
FUNDER COLLABORATIVES: TREND OR TOOL

Hilary Pearson, *President, PFC*

HILARY PEARSON is President, Philanthropic Foundations Canada (PFC), 555 Rene Levesque Boulevard West, Suite 900, Montreal, QC
Email: hpearson@pfc.ca .

WHEN THE ECONOMIC DOWNTURN OF 2008/2009 BEGAN TO TIGHTEN ACCESS TO resources and to constrain the grants made by funders, attention turned to collaboration as a strategic response to tough times. Working together seemed to offer a way out of the financial box for charities and funders alike. Indeed, the talk of strategic alliances among charities accelerated during 2009 as the full implications of the revenue downturn began to make themselves felt. But is collaboration the panacea that some believe? The challenges of working together are as great as, if not greater than, the benefits, as those who have tried it can attest. Knowing when and how to use collaboration is essential; it calls for expertise that not all possess.

So what are the truths of funder collaboration in Canada today? Is it a growing strategic trend forced by financial necessity? Or is it better seen as simply one among other useful tools in the kit of philanthropy, one to be used for selected purposes at specific times? This article offers a perspective on these questions, drawing primarily on knowledge of the private (non-governmental) funder community in Canada.

In mid-2009, Philanthropic Foundations Canada conducted a survey of its close to 100 members to determine their responses to the recession and its impact on their endowments and disbursement strategies. One of the questions we asked was whether foundations intended to use more collaboration as a strategy for extending their resources and impact. We found that about 30% of our survey respondents were indeed collaborating or planning to collaborate with other funders in 2009. This level of engagement was significantly more than we had expected to find eight months into the recession. In fact, a number of foundations explained to us that their interest in collaboration was not because of the economic downturn alone but also because it was good practice. Some of them noted that they were involved in the collaborations before the downturn began, “to leverage the impact of our grants and to influence policy.” These foundations were sharing program design, pooling funds, cooperating to share staff and premises, and working with private, public, and academic partners to promote learning and policy development.

When we asked the question again early in 2010, we received similar replies. A third of our respondents said that they were actively collaborating with other funders in 2010, in a variety of ways: pooling grant dollars; sharing information and expertise; discussing strategy, funding opportunities, and practices; and working on specific policy changes. So it’s not just a trend nor is it entirely a consequence or a feature of the private funder community response to the downturn. Canadian funders, albeit a minority of them, are

using collaboration as a tool regularly and strategically for better results.

If this is so, are there ways in which we can more systematically understand the application of funder collaboration as a philanthropic tool? A partial but timely answer to this question is provided in a recent guide from Grantcraft, an initiative of the Ford Foundation that researches and produces publicly-available discussion guides and tools for foundations and other funders. *Funder Collaboratives: Why and How Funders Work Together* discusses why funder collaboratives get started, how they work and what these joint ventures offer to both donors and grantees. The author of the guide, Cynthia Gibson, suggests reasons why funder collaboration may be on the rise, and provides a useful typology, which I will draw from in the remainder of this article to frame some examples of current Canadian funder collaboratives.

Gibson suggests a number of factors or converging trends that are encouraging more funder collaboration in the United States. I believe these are also observable in Canada. First of all, the recession itself has certainly, in the short term, diminished the resources of philanthropy. This has been somewhat less true in Canada than in the U.S.; nevertheless, constraint is an important part of the psychological climate that may favour breaking down organizational barriers to pooling ideas and resources.

A second relevant factor cited by Gibson is the increasing diversity of the philanthropic landscape as large donors, philanthropic entrepreneurs, and a proliferating number of small foundations seek to have more direct impact. Many of these new players are very focused and realize that they can reach their particular goals more quickly by working with others. One outstanding example of this trend is the Lucie and André Chagnon Foundation in Quebec, created only ten years ago but now a major player in Quebec's early childhood policy scene through its multi-year and multi-million dollar funding and institutional partnerships with the Quebec government.

A third factor picked up by Gibson is the generational one: an increasing number of engaged philanthropists and funders come from from the Internet generation (born after 1980). This group is interested in collaborative philanthropy facilitated by technology (such as virtual giving circles, philanthropic venture funds, and other pooled projects). These donors are more used to sharing and group processing because of their daily experience with social media. While it is difficult to say with certainty what impact this new generation and its tools may have on philanthropy, it is indeed a factor in many aspects of popular culture and social systems, so it is reasonable to think that it may yet permanently affect the predisposition to collaborate among funders.

These factors are pushing philanthropy towards collaboration. But what distinguishes collaboration from simple peer exchange? What does it take to collaborate successfully? Gibson notes that funder collaboratives are established because funders share a common grantmaking focus and believe that they can have a greater impact by working and learning together. A minimum requirement of calling something a collaborative is that it offers regular opportunities for information sharing and for maximizing resources. Structured collaboratives go further in featuring mutually developed structures and guidelines for operation. Finally, collaboratives pay attention to systemic solutions.

This is a broad outline of what a formal collaborative looks like. To understand in more detail the range of such structures, Gibson provides the following useful typology of three models:

- learning networks,
- strategic alignment networks, and
- pooled funds.

“Collaboratives within each type range from rather loose to highly structured, with specific characteristics chosen and assembled to meet particular purposes or goals,” says Gibson (p. 4).

The most common type of funder grouping is the learning network. There are several examples of this in the Canadian context. Gibson describes such a network as “a group of funders who come together to hear what is happening in a field or issue area, share information, and explore potential strategies for making more effective investments.” Many funder groups start with this model even if they plan eventually to move into joint funding. One durable funder network in Canada is the Canadian Environmental Grantmakers Network (CEGN). CEGN groups together many funders with a common interest in environmental granting. While the range of interests and activities is so diverse under this umbrella that CEGN fits into the description of a funder affinity group more than a funder collaborative, nevertheless it is a good example of a structured, staffed network that exists to share information and ideas and to discuss what works and what doesn’t. (See Terris Lutter’s article in this issue of *The Philanthropist*.)

At least three funder learning networks have formed in Canada in the last decade. In Toronto in 2001, the Maytree Foundation launched a network of funders interested in learning more about the intersection of race and poverty. This network was supported by Maytree staff resources and included funders from private foundations, public funders such as the United Way and the City of Toronto, and corporate funders. Maytree described the group as a network that provided opportunities for learning, collaboration, and resources that enhanced the capacity of its members to effect social change on the issue of racialized poverty. While the network did not survive as Maytree had hoped, it was a model for funder networks on other issues.

In the last two years, two new networks have been created with national scope and with the intention of promoting learning among grantmakers. The first network links those private funders across Canada who are interested in early childhood development with a focus on policy and systemic changes. The network has no formal structure yet; activity consists of the funders meeting and exchanging experiences and ideas on how to bring about public policy change. It is led by private foundations that have a long track record of working in this area and are driven to do more together to bring about comprehensive changes to systems. The second network is more public and diverse. Supported by a private foundation initially, it has been formalized under the name of the Circle on Aboriginal Grantmaking in Canada. A website has been created to serve as a virtual open space for dialogue and sharing around Aboriginal-focused philanthropy. It is described as a place where foundations and other grantmakers can connect to the larger issues and solutions through access to new research, stories, events, and a network of fellow grantmakers. While neither of the networks has led to joint funding, both have the potential to do so and both share the characteristic of trying to improve the effectiveness of philanthropic investment.

The second type of funder collaborative is the strategic alignment network. Gibson describes this type of network as made up of funders who share a mission and who strategize together and work in concert to obtain publicity, traction, and impact – but who still do their grantmaking independently. A Canadian example of such a network is the Lake Winnipeg Watershed Initiative, led by Community Foundations of Canada with a grant from the private J.W. McConnell Family Foundation. Additional funding has been provided for the Foundations in the Watershed project by two community foundations (Edmonton and Winnipeg) and two private foundations (Thomas Sill and Walter and Duncan Gordon). Through this project, a number of community and private foundations are joining together to think about how they can be most effective in raising awareness about water issues in Western Canada and how they can play a part in supporting and leading change. This network has gone a step beyond the learning network model. The participants have contributed funds individually to hire a part-time staff person who is helping to develop a strategic framework for coordinated action, with the common goals of doubling support for water-related work and achieving one or more water-related policy changes. Through such coordination, funders can be much more effective.

A third type of funder collaborative is the pooled fund or “pot” of money toward which funders contribute and from which grant dollars (or program-related investments) are disbursed. Examples of this type of collaborative are rarer than the previously described models because of the reluctance of many funders to take the step towards pooled funding. But one recent example in Canada is Calgary Teen Zone, a project jointly sponsored by a private foundation (the Burns Fund), a public funder (United Way of Calgary), the City of Calgary, and Upstart: Champions for Youth and Children. These partners had all separately identified the critical hours after school as a time when unsupervised youth could be exposed to greater risk. Together with an agency partner, Boys and Girls Clubs of Calgary, the funders created a Memorandum of Understanding to operationalize their collaborative response to this issue. The response included a pooled funding model, a shared leadership structure, a staffing model to support the participating programs, and a three-year external evaluation. Calgary Teen Zone debuted in 2006 as a demonstration project and was so successful that it was an influencing factor in the City of Calgary’s decision to develop a \$3.8 million Critical Hours Plan, which will deliver a range of accessible, affordable after-school activities across the city.

Giving circles are another example of pooled funds, although they tend to draw more on individual donors than on organized funders such as foundations. One such circle in Canada is the Women Moving Women initiative of the Canadian Women’s Foundation (CWF). The compelling collaborative idea here is to enlist 2500 women to donate \$2500 each to move 2500 women out of poverty through an economic development program run by the CWF. In this case, as in many such initiatives, the donors share the goal but are not involved in the project directly. An intermediary is necessary to manage the program that the pooled funds support.

Another pooled-fund collaborative is the ArtReach Toronto Funders Collaborative, formed in 2005 to support participation in the arts and more community engagement, particularly for excluded youth. Many funders are involved, including private and public foundations, the United Way of Toronto, governments at various levels, and arts granting councils. Once again, an intermediary organization, ArtReach Toronto, actually manages

the granting process, including reviewing applications and administering the grants.

These examples demonstrate the diversity of funder collaboration initiatives. But even in diversity, are there common challenges experienced by these collaborative efforts? The evidence suggests there are. Among them can be: arguments over control (who makes the decisions?); disputes about recognition (who gets the credit?); demands on resources (who has the time?); and communication breakdowns (who is talking too much? Who isn't talking enough?). Some of these challenges are enough to dissolve the effort too soon or to prevent funders from participating at all. But there are lessons shared by successful collaboration partners that can help to overcome these challenges.

The partners in Calgary Teen Zone offered their own advice and insights at a panel discussion held during PFC's 2009 conference in Calgary. These are worth quoting:

- Do not underestimate the power of strong partner relationships. The level of trust that develops among the partners is high if the relationship is strong. It is essential to recognize that each partner "is competent, accountable, transparent – equal partners at the table, equal voices: leave the ego at the door." Collaborating funders should feel comfortable enough to have difficult conversations.
- When planning a collaborative project, start with a specific policy change in mind.
- Set very specific goals and have a concrete outcome. Develop a thorough evaluation process to stay on track.
- Have all partners involved in advocating for the program.
- Don't underestimate the importance of good communication. Within the group of Teen Zone funders, the final vision for the project was well understood and communicated; but members underestimated the possibility that it would not be as well understood by other stakeholders, smaller agencies, and the public.

This is all good advice. With time and more experience, there should be much more to learn from various funder collaboration models in Canada. Tools such as the Grantcraft discussion guide that I have cited will help to make the case for more collaborative initiatives and perhaps encourage participants as they navigate through the sometimes messy process of making it work.

The final and most convincing inducement to working together has to be the end point. The more powerful the outcomes, whether they be policy changes or attracting new dollars or even creating a new social movement, the more funders will want to be part of it. The societal issues that preoccupy Canadian funders, from environment to poverty to immigrant integration, are all increasingly complex and will need systemic solutions developed through multiple perspectives and efforts. I would predict that collaboration will not be a passing trend but a very effective tool for philanthropists in the next decade in Canada.

WEBSITES:

The Philanthropist

2010 / VOLUME 23 • 2

ArtReach Toronto,
www.artreachtoronto.ca

Calgary Teen Zone,
www.calgaryteenzone.com

Canadian Environmental Grantmakers Network,
www.cegn.org

Canadian Women's Foundation,
www.cdnwomen.org

Circle on Aboriginal Grantmaking in Canada,
<http://sites.google.com/site/cagcircle>

Lake Winnipeg Watershed Initiative,
www.cfc-fcc.ca/programs/regional-initiatives.html

REFERENCE:

Gibson, Cynthia. (2009) [Website]. *Funder Collaboratives: Why and How Funders Work Together*. Grantcraft, www.grantcraft.org .