

Community Partnerships: Leveling the Playing Field

CECP Overview: An interesting trend in Corporate Foundations or Community Investment efforts within companies over the last few years has been the focus on leveling the playing field, creating more access to funding, and pushing for greater equity across the nonprofit sector. Grantmakers of all sizes are actively trying to provide more equitable access to the funding that nonprofit organizations need to pursue new projects and provide critical services. This focus has become even more relevant and critical given the pandemic and the rise of racial equity issues since March 2020. The trend might well be moving towards Foundations being open to supporting nonprofit organizations with capacity building funding (General Operating Expenses), less strenuous reporting needs and a less stringent application process.

CECP INSIGHTS

- According to the 2017 Giving in Numbers report, companies have changed their grantmaking strategy to include ways to form deeper connections and impact with their grantees. Here are two trends we see:
 - Tying partnerships to the company's strategic priority areas
 - 60% of companies who participated in the survey reported that the program that received the highest share of total giving, was also the program area that was listed at the organization's top strategic focus areas.
 - Furthermore, when looking at the top quartile within total giving, the percentage of companies that aligned the program area with the highest giving allocation to their strategic focus area rose to 70%.
 - Less partnerships but larger funding amounts
 - In a three-year matched set (2014-2016), 67% of companies reduced the number of grant recipients. In addition, the median number of grants made by each contributions FTE, also reduced from 65 in 2014 to 57 in 2016. With the reduction of grant recipients and the number of total grants, CECP data revealed an increase in media grant size, from \$33,000 to \$40,000 in the same three-year matched set.
 - Similarly, median grant monetary size increased by 19% between 2015 and 2017, but the number of grants disbursed in the same period decreased by 22%. Also within the same time period, the medium number of recipients per FTE fell from 52 to 38 in 2017.



ADDITIONAL TRENDS

- Operational choices are reflective of strategy as much as possible:
 - New Trend 1: Funding nonprofit organization's core operations i.e. considering General Operating Expenses to allow the organization to focus on capacity-building.

- New Trend 2: To help nonprofit organizations move away from a heavy reliance on the “funding cycle,” a major new priority among many grantors is fostering financial sustainability. Grantors want their nonprofit partners to succeed beyond the initial grant instead of passively allowing them to fail. This push for nonprofit sustainability is a push for nonprofit equitability.

CASE STUDY: THE FORD FOUNDATION

- In 2016, the Ford Foundation announced the launch of the Building Institutions and Networks ([BUILD](#)) initiative, a six-year term effort to give \$1 billion to social justice nonprofits, with all funds going to a general operating support and organizational strengthening. Up to 300 organizations joined BUILD. After almost a third of the way through completing the full time frame, FORD Foundation published the *Changing Grant Making to Change the World*¹ report which includes the following lessons that might help other grant makers interested in rethinking the way they support nonprofits.
 - Lesson 1: Nonprofits thrive with larger, longer, more flexible grants.
 - Lesson 2: Long-term, flexible grants work best when they closely align with strategy.
 - Lesson 3: Grants like these can foster deeper relationships between grant makers and the organizations they support—but money can’t buy trust. It takes work.
 - Lesson 4: Grants like these can work anywhere in the world.
 - Lesson 5: Supporting institutions is critical—but so is catalyzing and supporting networks.
 - Lesson 6: Patience is a virtue. So is rigorous evaluation.

LINKS TO EXTERNAL RESOURCES

- [Why Funding Overhead Is Not the Real Issue: The Case to Cover Full Costs](#)
- [The Future of Philanthropy](#)
- [The Nonprofit Starvation Cycle](#)
- [Ten Nonprofit Funding Models](#)

¹ <https://www.fordfoundation.org/media/4184/build-report-final3.pdf>