foundations and institutes (GIFE, 2019). However, since the expertise of civil society actors was also urgently required, the pandemic not only accelerated this process among the large donors but may also have stimulated trust and horizontality across the wider sector.

Foundations played a key role in three major areas of Brazilian philanthropy during the coronavirus outbreak:

- *We observed foundations' use of social intelligence to manage donations.* Foundations

and institutes provided their expertise to the development of projects related to the COVID-19 crisis. As noted, many large donations made by corporations were managed by corporate institutes and foundations. This brought a new perspective to project management, which in turn became more professional and accountable. As a result, public policies and both CSR and philanthropic activities have benefited from synergies with the administrative, resource, and logistic capacity of business and leading foundations.

- *The use of new technologies for fundraising campaigns and donation-matching initiatives is a notable adjustment.* The pandemic obliged nonprofits to be more creative when raising funds to finance their work and payrolls. Digital crowdfunding platforms, in particular, are an important innovation we observed across many relevant campaigns. Consequently, this new method of fundraising is producing another new middle player, the social-digital industry, as well as such modes of collaboration as joint crowdfunding campaigns.
- *Foundations shifted their *modus operandi*.* This resulted in more horizontal engagement with nonprofit organizations, less stringent compliance rules and control mechanisms, more trust in their "on the ground" expertise, and greater agility in decision-making.

Brazil is experiencing a shift that has already been seen in the developed world, whereby foundations are being viewed as more qualified to lead projects in critical situations. The role of civil society agents in providing social goods has been crucial to Brazil's collective response to COVID-19. As the philanthropic field continues its trajectory of development, we promote a learning agenda. Follow-up research may provide important information on whether any of the initiated changes are sustained and under which conditions social innovations become embedded in the philanthropic ecosystem.



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# Community Foundations as Community Leaders: The Role of Community Leadership in Creating Change

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**Keywords:** *Community foundations, community leadership, civic leadership, collective leadership, community engagement*

## Introduction

Community foundations claim to play an integral role in fostering philanthropy at a community level across the United States. Arguably the most identifiable form of community philanthropy (Sacks, 2014), community foundations are often the institutions sought by communities when it comes to mobilizing philanthropic resources to meet community needs (Mazany & Perry, 2014). Various examples of community leadership by community foundations have appeared in academic (Easterling, 2011; Ranghelli, Mott, & Banwell, 2006) and practitioner (Bernholz, Fulton, & Kasper, 2005) literature, yet the underlying definitions of community leadership, the journey to becoming a community leader, and the metrics by which community foundations define successful community leadership have not been investigated adequately.

Community leadership is often the role most neglected in research on community foundations, yet it has the potential to be their most significant role. Community foundations can leverage their local knowledge, convening capabilities, and networks to create communitywide change. While remaining neutral on community issues was an option in the past, community foundations are now operating in a competitive market; therefore, acting as a community leader not only can provide an advantage in fundraising, but can also catalyze groups and organizations to enact change by leaning into that role.

While CFLeads (2008, 2013) and other organizations have shared frameworks for community

## Key Points

- Community foundations claim to play an integral role in fostering philanthropy at a local or regional level across the United States, seeking to improve the quality of life for community residents. Their business model has three main components: grantmaking, fundraising, and community leadership.
- As the newest addition to the community foundation operating model, community leadership remains the least examined component in terms of how these foundations define and pursue it. This article seeks to contribute to the literature on the challenges and benefits community foundations encounter in pursuit of a community leadership role.
- Utilizing an exploratory design, interviews with leaders at 11 community foundations were conducted. The findings indicate that taking a community leadership role has a positive effect on fundraising outcomes for community foundations and elevates a foundation's local or regional profile.

leadership by a community foundation, there have been few evaluative components associated with the definitions. The community foundation field often has challenges with articulating a definition of community leadership. Therefore, to address these gaps and better understand community leadership as a process, this article utilized an exploratory research approach to investigate how 11 community foundations in California perceive and practice community leadership.

*Community foundations are being forced to reconsider their value proposition in a time of increased competition from both for-profit companies, such as Fidelity Investments, the Vanguard Group, and Charles Schwab Corp., and nonprofits that offer lower-cost alternatives to philanthropic investments.*

### **From Grantmakers to Community Leaders**

Although community foundations have existed since the early 1900s, the role of community leadership was first introduced in the practitioner literature in the late 1980s and early 1990s. A Council on Foundations (COF, 1990) training manual laid out a five-point rationale for community foundations to take up leadership:

1. a community foundation is created to serve the community;
2. its board represents the community;
3. a community foundation is impartial in political matters;
4. leadership grows out of grantmaking, since the foundation is aware of community issues; and
5. unrestricted funds enable a community foundation to put resources to use for new and creative community solutions.

In their popular practitioner text *On the Brink of New Promise*, Bernholz et al. (2005) state,

Individual community foundations and the field as a whole will need creative and courageous leadership to thrive in the era ahead. Much of the mindset that has guided the field to this point needs to be replaced with a new set of assumptions about priorities, operations, and the definition of success. (p. 34)

The authors also present three leadership tasks for community foundations: shifting the organizational focus from the institution to the community, from managing financial assets to long-term leadership, and from competitive independence to coordinated impact (p. 35).

Community foundations are being forced to reconsider their value proposition in a time of increased competition from both for-profit companies, such as Fidelity Investments, the Vanguard Group, and Charles Schwab Corp., and nonprofits (Ragey, Masaoka, J., & Bell Peters, 2005) that offer lower-cost alternatives to philanthropic investments (Bernholz et al., 2005). Community leadership is both the value-add and unique role that community foundations can play that provide benefit to both donors (e.g., knowledge about the community, ability to track local trends) and the community by leveraging their position to raise awareness about various local issues (Bernholz et al., 2005; Community Foundations of Canada, 1996; COF, 1990).

In 2008, CFLeeds released its first iteration of the *Framework for Community Leadership by a Community Foundation*, and updated it in 2013 with an acknowledgment of the potential for these foundations to lead within their communities. According to CFLeads (2008) “The community foundation is a catalyzing force that creates a better future for all by addressing the community’s most critical or persistent challenges, inclusively uniting people, institutions, and resources, and producing significant, widely shared, and lasting results” (p. 2). With the creation of the CFLeads framework for community leadership, the COF and CFLeads (2009) argued that community foundations are well-suited to act as community leaders because:

1. they are nonpartisan,
2. they have wide-ranging relationships,
3. they have convening power,
4. they have flexible resources,
5. they can flex their jurisdiction and tools, and
6. they have staying power.

While these points are more congruent with community foundations' current operating environment, there is a lack of clarity on how these foundations become community leaders since the definition is primarily focused on the result — or "outcome."

The Council for Michigan Foundations (1998) offers similar observations:

1. Community foundations are neutral.
2. They focus on community betterment.
3. They connect people with means to issues of need.
4. They do not compete against other organizations for funding.
5. They are aware of community issues.
6. They operate freely from politics.

Among these rationales for community foundations to serve as community leaders, there appears to be little agreement beyond the fact that community foundations are politically neutral or nonpartisan. There appears to be a slight shift in language over time to indicate that community foundations may have become more aware of their power — changing rationales for grantmaking as leadership and awareness of community issues to a greater focus on convening and on responsiveness to community-identified issues. These shifts also appear in CFLeads' (2013) most recent iteration of its community leadership framework and in

recent publications on community foundations as community leaders.

## A Conceptual Model of Community Leadership

Community foundations have an inherent responsibility to serve as community leaders since they are often local or regional philanthropic powerhouses (COF, 1988, 1990). They have opportunities to convene conversations around issues that can be challenging for other nonprofits and community organizations to address. Leadership is often a response to a particular context; therefore, the form of leadership taken by community foundations will depend on such factors as their service region. The choice for a community foundation, therefore, is not whether it wants to be a leader; but rather of how its leadership is expressed within its operational framework.

While the CFLeads (2008) framework on community leadership for community foundations is promising, it omits the various activities the literature provides as examples of community leadership, such as how to convene different groups, strategies for collective impact, and other methods of participatory action within communities. This creates a gap in defining community leadership, which prevents the establishment of a standard for excellence in community leadership. Upon extensive review of the literature, the theories of civic leadership and collective leadership, along with the act of community engagement, are likely the facets of community leadership that community foundations are often referring to in their practices. (See Figure 1.) As the name implies, collective leadership is focused on achieving collectively defined goals that require collaboration, civic leadership is focused on making a difference in communities and enhancing the quality of life, and community engagement is an encompassing term describing how organizations are actively working within the community.

## Civic Leadership

Civic leadership is focused on action, rather than positions or appointments (Couto, 2014;

**FIGURE 1** Definition of Community Leadership

Kibbe Reed, 1996). Kibbe Reed argues that followers can often be considered leaders in their own right since they are part of the community where the leadership is executed and have agency as followers that authorizes them to follow or not. Civic leadership is defined as activities focused on empowering others to contribute to the greater good of society; challenging the norms of traditional leadership, civic leadership is intentional, without position and power (Couto, 2014).

Couto (2014) argues that nonprofit organizations provide civic leadership in various ways, including cultural enrichment, social services, and other programs that seek to improve the human condition and the broader community. Couto's argument aligns with the definition of civic leadership developed by Kibbe Reed (1996): "the 'art and science' of leading in the public arena where one engages in the affairs of society through public advocacy, debate, education, and the fostering of dialogue and group reflection" (p. 100).

Civic leadership provides an opportunity for community foundations to not only lead, but also prepare other individuals and organizations to lead. While a civic leadership approach may advocate for the greater collective, it is more often focused on achieving outcomes by creating positive change through shifting thoughts and policies (Couto, 2014; Kibbe Reed, 1996).

### Collective Leadership

Sometimes referred to as shared leadership, the concept of collective leadership posits that leadership in groups is often a collective phenomenon (Contractor, DeChurch, Carson, Carter, & Keegan, 2012). As communities often come together to solve social issues, this framework notes that formal institutions that seek to help guide this change, such as nonprofit organizations, cannot single-handedly solve a social challenge. Compared to the more instrumental civic leadership concept, which focuses on accomplishing tasks and goals to create improvement, collective leadership is more



expressive through its drive for inclusion and ensuring that everyone is heard.

The concept of collective impact, defined as a group of actors from different sectors gathering around a common agenda to solve a specific social problem, illustrates collective leadership in action (Kania & Kramer, 2011). According to Kania and Kramer (2011), five conditions must be met for collective impact to move beyond simple forms of collaboration:

1. a common agenda,
2. shared measurement,
3. mutually reinforcing activities,
4. continuous communication, and
5. backbone support.

As community foundations seek to lead in communities, they must recognize they cannot do so alone; it takes multiple stakeholders from all sectors to create social change.

### Community Engagement

Community engagement is often considered a physical presence within a community, yet simply being in the community does not necessarily transition to actionable leadership. Foundations in general have been accused of focusing solely on the intentions of donors (Buchanan, 2017; Healy, 2018; Somerville, 2013); therefore, community foundations have intentionally sought to understand community challenges (e.g., homelessness, arts and culture, education) from a variety of stakeholder perspectives and through various participatory methods. As some may look to community foundations as knowledge hubs that are well acquainted with local nonprofits, these foundations must be deeply embedded in various aspects of community conversations and initiatives (COF, 1988, 1990).

*As community foundations seek to lead in communities, they must recognize they cannot do so alone; it takes multiple stakeholders from all sectors to create social change.*

### Methodology

Study participants were purposefully recruited from both Northern and Southern California in order to investigate how community foundation executives contextualize community leadership in different locations. Variation in foundation assets (low, medium, and high dollar amounts) and the types of donor-imposed conditions on assets (unrestricted, temporarily restricted, and permanently restricted) were also considered when selecting potential interviewees. The sampling was purposeful: Only officials from community foundations that claimed a community leadership role in their mission statements were recruited.

The participants were selected from among California's 81 community foundations. The selection criteria yielded 26 community foundations (32.1%) qualified for an interview based on their mission statement's reference to community leadership. A majority of these (21) were contacted via email to participate in an interview. The study's goal was to conduct all interviews in person; therefore, five foundations were eliminated due to their remote rural locations and lack of access to public transportation. Of the 16 interviews scheduled, 11 were conducted; the others were canceled or indefinitely postponed due to the COVID-19 pandemic. In-person interviews accounted for nine of the interviews, and the remaining two were conducted via Zoom.<sup>1</sup>

<sup>1</sup> The original study design was to be face-to-face; however, this research took place between February and March 2020; therefore, two of the scheduled interviews previously scheduled to take place in person were changed to virtual interviews for safety precautions.

*The study was designed to include in-person interviews to capture possible nuances more difficult to observe when conducting interviews via telephone or videoconference.*

### The Sample

The median number of years in operation for the foundations in the study was 37, with an average of 45 years. Seven (63.3%) were established before 1990 (preceding the COF's fieldwide best practices for community foundations); the remaining four (36.7%) were founded in 1990 or later. Nine of the foundations selected for interviews (81.8%) were accredited by the National Standards for U.S. Community Foundations Accreditation Program. Fourteen individuals, including 12 staff members and two board members, were interviewed. The median number of years in their role was seven-and-a-half years, a majority (71.4%) were female, and many had a background in public service or had worked at another nonprofit before taking on their current role at the foundation.

### Data Collection

The study was designed to include in-person interviews to capture possible nuances more difficult to observe when conducting interviews via telephone or videoconference. California was selected as the site for this study as it has community foundations that vary by age, geography, and size, but primarily because it was the state where the researcher resided and had access and opportunity.

Interviews were conducted with the executive who oversaw the foundation's community leadership efforts — most often, the chief executive officer. The interviews followed the seven stages of interview inquiry, as outlined by Brinkmann and Kvale (2015): thematizing, designing, interviewing, transcribing, analyzing, verifying, and

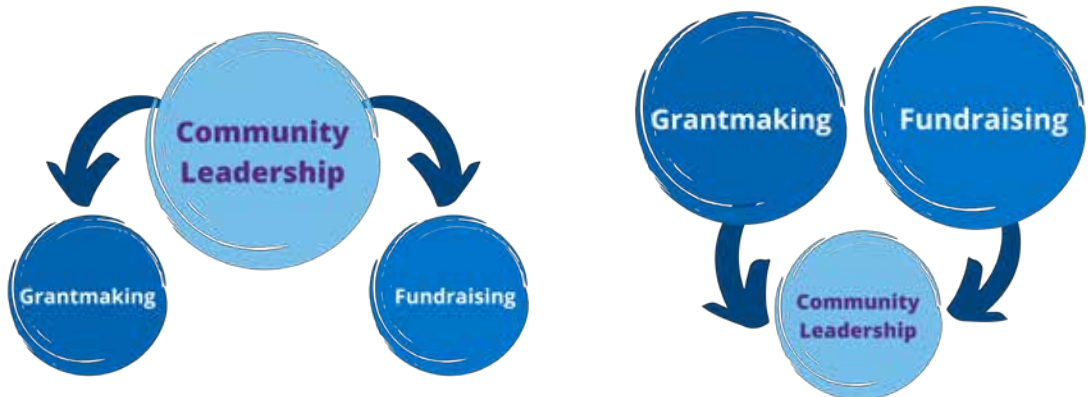
reporting. The semistructured interviews relied on a template to ensure data were collected consistently. The interviews were recorded and professionally transcribed per IRB protocol and participant consent procedures. During the interview, interviewees were asked to sort the three roles of community foundations (fundraising, grantmaking, and community leadership) by order of importance, areas of strength, and areas for improvement.

Each interview lasted approximately 90 minutes, with a primary focus on the community leadership role of foundations. They examined how the foundation began serving as a community leader, shifted its strategies toward creating systemic change, engaged donors in its new approaches, and explored the various challenges associated with pursuing a community leadership agenda.

### Data Analysis

After the interviews were conducted and transcribed, each participating foundation was treated as a case. An inductive process was utilized to analyze the interview transcripts as well as interview field notes for each case — per Guest, MacQueen, and Namey (2012) — and focused on identifying emergent themes and patterns, extracting categories from the data, and assigning a code to each category (Saldaña, 2015). The coding was completed via Computer Assisted Qualitative Data Analysis software, specifically the NVivo software package. Due to the large amount of data gathered, NVivo was used to examine multiple transcripts and associated secondary materials (e.g., annual reports, brochures, newsletters) from the foundations.

Because the study utilized an interview guide, the first round of qualitative coding included provisional coding (Saldaña, 2015) to link back participant responses to the particular questions being asked from the guide (i.e., grantmaking strategies, community leadership approaches). As additional themes emerged, descriptive coding was utilized to group various topics (e.g., diversity, equity, and inclusion comments), along with in vivo coding to group various dimensions of categories around topics such as capacity

**FIGURE 2** Two Operational Approaches to Community Leadership

building, homelessness, and housing. The in vivo coding process was also utilized to identify participant quotes that might be of interest in including in a results section or future practitioner report.

### Findings

The role of community leadership looked different at each community foundation. Yet, for a vast majority, their leadership approaches or initiatives were a result of one of two motivating factors: community needs or the types of available funding. (See Figure 2.) In all the selected cases, the foundation's leadership work appeared to be in the community's best interest. Still, as nonprofits themselves, community foundations only have so much control over the funds they have available and whether they can meet the community's evolving needs. Many foundation leaders stated that they lean into their mission statement when it comes to community leadership; and many interviewees observed that community leadership sets community foundations apart from other philanthropic investment opportunities.

Community leadership efforts within the participating foundations focused on a range of topics, including access to affordable housing, cradle-to-career education outcomes for students, transitioning scholarship programs from merit-to need-based, access to health care careers,

*The role of community leadership looked different at each community foundation. Yet, for a vast majority, their leadership approaches or initiatives were a result of one of two motivating factors: community needs or the types of available funding.*

building nonprofit capacity, and eliminating human trafficking. In all of these, community context was a driving force in selecting the community leadership agenda.

In many cases, practicing community leadership provided visibility and legitimacy for the work of a foundation, and the leadership can both be respected and contested by community stakeholders. In short, social issues are community-based challenges or gaps within the social fabric of a community. Many community foundation leaders stated they generally do not experience pushback from residents when they state their foundation is pro-education or

*Change is often hard to accomplish, so community foundations must be mindful of how they wish to seek change while recognizing that promoting change does not come without obstacles or scrutiny[.]*

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pro-housing. Still, tensions can often arise when a foundation selects a specific issue and works to eliminate barriers that divide the community. As one foundation executive remarked,

I'm going to go out on a limb and say, just being in leadership roles makes our partners and people out in the community feel more comfortable with us. Even if they don't agree with us on whatever stand we're taking on something, they respect us because they know that we're not doing it to line our own pockets.

Another executive observed that community leadership is often a process that occurs over time and involves having conversations with various stakeholder groups, and that community leadership must be guided by the needs of grantees and other community stakeholders for it to be impactful:

I think the big challenge in foundation leadership is [that] the only really legitimate foundation leadership comes with [being] very grounded in what the grantee and other ... end-users of your grant think. And you really have to have created situations where folks feel free to disagree with you. And you ask the question multiple ways and multiple times and multiple venues, and you listen.

Interviewees also identified a need for foundations to be courageous and strategic in their community leadership. Change is often hard to accomplish, so community foundations must be mindful of how they wish to seek change while

recognizing that promoting change does not come without obstacles or scrutiny:

When you are advancing a cause, you are going to make people upset. And so, people have to be comfortable with what that feels like. You have to be OK if your organization shows up in the paper, and it's like you flip a coin and some people like it, some people won't. ... The point is to advance an agenda and mission and a purpose, recognizing there are some status quo interests that are going to get upset in that process. And as you're trying to maneuver in a way that minimizes that to the greatest extent possible, ... you're not afraid to trip those wires that need to be tripped.

When a community foundation practices community leadership, it often creates disruptions by inviting nonprofit organizations, elected officials, and other stakeholders to question the status quo and envision a brighter future for all residents in the community. Interviewees argued that community foundations must have a clear vision of what and how they want to change something to ensure they can achieve the desired results via community leadership practices.

### Donors Reactions and Engagement

Community foundations are institutional forms of philanthropy that can often only grow due to donor investments. In some cases, these foundations can see gains in the stock market, but that is a prolonged growth process; therefore, fundraising is essential for a community foundation that strives to increase the number and size of grants it makes each year. Grantmaking and fundraising have historically been the lifeblood of community foundations and is what most are known for in their communities. As foundations begin to pursue a community leadership agenda, they also must consider how their primary source of revenue — donor contributions — may change as a result of the bold steps they may choose to take. As one executive said,

Look, I have a fund for Planned Parenthood, and I have funding for folks that want to find organizations that help pregnant women ... I will service them both because they're both donors, and I don't impose my views on donors as far as to where they give.

In many cases, community foundations are facing unprecedented competition in the field of community philanthropy. They have long been one of the only local institutions, other than the United Way, offering philanthropic services. Changes in the private sector have created opportunities for philanthropists to create donor-advised funds or other giving vehicles, such as a range of charitable trusts, with financial or investment firms. The interviewees indicated that most of their organization's operating funds stem from fees charged on the various funds they hold. Some donors have begun to shop around for lower fees — especially when for-profit agencies give donors more discretion over their distributions. When asked to describe their potential sales pitch to a donor, one community foundation executive explained that fees support the foundation's leadership work (an attitude shared by many other interviewees):

OK. I get it; and I get that we're more expensive, but here's what we're doing in the community. And have you ever thought of the fact that the fees that you're going to pay to Vanguard and Schwab and Fidelity are going to go to New York City, they're going to stay in L.A.? They're not going to this community; they're not doing one thing for this community. Whereas the fees that you pay, 100% of them stay here in this community, and 100% of them go into the work that we're doing.

All the community foundation leaders that were interviewed indicated that community leadership was directly tied to their asset growth in recent years. They remarked that bold community leadership has often led to increased visibility, accountability, transparency, and additional donor contributions over time — from current and new donors. Community foundations can no longer elect to be neutral in the face of community challenges, since they make grants toward specific causes. Ultimately, they speak with their dollars if they elect not to speak up about community injustices:

I think the reason they say that is because they want to be neutral, and they don't want to piss off any donors in their community. That's very old school. If you want to attract a very specific donor,

then OK, play that vanilla role, and maybe that'll be the only donor you ever have. But ... our asset size in 2012 was \$12 million. Our asset size in 2019 at the end of last fiscal year was at \$41 [million]. So I think that's data for you on community leadership: [It] actually underwrites your development goals. It's also the right thing to do. What the hell are we here for? Like I don't understand why we even exist. They can open a fund at Fidelity with a way better fee. But otherwise, there's no reason for you to be here. Like literally our sales pitch for donors ...: If they're fee sensitive, we literally tell them to go somewhere else.

To understand the accuracy of interviewees' statements about how their community leadership role positively influenced the foundation's fundraising efforts, financial data from all 81 California community foundations for 2008 through 2017 were gathered to run simple comparisons. The mission statements of all community foundations ( $n = 81$ ) were analyzed; those that stated an element of community leadership ( $n = 25$ ) were categorized into one group, and those that did not have the element ( $n = 56$ ) were placed in another group. (See Table 1.) It should be noted that the statement of community leadership in the mission statement of the community foundations was used as a proxy for true community leadership, and the effectiveness of community leadership was not an examined factor.

While these data do not indicate causality, the apparent correlation indicates that the community foundations that claimed community leadership within their mission statements saw a higher growth in their annual asset growth rate, total asset growth rate (10 years), and average unrestricted assets. Interviewees indicated unrestricted dollars provided their foundations with the opportunity to be strong community leaders by allowing them to flexibly deploy assets for various purposes.

## Challenges in Community Leadership

Overall, the interviewees did not report challenges associated with the actual act of leading, but instead with challenges related to the cause they elected. For example, individuals were not upset when an interviewed community



**TABLE 1** Change in Assets at Community Foundations (2008–2017)

	Claiming Community Leadership <sup>a</sup>	Not Claiming Community Leadership
Average Annual Growth Rate <sup>b</sup>	8.88% (n = 23)	7.64% (n = 45)
Average Annual Unrestricted Growth Rate	10.2% (n = 21)	9.34% (n = 20)
Total Asset Growth Average	70.64% (n = 15)	74.75% (n = 32)

Note: Dollar value adjusted for inflation utilizing the 2018 Consumer Price Index.

<sup>a</sup> Mission statement coding was utilized to identify community foundations claiming community leadership role.

<sup>b</sup> One outlier removed from the analysis.

foundation became involved in increasing affordable housing, but merely addressing the social issue came with expected challenges. Furthermore, many interviewees reported that though they perceived community problems as growing, especially in smaller communities, their community foundation assets were not.

One foundation executive stressed the importance of considering how the community foundation serves the community, not just donors and the nonprofit sector. An integral part of community leadership appears to be doing what is in the entire community's best interest. While donors and nonprofits are part of the community, they are not the only stakeholders:

I think that the nonprofit sector is an invaluable and extremely important component in what we do. But that sector also needs to answer to the community, to the constituency that they serve. And sometimes those connections can get a little bit fuzzy, can have a little tension to them, ... can have gaps to them.

Many of the interviewees expressed frustration with the fact that while many individuals may be aware of what a community foundation is and does, they do not understand its business model. One leader remarked:

For nonprofits, I think it's helpful if they understand our business model because you don't just have this large corpus that we have complete control over. So we try to be as strategic as we

possibly can with the resources that we have at our discretion. ... I do think sometimes that nonprofits get frustrated ...: "Why aren't they funding us? Why aren't they funding this?" And sometimes it's just because we literally have no money.

The nonprofit sector is often tasked with handling many community challenges. Yet, it is clear that a lack of resources is one of the many barriers to achieving a society where individuals have, at minimum, their basic needs met. The community foundations included in this study attempt to do their best to raise resources to address community challenges, but there often seems to be more challenges than philanthropic dollars available to solve them, or at least not enough donors or funders interested in taking on a particular issue. Furthermore, community foundations have an institutional structure that has both benefits and challenges; there have been various calls from the field for foundations to consider how to decolonize philanthropy and work to engage marginalized groups both as donors and recipients of philanthropic funds.

### Advice to Peers

Interviewees had the opportunity to share their community foundation's journey to community leadership—where they are today and what advice they would give to colleagues seeking to improve their community leadership. Many interviewees reported that the work of being a community leader is not easy. Yet, it is often the work that has helped these community



foundations grow into what they are today. As one interviewee put it, community foundations must be aware of the power dynamic between a funder and a grantee. In most cases, they need to listen with openness and humility.

However, community foundations should not be threatened by the power they hold as grantmakers, as this provides them with a unique platform to highlight and address community challenges. In many cases, residents look to a community foundation for guidance on what is happening in the nonprofit sector and how they can help. Community foundations should embrace all that comes with being a learning organization and look to various stakeholders for insights; then, they can serve as network weavers to bring the right people together.

Interviewees also discussed the importance of exit strategies. It might be the right move for a community foundation to be engaged in a coalition for only a few years until it must transition to other issues that affect its service area's quality of life. Community foundations have the opportunity to be quite innovative in incubating community ideas, but they must pass the torch in order to continue fulfilling its role. Community foundations are not experts in education, human services, health care, or other community issues, but they can help establish networks to address those specific issues, and others. As one interviewee observed, “the sign of good leadership is that you do some work, you create excitement, you create this container — and that you can pull yourself out and it holds on its own.”

## Limitations

The interviews with community foundation executives in Northern and Southern California provided much-needed insight into the definition of community leadership and how it is interpreted and implemented by various community foundations. While this study included perspectives from several foundation leaders, some study limitations can be opportunities for additional research.

*As one interviewee put it, community foundations must be aware of the power dynamic between a funder and a grantee. In most cases, they need to listen with openness and humility.*

First, this study only considered community foundations in California that included “community leadership” in their mission statements. This likely resulted in the exclusion of foundations that may be excellent community leaders but did not meet the selection criteria.

Second, inclusion of community leadership in mission statements was utilized as a proxy for authentic leadership. The extent to which community foundations were successfully practicing community leadership was outside the focus of this study; therefore, additional research into community leadership's effectiveness is needed.

## Conclusions

The interviews with community foundation executives have demonstrated that at its core, community leadership involves selecting a particular issue, advocating for that issue, and seeking to make a positive change. Interviewees highlighted the collective action needed to pursue a community leadership agenda, yet some community foundations had clearer visions than others — indicating a lack of measurable change by not having a specific intended outcome to track or strive towards.

While goals like “end human trafficking,” “ensure all kids are reading at grade level,” or “ensure all nonprofits are successful” are ideal aspirations that can inspire particular initiatives, a lack of effective measurement allows a foundation to attest they are working on improving something while remaining unaccountable for change or the lack of it. While internal measures

may be in place that define the “success” of community leadership, the foundation executives interviewed did not indicate what civic outcome was to be achieved.

Nonprofits are often under pressure to provide funders with evidence that the money they receive is being used for a useful purpose and that an organization’s mission is advancing. In the case of the community foundations included in this study, there appears to be a lack of external pressure for performance and accountability. The findings from the interviews suggest that as community foundations deepen their work, they need additional tools to guide the creation of effective leadership agendas that clearly articulate civic outcomes and communicate the impact of community foundation grantmaking and community leadership.

## Funding Declaration

The research presented in this article was supported by the Ford Foundation [Grant Number 135070].

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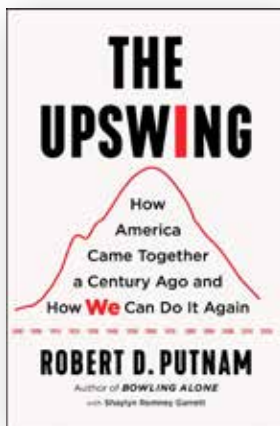
# The Upswing:

## How America Came Together a Century Ago and How We Can Do It Again

Book Review by Michael Layton and Tory Martin

Robert D. Putnam, Malkin Research Professor of Public Policy at Harvard University, is arguably the most insightful researcher and writer on American community since Alexis de Tocqueville. In 2013, President Barack Obama awarded him the National Humanities Medal for “deepening our understanding of community in America.” His popularization of the concept of social capital,<sup>1</sup> first in *Making Democracy Work* (1993), combined with his rigorous, data-driven analysis of the decay of communitarian bonds within American life — most deeply explored in *Bowling Alone: The Collapse and Revival of American Community* (2001) — have set the stage for countless conversations and efforts to repair the divisions and distractions that seem to be isolating us from one another. When Putnam speaks, people tend to listen.<sup>2</sup>

His understanding of social capital — how it is accumulated, invested, and depleted — therefore has currency for a sector dedicated to channeling “private action for the public good.” In their



2020 work, *The Upswing: How America Came Together a Century Ago and How We Can Do it Again*, Putnam and co-author Shaylyn Romney Garrett take a simultaneously broad and richly detailed look at the growth and decline of “community connectedness and social solidarity in America” from approximately 1890 to 2015 (p.105).

Putnam and Romney Garrett begin with the assertion that over the past 125 years, American community feeling has experienced an “I-We-I” curve.

Firstly, they demonstrate that many of the same deeply concerning realities we face in the United States today — gross wealth inequality, systemic and violent racism, pervasive social isolation — were also present during the late 19th century’s Gilded Age. In the 1890s, Americans sat at the bottom of an “I” trench that placed individual interests far above community needs.

Under the broad banner of the Progressive Movement, and in addressing a series of national and global challenges (the Great Depression,

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*The Upswing: How America Came Together a Century Ago and How We Can Do it Again*  
Robert D. Putnam with Shaylyn Romney Garrett  
Simon & Schuster, 2020, ISBN: 978-1-9821-2914-9

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<sup>1</sup> In *Bowling Alone*, Putnam defines the term as “connections among individuals—social networks and the norms of reciprocity and trustworthiness that arise from them” (p. 19).

<sup>2</sup> Our own institution, Grand Valley State University, invited Dr. Putnam and Shaylyn Romney Garrett to discuss the book that is the subject of this review, on April 6, 2021, as part of its Presidential Roundtable Series, The Constitution, Elections, and Democracy. (<https://www.gvsu.edu/hc/robert-putnam-and-shaylyn-romney-garrett-the-constitution-439.htm>)

World Wars I and II), Americans transformed their society and themselves. The result was a golden age of associations resulting in political, social, and economic reforms, which moved us to a pinnacle of connection, the “We” of the curve, during the 1950s and 1960s. Sadly, the bottom fell out in the 1970s (due, perhaps, to an over-emphasis on community, and thus conformity, they write), and our society collapsed back into an “I” trench, where we remain today.

Depressing as their meticulously detailed story often is (two chapters on the experiences of African Americans and women throughout this I-We-I curve demonstrate where our rhetoric and achievements have fallen short, a fact the authors readily and frequently acknowledge, to their credit), Putnam and Romney Garrett tell their story in the hope of inspiring our nation to take action, to draw upon the lessons of the Progressives, and to reclaim our sense of shared purpose. “...America’s upswing...[was]...the result of countless citizens engaging in their own spheres of influence and coming together to create a vast ferment of criticism and change - a genuine shift from ‘I’ to ‘we’” (p. 338).

Philanthropy is precisely the realm of American life that seeks to promote citizen engagement, to encourage people coming together, and to ferment criticism and change, therefore we are offering a review of this book to the readers of *The Foundation Review* to address three questions that we believe are particularly relevant: How do the authors view the role of foundations in the creation of that first We moment? Second, what assessment do they offer of the actual and potential role of philanthropy in the next upswing? And finally, what lessons can we extract from the book on how foundations can support the creation of a 21st century We?

First, as far as the contribution of foundations to the first upswing, Putnam and Romney Garrett are rather, well, uncharitable. Foundations are hardly mentioned, and identified most frequently in chapter 6, Race and the American We, which cites “interventions undertaken by the white establishment” (singling out the Rosenwald Foundation’s important work in

funding schools for Black Southerners, for instance) as one of the factors contributing to progress toward racial equality (p. 225).

While recognizing that “by far the most consequential force for positive change was the organizing and advocacy of blacks themselves,” — Putnam and Romney Garrett identify the important work of the National Association for the Advancement of Colored People (NAACP) and highlight the journalism and activism of Ida B. Wells, for instance — they do not otherwise discuss black philanthropy. This neglect is a reflection of the philanthropic literature itself; recognizing the philanthropic traditions and contributions of people of color is an ongoing struggle in the field. Authors like Tyrone McKinley Freeman and Tanisha C. Ford are leading this struggle, recounting the philanthropic biographies of people like Madam C.J. Walker (Freeman, 2020) and Mollie Moon (Ford, 2021) and enriching our understanding not only of the contributions of people of color but also expanding our understanding of philanthropy itself.

Further, it is an odd lacuna in the book that there is no mention of the founding of the first community foundation in Cleveland in 1914, nor of the tireless work of its creator, Frederick Goff, to promote the model across the nation (Sacks n.d.). Goff himself had impeccable Progressive credentials, as a banker endeavoring to make financial services available to minority and immigrant communities and as an advocate for improving public transportation and its desegregation. The community foundation model he pioneered is an enduring and significant institutional expression of communitarian generosity, creating a We that brings together a community to address its problems and mobilize resources to do so.

This omission is especially strange given that Putnam has had long-term engagement with community foundations. He offered his research expertise in partnership with community foundations around the United States, for instance, for the development of the Social Capital Community Benchmark Survey (Roper, 2000). The only mention of a community foundation

in *The Upswing* occurs in the preface, where he mentions the “New Hampshire Charitable Foundation, beginning with its longtime president (and dear personal friend) Lew Feldstein.”<sup>3</sup>

Additionally, the private foundation model itself took shape during the Progressive Era as one vehicle for channeling private wealth for the public good. While the authors mention the fact that John D. Rockefeller and Andrew Carnegie supported the estate tax (p. 57), they do not point out how this reform served as a catalyst for the creation of private foundations. They do point out that “megagifts” from the Gilded Age’s Robber Barons and today’s billionaires are a “by-product of the massive increase in inequality,” but assert that “It may seem hard to be critical of the generosity of Bill Gates, Warren Buffett, and Mark Zuckerberg” (p. 142). This statement ignores the veritable cottage industry of books and commentary that does exactly that, from the likes of Edgar Villanueva (2018),<sup>4</sup> Robert Reich (2018), and Anand Giridharadas (2018), to name some of the most notable.

Second, what assessment do the authors offer of the actual and potential role of philanthropy in the next upswing? They hone in on mailing lists as the primary marker of nonprofits’ community engagement and are skeptical of its impact. “Mail-order ‘membership’ turns out to be a poor measure of civic engagement,” they write (p. 123). While, admittedly, using the size of an organization’s membership rolls as a metric of engagement tends to be more of an exercise in organizational vanity than impact, dismissing the utility of a large, semi-engaged membership underestimates the potential impact of nonprofits. Especially when those efforts result in more informed voting, shifts in consumer choices, and other actions that advance a notion of the public good.

Putnam and Romney Garrett also largely overlook the relatively steady presence of volunteering — much of which is organized by nonprofits — as a vehicle for community

engagement. According to AmeriCorps, 77.3 million Americans (30.3%) volunteered in 2017 (most recently available year) for a total of 6.9 billion hours of service (2018). Undertaking an analysis of data on volunteering from 1967 to 2017, Susan M. Chambré writes, “Research on various economic, political and historical influences indicates that volunteer rates have not declined over time. Instead, they rise and fall within a 10% range that is related to political, social, and ecological events” (2020, para. 4).

Thirdly, how can foundations support the creation of a 21st century We? Putnam and Romney Garrett’s message is extremely important for our sector — even if their consideration of foundations is scant and occasionally dismissive. Philanthropy is increasingly defining itself as an ecosystem, one in which funders, nonprofits, and volunteers interact not only with one another but with our sister sectors — government and business — and with the public. As Independent Sector’s President and CEO Daniel Cardinali points out, civil society is not something “external” to the work of philanthropy, rather, “It’s us, all of us who occupy the space between business and government, all of us who do what we can to create better communities and a better world” (2019, para. 18).

Putnam and Romney Garrett make a profoundly important point in *The Upswing*: Americans have come together to heal their society before, and we can do it again. What’s more, we can build something even greater. “[I]n engineering a new American upswing, we must set our sights higher than our predecessors did and stay fiercely committed to the difficult but ever-worthy project of fashioning an American ‘we’ that is sustainable because it is inclusive” (p. 339). We wholeheartedly agree with this assertion — and we see a critical role for philanthropy in achieving that future.

It does seem fitting that eight chapters and 314 pages are devoted to describing and documenting the I-We-I curve, especially the upswing that

<sup>3</sup> Putnam and Feldstein co-authored *Better Together: Restoring the American Community* (Simon & Schuster, 2004).

<sup>4</sup> Villanueva’s book was reviewed by Juan Olivarez, 2018, in *The Foundation Review*, 10(4), <https://doi.org/10.9707/1944-5660.1450>.



created our strong mid-century We, and that the authors “devote one final chapter to exploring how America’s last upswing came to be, and hope we might engineer another one today” (p. 316). After all, the hard work of advancing economic equality, creating greater social comity, of generating a stronger and much more inclusive community, is not the work of two individuals, no matter how insightful, but is the common challenge of us all.

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7

## Donor-Led Community Engagement: A New Model for In-Kind and Philanthropic Giving?

Jessica K. A. Word, Ph.D., and Connor Gahre, M.H.A., University of Nevada–Las Vegas

This article describes the Transformative Impact Model, an approach to donor-led giving employed by the Wynn Resorts Foundation. In support of two capital improvement projects for a pair of nonprofits in Las Vegas, Nevada, the foundation lent its expertise, and leveraged its professional network to encourage and coordinate in-kind donations and cash gifts. In addition, the foundation's engagement of leadership and front-line employees from Wynn Resorts Management in these philanthropic efforts led to new and lasting volunteer relationships with the two nonprofits.

DOI: 10.9707/1944-5660.1575

17

## Lost Causal: Debunking Myths About Causal Analysis in Philanthropy

Jewlya Lynn, Ph.D., PolicySolve; Sarah Stachowiak, M.P.A., ORS Impact; and Julia Coffman, M.S., Center for Evaluation Innovation

What if philanthropic evaluations told us that changes in the world had occurred, as well as how and why they occurred, including whether what foundations funded and grantees did contributed to those changes? This type of learning comes from causal analysis — inquiry that explores cause-and-effect relationships. Currently in philanthropy, few evaluations use robust techniques for understanding causality. This article challenges the myths that hold philanthropy back from causal inquiry.

DOI: 10.9707/1944-5660.1576

30

## Learning Amid Disruption: Bouncing Forward Into a Changed World

Rachel Reichenbach, Ph.D., Humanity United; Jewlya Lynn, Ph.D., PolicySolve; and Jen Heeg, Ph.D., Independent Consultant

The philanthropic sector recognizes the importance of bringing a systems lens to its work, seeking to influence upstream drivers of complex problems, and being adaptive in its approaches instead of implementing static, multiyear plans. Yet, integrating these concepts into practice continues to pose a challenge.. This article explores the journey Humanity United went through in 2020, focusing on the disruption as a moment to bounce forward rather than trying to preserve the past. They rethought their old ways of seeking to change systems and embracing the future as emergent and unpredictable. They pushed at all levels of leadership and staff to understand their role, power, and how to show up differently with their partners in the systems they collectively seek to transform.

DOI: 10.9707/1944-5660.1577

47

## Assessing Philanthropic Impact: How the W.K. Kellogg Foundation's Building Bridges Initiative Supported the Field of Philanthropic and Nonprofit Studies

Peter C. Weber, Ph.D., Auburn University, and Robert Long, Ph.D., Independent Fellow

In the 1990s, nonprofit management education was an emerging discipline. The W.K. Kellogg Foundation's Building Bridges Initiative was a \$13.5 million, five-year program to fund nonprofit academic centers as a strategy to increase the nonprofit sector's capacity. The authors analyze the results of this initiative two decades later. They found that the initiative advanced the institutionalization of nonprofit management education by legitimizing grantees both within and outside universities, supporting program delivery and expansion, and fostering collaborative networks. This study is intended to help foundations understand their impact on large-scale institutions like universities and colleges as well as on narrowly focused program areas.

DOI: 10.9707/1944-5660.1578

67

## Brazilian Foundations and the Responses to COVID-19

Marcos Paulo de Lucca-Silveira, Ph.D., Pietro Rodrigues, Ph.D., Marketa Jerabek, Ph.D., and Marcia Kalvon Woods, B.A., José Luiz Egydio Setúbal Foundation; and João Paulo Vergueiro, M.A., Brazilian Fundraisers Association

Despite its resultant economic and social crisis, the pandemic has sparked an unprecedented wave of philanthropy in Brazil. It is estimated that more than \$1.2 billion has been raised and donated by corporations, corporate and private foundations, crowdfunding, and fundraising campaigns. Foundations, in particular, have played an important role in financing relevant scientific work, supporting public policies, and assisting nonprofit organizations and vulnerable communities. This article provides an analysis of the role of Brazilian foundations and their innovations during the COVID-19 pandemic. The authors suggests that foundations have been subject to three major innovations: use of social intelligence for the provision of donations and social goods, new technology that can coordinate fundraising campaigns and mobilize civil society support, and shifts in the *modus operandi* of foundations.

DOI: 10.9707/1944-5660.1579

79

## Community Foundations as Community Leaders: The Role of Community Leadership in Creating Change

Colton Strawser, Ph.D., Community Leadership, Engagement, and Research (CLEAR) Institute

Community foundations claim to play an integral role in fostering philanthropy at a local or regional level across the United States, seeking to improve the quality of life for community residents. Their business model has three main components: grantmaking, fundraising, and community leadership. As the newest addition to the community foundation operating model, community leadership remains the least examined component in terms of how these foundations define and pursue it. This article seeks to contribute to the literature on the challenges and benefits community foundations encounter in pursuit of a community leadership role. Utilizing an exploratory design, interviews with leaders at 11 community foundations were conducted. The findings indicate that taking a community leadership role has a positive effect on fundraising outcomes for community foundations and elevates a foundation's local or regional profile.

DOI: 10.9707/1944-5660.1580

92

## The Upswing: How America Came Together a Century Ago and How We Can Do it Again

Book Review by Michael Layton, Ph.D., and Tory Martin, M.A.

In this 2020 work, Robert D. Putnam and co-author Shaylyn Romney Garrett take a simultaneously broad and richly detailed look at the growth and decline of “community connectedness and social solidarity in America.” Over the past 125 years, American community feeling has experienced an “I-We-I” curve. The authors describe and document the I-We-I curve, especially the upswing that created our strong mid-century We. They explore “how America’s last upswing came to be, and hope we might engineer another one today.” The authors make a profoundly important point in *The Upswing*: Americans have come together to heal their society before, and we can do it again. What’s more, we can build something even greater. The hard work of advancing economic equality, creating greater social comity, of generating a stronger and much more inclusive community, is not the work of two individuals, no matter how insightful, but is the common challenge of us all.

DOI: 10.9707/1944-5660.1581

# Call for Papers

## **FOR VOLUME 4, ISSUE 4: Impact Investing**

Abstracts of up to 250 words are being solicited for Vol. 14, Issue 4, of *The Foundation Review*. This issue, sponsored by the Max M. & Marjorie S. Fisher Foundation and Mission Throttle, is focused on Impact Investing.

Foundations occupy a unique role in the financial and nonprofit marketplaces. They generally seek to preserve if not grow their corpus, and advance their public charity mission; they invest in the market for financial returns and in nonprofits for social return. More and more these functions are finding common ground through using a foundation's investment portfolio to further the charitable mission of the foundation while still achieving a financial return. The uptake has been inconsistent, yet the lessons learned from those who have done so offers much for the field and for the larger financial marketplace especially in terms of advancing, measuring, and managing social impacts.

The goal of this issue is to disseminate what has been learned about the opportunities, outcomes, barriers, and facilitators of the adoption of impact investing by foundations. Impact investing may include program related investments, mission-related investments, recoverable grants, loans or other financial tools.

### **Papers for this issue might address issues such as:**

- Why do foundations choose to use impact investing as part of their strategy? What are the motivators? What factors do board and staff consider in deciding to adopt impact investing? How are tradeoffs between financial and social returns assessed? How does impact investing fit in the portfolio of limited-life foundations?
- What internal organizational processes need to be in place in order to implement and manage an impact investing portfolio? Investment and grantmaking decisions are typically made by different parts of the foundation. What structures or processes are used to bring these two areas of work together?
- Are, and if so, how, are foundations applying their grant making and management expertise to impact investing? How are they integrating/using theories of change, logic models, evaluation frameworks, and measuring and managing social impacts into their impact investment decisions and management?
- How are foundations working with and supporting their investees and grantees to advance a more robust impact investing ecosystem? Does this include capacity for impact measurement and management? Foundations invest in their grantees for public benefit. Grantees are another partner for foundations to ensure the impact investing ecosystem is working. How do they do so?
- What have been the outcomes of impact investments? Are both financial and social outcomes being measured and achieved? How do the financial returns compare to other investments? How do the social returns compare to those achieved by grantees? What are the internal and external challenges to assessing outcomes?



- How does impact investing interact with other tools for place-based work? Community foundations, family foundations, and corporate foundations with a focus on specific geographies may use impact investing as part of a local community and economic development strategy. How does impact investing fit in a larger theory of place-based change?
- How is impact investing being used in the context of other frameworks? As foundations have adopted frameworks such as collective impact, community-led change approaches, the Sustainable Development Goals and ESG investing, how does impact investing support or interfere with these approaches?
- Are due diligence and monitoring different for these investments than grants? If so, how and why?
- What is the infrastructure needed to support impact investing? What is the current infrastructure and what is needed?

**Abstracts are due January 31, 2022.** If a full paper is invited, it will be due June 30, 2022 for consideration for publication in January 2023. Submit abstracts to [submissions@foundationreview.org](mailto:submissions@foundationreview.org).

### **Abstracts are solicited in four categories:**

- **Results.** Papers in this category generally report on findings from evaluations of foundation-funded work. Papers should include a description of the theory of change (logic model, program theory), a description of the grant-making strategy, the evaluation methodology, the results, and discussion. The discussion should focus on what has been learned both about the programmatic content and about grantmaking and other foundation roles (convening, etc.).
- **Tools.** Papers in this category should describe tools useful for foundation staff or boards. By “tool” we mean a systematic, replicable method intended for a specific purpose. For example, a protocol to assess community readiness and standardized facilitation methods would be considered tools. The actual tool should be included in the article where practical. The paper should describe the rationale for the tool, how it was developed, and available evidence of its usefulness.
- **Sector.** Papers in this category address issues that confront the philanthropic sector as whole, such as diversity, accountability, etc. These are typically empirically based; literature reviews are also considered.
- **Reflective Practice.** The reflective practice articles rely on the knowledge and experience of the authors, rather than on formal evaluation methods or designs. In these cases, it is because of their perspective about broader issues, rather than specific initiatives, that the article is valuable.

**Book Reviews:** *The Foundation Review* publishes reviews of relevant books. Please contact the editor to discuss submitting a review. Reviewers must be free of conflicts of interest.

Authors can view full manuscript specifications and standards before submitting an abstract at [https://scholarworks.gvsu.edu/tfr/for\\_authors.html](https://scholarworks.gvsu.edu/tfr/for_authors.html).

**Questions?** Contact Teri Behrens, editor, at [behrenst@foundationreview.org](mailto:behrenst@foundationreview.org) or (734) 646-2874.

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*Published Quarterly by the Dorothy A. Johnson Center for Philanthropy at Grand Valley State University*

[www.thefoundationreview.org](http://www.thefoundationreview.org)

ISSN 1944-5660 | eISSN 1944-5679