WHAT’S NEXT FOR COMMUNITY PHILANTHROPY: Making the case for change

Ever since Frederick Goff launched the Cleveland Foundation a century ago, community foundations have adapted to meet the evolving needs of their communities. But in today’s rapidly shifting global, community, and philanthropic context, the question is, are they changing enough?

The models of community foundations today vary almost as widely as the communities in which they’re based. While many organizations remain focused on traditional activities like endowment management, donor service, and grantmaking, other community foundations have begun to experiment with new opportunities for serving their communities, from financing social impact bonds to facilitating community dialogue.

Yet despite a growing record of innovation, the prevailing narrative of the community foundation field has remained largely unchanged as the model hits its centennial anniversary. Instead of a story of adaptation and diversity, the field is still viewed as if it had a single, uniform model — acting as a charitable bank for their communities — that no longer really represents the heart of what many community foundations do.

This dated narrative is beginning to hold community foundations back. It prevents outsiders from seeing the vibrancy and innovation going on in the field, and it pushes many community philanthropy organizations to retrench defensively in the face of new competitive challenges at a time when they would be better off opening themselves up to new ideas and new ways of serving their communities.

The Monitor Institute’s What’s Next for Community Philanthropy initiative aims to shift this narrative, and to help the community foundation field enter its second century on its front foot.

Since January of 2013, the Monitor Institute’s What’s Next for Community Philanthropy initiative has been engaging community foundations and other community philanthropy organizations in a large-scale innovation and design process to help them open up to new models and new possibilities that will help them better serve their communities in the years ahead.

Since the initiative began, the Monitor Institute team has interviewed nearly 200 different community philanthropy organizations across six continents; explored more than 50 analogous spaces and parallel industries related to community change; interviewed more than a dozen leading futurists to understand how the context for community philanthropy is changing; spoken with a host of donors and other potential community philanthropy “users” (both those who already work with community foundations and those who don’t); and held scores of interactive workshops and feedback sessions with more than 2,000 community philanthropy practitioners to engage and test ideas and tools with the field.

Over the course of the project, it became clear that although the findings and lessons were initially targeted at community foundations, they could also be just as relevant to many other types of community philanthropy organizations as well, from United Ways and Social Venture Partners affiliates to volunteer centers and community development finance institutions.

And it also became clear that discussions about the work of community foundations were being unnecessarily stifled by insularity — community foundations talked to and looked at other community foundations almost exclusively when thinking about their work — despite the wide range of other types of organizations doing important service in their communities. So while this essay and the associated What’s Next toolkit are centered on community foundations, the Monitor Institute hopes that the messages can be read and adopted by community philanthropy organizations of all sorts.

The essay serves as the centerpiece of the What’s Next for Community Philanthropy initiative. We didn’t want to produce a long report about the field that ends up sitting on bookshelves and desks gathering dust. So we have instead produced a suite of short...
essays, tools, exercises, and provocations aimed at helping community foundations and other community philanthropy organizations begin to challenge old assumptions, understand the full menu of options that are available to them, and generate new thinking so that they can make smart, forward-looking choices about their strategies and approaches for the future.

This piece is intended to serve both as a stand-alone essay — capturing the high-level findings and conclusions from our research — and as an introduction to the broader set of tools we have developed to help the field begin to take action. It is divided into six main sections:

- **The shifting assumptions of community philanthropy.** An overview of how the world is changing around community philanthropy, and how those changes are fundamentally altering many of the core assumptions of the field.
- **The imperative for change.** An exploration of why the changing context for community philanthropy is creating a context in which the status quo is no longer an option.
- **Challenging orthodoxies.** An analysis of some of the ways that community foundations are already challenging traditional approaches and responding to the changing community and philanthropic landscape.
- **Tools for change.** An explanation of how the tools produced by the *What’s Next for Community Philanthropy* initiative can help community foundations open up their thinking and adapt faster.
- **The importance of aligned action.** A discussion of how community foundations can increase individual impact by working together.
- **The next 100 years.** A call to action for change in community philanthropy.

Our hope is that over the course of the essay we can provide community philanthropy leaders with the case for support, and the conviction they need, to begin to innovate and drive change in their organizations, as well as to introduce them to some of the tools that can help them move ahead.

**The shifting assumptions of community philanthropy**

American communities have long created organized ways of taking care of their own, from early Mexican-American *mutualistas* to local community chests and place-based Jewish federations. For the last hundred years, since the Cleveland Foundation was first established in 1914, community foundations have been a key part of this landscape, serving as important local anchor organizations and playing an instrumental role in building the civic infrastructure of many communities, both in the United States and abroad.

The growth of the community foundation field since that time has been impressive. There are now more than 750 community foundations in the United States that are raising resources from and providing support to their communities. Altogether, they gave more than $4.3 billion in grants in 2011, accounting for nearly 10 percent of all organized philanthropic giving in the country.¹ And the number of community foundations outside the United States also continues to swell, with more than 1,680 organizations now established worldwide.²

> “[A decade ago,] Facebook didn’t exist; Twitter was a sound; the cloud was in the sky; 4G was a parking place; LinkedIn was a prison; applications were what you sent to college; and Skype for most people was a typo.”
> — Thomas Friedman

Despite their proliferation, community foundations today operate in a context that is very different from the one in which many of their current practices, structures, and behaviors were developed. And community philanthropy more broadly — the practice of mobilizing financial and human resources on behalf of a community — takes place in the midst of a dizzying array of global, community, and philanthropic trends that are radically transforming local landscapes.

In fact, it’s startling to think how much the world has changed over just the last 10 years. As author Thomas Friedman has explained, a decade ago, “Facebook didn’t exist; Twitter was a sound; the cloud was in the sky; 4G was a parking place; LinkedIn was a prison; applications were what you sent to college; and Skype for most people was a typo.”³

These emerging technologies are allowing people to connect, organize, and share information in new ways, irrespective of time and distance. And people can now use online and mobile technologies to easily engage with social causes across the street or around the world.
The changes aren’t just limited to technology. Globalization and economic uncertainties are altering the prospects for local businesses and workers, creating new winners and losers community by community. Massive demographic shifts are changing the face of American neighborhoods and will ultimately change the complexion of philanthropy as well. In many places, growing immigrant populations and communities of color are producing a “new majority” as the white population is projected to drop below 50 percent. And two large demographic bulges — millennials and baby boomers — are reaching new life stages (the millennials as they begin to enter the workforce and accumulate wealth, and the boomers as they retire, age, and begin to bequeath their estates to their children). Deep divisions across economic, political, and racial lines are fragmenting local communities and creating new social challenges. And amidst all of this change, the rising threat of environmental disasters and climate change has the potential to trump existing local agendas by forcing communities to respond to unexpected crises.

The landscape of philanthropy has shifted dramatically over the last decade too. Community foundations are increasingly just one part of a broader landscape crowded with other suppliers, competitors, intermediaries, and substitutes. Community philanthropy can take a wide range of different forms beyond just community foundations, including United Ways, place-based private funders, charitable gift funds, volunteer organizations, identity-based funds, online giving platforms, wealth advisors, community development finance institutions, philanthropy advisory services, and Social Venture Partners, to name just a few.

Many of these other forms of community giving are growing at an even faster pace than community foundations. Commercial charitable gift funds, for example, in aggregate, now actually hold more donor-advised fund (DAF) assets than community foundations do. And DAF assets at these gift funds grew more than 50 percent faster than those of community foundations in 2012. The number of small private foundations with assets of less than $1 million continues to grow rapidly as well. Foundation Source, an organization that helps to start and manage small foundations nationally, now oversees more than $6 billion in assets.

Meanwhile, gifts to social causes from online crowdfunding platforms are likely to top $1 billion this year — still a relatively small number, but these online organizations have only been around for 10 years at the most, and if they continue to grow at their current pace, they could collectively be giving away more money than community foundations do within the decade.

In addition to these new nonprofit entrants into the community philanthropy space, donors can also increasingly effect social change by going outside the nonprofit sector entirely. A growing number of philanthropists are deliberately supporting socially responsible businesses and making “impact investments” in enterprises that produce both social and financial returns. And beyond investing, many other individuals are exercising their philanthropic instincts by integrating social responsibility into their purchasing choices, buying products and services based on a company’s record of social and environmental practices.

Other donors are increasingly looking to create change by influencing political and electoral outcomes and giving to political action committees and 501(c)(4) organizations. Political spending by outside influence groups in 2012, in fact, topped $1 billion, up from just $17.9 million in 1996.

Donors today must navigate a path through an ever-growing range of options for effecting social change.
And as the range of giving options opens up, many of the traditional lines between the public, private, and independent sectors are beginning to blend and blur with new hybrid organizations and cross-sectoral partnerships. Increasingly, social change is becoming “sector-agnostic,” with people seeking impact on pressing societal problems without concern for where the solutions come from.

In essence, nearly every assumption of community philanthropy is changing. Even the definition of community itself is shifting to include affinities based not only on common geographies, but also issues and identifies. And in some cases, the community is defined by who is giving the resources (the community of donors in a particular place, who may give to causes all over the world), while in others, the focus is on who is receiving assistance (where funds may come from anywhere to benefit residents in a particular place).

The imperative for change

In the midst of all of this change, sticking with the status quo is no longer an option for community foundations. For some — especially smaller community foundations — innovation and adaptation will be a simple matter of survival. Necessity will demand that they innovate and tailor their services to demonstrate value to the community and raise the resources needed to sustain their operations.

But even for more established and financially stable institutions, organizational change is likely to become necessary in order to keep up with the sheer pace of community change. If community foundations don’t make sure that they are effectively meeting the shifting needs of local donors, nonprofits, and residents, they risk losing their relevance and their standing in their communities.

Little by little, a host of different organizations have been chipping away at what was once primarily the domain of community foundations. Every service can now be provided by some other player in the marketplace, often better, cheaper, or faster than community foundations. Online giving platforms like GlobalGiving and Razoo are already effectively “disintermediating” community foundations, linking social programs around the world directly to new donors — particularly young, tech-savvy donors. Commercial charitable gift funds are providing DAFs at extremely low price points. Identity-based funds are tailoring their appeals and services to meet the specific needs of rapidly growing racial and ethnic populations. And organizations, from United Ways to community organizers to community development corporations, are building local knowledge and helping residents advocate for themselves and coordinate the services they need.

So it becomes important to ask, will the systems that are helping community foundations thrive right now meet the needs of their users in the future? As an example, even as many community foundations posted record-breaking fundraising years last year, it is important to recognize that many of those gifts were coming from a core set of aging, usually white, donors with whom the community foundations were already working.

Donors and communities of the future may look and behave quite differently than they do right now. And if community foundations continue business as usual and don’t build the infrastructure they’ll need to effectively serve their communities and their donors in the future, those users will begin to look to other types of organizations for the services that community foundations once provided. Regardless of how well a community foundation is doing now, change and innovation will be necessary for the future if an organization wants to thrive in today’s rapidly shifting community context.

Imagining the future context

The context for community philanthropy could become even more challenging to navigate in the coming years. Imagine, for example, what a few, quite plausible, new developments might mean for the field:

- What if Foundation Source and Charity Navigator reached an agreement to provide small foundations with accessible, detailed information and advice on local nonprofits?
- What if IRS enforcement of nonprofit designations allow more politically oriented groups to be classified as 501(c)(3)s, thereby making it even easier to make political contributions tax deductible?
- What if an online giving platform partnered with a commercial charitable gift fund to create an algorithm that could accurately provide personalized recommendations of new nonprofits to donors?
- What if Google applied its search tools to put all the information that donors need about local organizations right at their fingertips?

Any of these types of developments could fundamentally alter the landscape of community philanthropy. And none of them are that far outside the realm of possibility today.

Will the systems that are helping community foundations thrive right now meet the needs of their users in the future?
Challenging orthodoxies

A number of community foundations are already responding to this growing imperative for change by challenging some of the deep-seated “orthodoxies” of the field. Orthodoxies, according to the innovation strategy firm Doblin, are deeply held assumptions about “how things are done” that often go unstated and unquestioned, and can become blind spots for an organization — and even an entire industry — over time. These orthodoxies are neither good nor bad, but it is critical for organizations to be aware of them, because they implicitly guide behavior and can often lead people to become entrenched and to miss opportunities as the world changes around them.

Innovative community foundations across the country and around the world are already beginning to challenge, or “flip,” many of these orthodoxies. For example:

• In Colorado, the Pikes Peak Community Foundation has been challenging the conventional wisdom that community foundation revenues come from assets under management. The Foundation was told by its board not to compete in an active way with local nonprofits for fundraising, so it began to develop alternate revenue streams to cover its operating expenses, including ownership of cell phone towers and water rights, part ownership of a senior housing facility, and the management of a working farm that generates revenues while also aligning with local goals around nutrition and health.

• The Silicon Valley Community Foundation has overcome the assumption that community philanthropy organizations shouldn’t get involved in public policy, taking a strong stand against payday lenders, testifying at local government meetings to educate officials, meeting with legislators, and even putting a lobbyist on retainer. The Foundation has funded 501(c)(3)s, 501(c)(4)s, and even city government departments to conduct research and raise awareness, and supported a coalition of grantee advocates against predatory lending. All of these efforts helped enact several new laws regulating payday lenders in the region.

• And the Telluride Foundation is defying the notion that community foundations work only in the nonprofit world. The Foundation is building the local economy by managing a “venture accelerator” that helps grow early-stage and start-up businesses in areas such as tourism and recreation, energy, and education. The accelerator provides entrepreneurs with seed investment and connects them with local venture capitalists and angel investors as mentors, coaches, and later-stage funders.

What is increasingly apparent in all of these instances is that community foundations aren’t just one thing. They’re exploring the full range of different roles that are possible in their communities — some traditional, like grantmaking, endowment management, and donor services, and others less so, like incubating social enterprises, developing the skills of local residents, and facilitating community dialogue. Forward-looking community foundations are piecing together the right combination of roles, given local needs, goals, and capabilities.
The *What's Next for Community Philanthropy* initiative has identified more than 45 potential roles that community philanthropy organizations can play (refer to the table on the following page for the full list of roles). No single organization should try to play all of these roles, but knowing the full array of what’s possible will allow them to thoughtfully sort through what their organization needs to look like to address the most pressing needs of their constituencies.

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Tools for change

Understanding the imperative for change and seeing the full range of possible roles that a community foundation can play are important first steps in the process of opening up to new possibilities. But it's nevertheless a long journey from there to putting real innovation into practice. To help community foundations move more readily from intention to action, we've developed an integrated “toolkit” of essays, provocations, and exercises that can help community foundations get started with the innovation process.

The What's Next toolkit isn’t comprehensive — it’s deliberately designed as a complement to the host of existing tools out there to help community foundations think about different aspects of their work and operations, such as the CF Insights Activity-Based Costing Analysis, the Knight Foundation Community Information Toolkit, and the CFLeads Community Leadership Framework. The toolkit also isn’t a how-to manual that lays out best practices related to the various roles that a foundation can play in its community. Nor is it meant as a replacement for strategic planning, although it can provide important new inputs into a planning process.

Instead, the toolkit aims to help community philanthropy organizations open up their thinking and explore new innovations and new possibilities for serving their communities. The tools are grouped into four key categories of behaviors that can help accelerate community foundations down the path of innovation and adaptation: looking outward, looking around, looking inward, and getting to action.

Looking outward for context: Understanding the changing global and local landscape

It’s hard to get on your front foot if you don’t have a very good sense of what’s coming. The world is changing rapidly, and community foundations need to get better at anticipating emerging trends and what they might mean for their communities and for the way they do business.

To help community foundations begin to build their capacity for understanding their landscape, the What's Next for Community Philanthropy toolkit includes two resources that leaders can use to help build awareness and understanding of what’s going on around them:

- **Shift happens: Understanding how the world is changing.** This document serves as a primer on the changing context for community philanthropy, looking at the large metatrends that are changing local communities and exploring what those trends might mean for community philanthropy organizations.

- **Landscape mapping: Understanding who’s doing what in your community.** This exercise helps organizations better understand the local community philanthropy landscape and think about who else is already playing various roles in their communities.

Looking around for inspiration: Seeing what’s already possible

The best way to start thinking about innovation is to begin by looking for where it’s already happening. Innovation doesn’t need to be completely new; it just needs to be new to you and your community. So the easiest way for community foundations to start down the path to innovation is by simply “copying shamelessly” from what is already going on around them.

Looking at programs and activities from other community foundations that already seem to be working — what Chip and Dan Heath, the authors of Switch: How to Change Things When Change Is Hard, refer to as “bright spots” — is a good place to begin. Many community foundations are already experimenting and testing innovative new approaches, and funders would be wise to consider transplanting and adapting strategies already working in other communities to their own locales.

Looking beyond community foundations can open up even more possibilities. What if community foundations acted more like civic clubs, like Rotary or Shriners, and served as social hubs for donors and residents, bringing the community together to build stronger networks and social ties? Or if they took a card from community journalism to act as the primary source for helping residents share information and learn about what’s going on in their communities?
This isn’t to say that community foundations should start replicating the services that other local organizations already provide. But where community needs aren’t already being met, looking at these spaces may open up new ways for community foundations to serve their constituencies over time.

To help community foundations draw inspiration from others and find new ideas to bring to their own communities, the What's Next toolkit includes two modules focused on surfacing helpful stories and lessons from the field:

- **Bright spots: Promising approaches in community philanthropy.** This document catalogs bright spots in the field to help community philanthropy organizations see, and take inspiration from, the broad range of innovative things that others — both within community philanthropy and in parallel industries outside the field — are already doing.

- **Think global: Lessons from community philanthropy around the world.** As the community foundation field has expanded overseas, a wide range of interesting new approaches to community philanthropy have begun to emerge. Where the United States has long been seen as a net exporter of innovation, it is quite likely that in the coming years the country will become a net importer of new ideas from elsewhere in the world. This short essay shares lessons from the international field of community philanthropy that can prompt new thinking for American community foundations.

**Finding inspiration in existing bright spots**

In Georgia, the Community Foundation for Greater Atlanta is now launching an employee-owned cooperative business called Atlanta Lettuce Works. The cooperative will supply local, sustainably grown lettuce to Atlanta’s universities, hospitals, and retail stores while providing a living wage and profit-sharing rights to employees from underserved neighborhoods. The Foundation is partnering with anchor institutions to guarantee demand, with Emory University students to conduct a feasibility study, with local families from these neighborhoods to provide land, with the Center for Working Families to provide job training, and with interested donors to provide startup funding.

Atlanta actually got the original concept from the Evergreen initiative run by the Cleveland Foundation, which has launched worker-owned cooperatives that include a laundry, a solar company, and a food production greenhouse. And Cleveland itself got the idea itself from a system of cooperatives in the Basque region of Spain.

**Looking inward at current practices: Understanding your own organization**

The changes now occurring around community philanthropy are opening up a wide range of new possibilities for what can be done inside an organization itself. Looking inward means identifying orthodoxies and assumptions that might be calcifying practices and holding back potential new approaches, and it means thinking strategically about the different roles that a community foundation can be playing in light of what is now possible. To help with this process, the What's Next initiative developed two playful card games that can help community foundations look inward, at their own operations:

- **Flipping orthodoxies: Questioning ingrained assumptions in your work.** Orthodoxies can often create blind spots that hide emerging opportunities or get in the way of new approaches. This card game aims to help community foundations investigate the existing orthodoxies in the way they work, and to determine whether these old assumptions still make sense or should be flipped and challenged as a way to prompt new thinking and ideas.

- **Prioritizing roles: Crafting your strategic portfolio.** A second card game aims to help community foundations prioritize which roles are core to the organization, which are adjacent or complementary to that core, and which are aspirational for the future. Doing so will allow a community foundation not only to build a strategic portfolio of activities focused on a coherent core but also to constantly experiment and test new ideas that might become more important in the future.

Not every orthodoxy, however, needs to be flipped, and not every role is in need of innovation. In many cases, tried and true strategies are still as effective as ever, and old assumptions can remain powerful touchstones and guiderails for practice. But it is important to continually test old assumptions and approaches, and to be deliberate about deciding what should change in an organization and what shouldn’t.
Some amount of change will inevitably be necessary to stay relevant and effective in adapting to rapidly changing local realities. But not everything needs to change. Community foundations have stood the test of time for a century, and at least some parts of the model will remain intact in the coming years. The trick is to build on existing strengths while also leaving the organization’s comfort zone and experimenting with new approaches that help better serve the community in the future.

**Getting to action: Developing and testing new ideas and approaches**

Once an organization has a clear sense of its strategic portfolio, it can begin the process of actually generating and testing new approaches and ideas. For some community foundations, this means rethinking their organizational core. While most funders will continue to focus on many of the same key roles they have played in the past — such as grantmaking, donor services, endowment management, and nonprofit capacity building — other funders have begun to rethink the very heart of their work.

The Humboldt Area Foundation in California, for example, fosters resident leadership and promotes long-term community engagement as a core part of its work. Foundation staff members work as community organizers to train and mentor residents, foster relationships, conduct research, and work with policy makers on local and regional issues such as indigenous rights, recreational programming for communities of color, safer streets, underage drinking, and school reform.

Similarly, the Denver Foundation has begun to put equity and inclusiveness closer to the center of its work, focusing more of its programming on reducing economic, racial, and ethnic disparities; informing its strategy through a broad-based listening campaign and an extensive series of community conversations; and deliberately honoring the diverse strengths, needs, voices, and backgrounds of all members of the local community. The Foundation embeds this core in many of its grantmaking decisions, asking that proposals aim to “reduce racial, ethnic, and economic disparities” and that recipient organizations try to “engage the perspectives of constituents and/or people of color in its leadership decisions.” And the Foundation’s Inclusiveness Project helps build the capacity of local nonprofit organizations to include and build the pipeline of people of color in the field.

Many foundations, however, are not ready to make the leap to shifting their core. Big, fundamental change often requires big investment, serious commitment, and overcoming significant cultural and logistical barriers. Instead, funders may opt to make smaller investments in scaling edges — experimenting with aspirational new roles and activities on the margins of their practice that aren’t yet part of the organizational core but that could become more central to the foundation over time.

These types of small experiments can serve as proof points, which build momentum for change and help a community foundation determine whether particular activities are worth exploring further over time.

The Greater Houston Community Foundation, for example, has experimented with a number of new initiatives to diversify its revenue. One approach that caught on was the philanthropic advisory and operational services that it offers to individuals, nonprofits, foundations, and businesses. This “philanthropic consultancy,” which now brings in about 30 percent of the organization’s revenues, provides clients with tailored advice about the local philanthropic landscape and helps them set up specialized funds, manage grants, and facilitate strategic conversations. The Foundation didn’t bet the farm on this new offering but rather tested and refined it with a few early clients and built it up as it proved successful.

Sometimes, these types of explorations along the edges can also lead to fundamental change in an organization’s core. For example, when the Toronto Community Foundation first started Toronto’s Vital Signs Report in 2001, an effort that now tracks hundreds of data indicators across 10 quality-of-life issue areas, the goal was to help the Foundation understand needs and opportunities in Toronto and to make informed choices about its grantmaking and programming. Since then, however, Vital Signs has moved steadily from the edge of the Foundation’s work toward its core. The Foundation created the Vital Toronto Fund, which uses the Vital Signs Report as a blueprint for its funding decisions through three grant and which allows the Foundation to make concentrated investments when the Report surfaces issues in the city. Its Vital Youth grant stream, for instance, stemmed from findings that youth between the ages of 12 and 18 didn’t have enough quality recreation activities in the city. The Report also informs the Foundation’s Community Knowledge Centre, an online community information portal that

*You may want to creatively think about how you play roles that are at your organization’s core, or you might think about “scaling edges” that could matter more in the future.*
shares stories of impact about efforts led by local nonprofits and helps donors, media, policymakers, community groups, and others learn about potential solutions to the pressing issues highlighted in the Report.

Back in 2001, the Foundation didn’t necessarily know that the Vital Signs project would become so core to its business model. It wasn’t part of some centralized change strategy for the organization. Instead, the Foundation, in collaboration with a broad range of city leaders, saw a need, tried something new, and grew the initiative as it demonstrated potential. Vital Signs, which now reaches more than one million people in the Greater Toronto Area, is used by government officials to inform public policy and has been incorporated by local universities into curricula that reach more than 10,000 students. The model of Vital Signs has also been adapted by 35 other community foundations across Canada and 14 communities internationally across four continents.

Whether an organization is looking to shift its core or to experiment with new approaches along its edges, the What's Next for Community Philanthropy toolkit includes two interrelated exercises to help community philanthropy organizations generate and then test new ideas about how to do their work. The brainstorming and prototyping processes aren’t unique — there are a wide range of tools and processes now available for helping organizations innovate13 — but the What's Next toolkit attempts to translate the exercises to the specifics of a community philanthropy organization.

- Generating new ideas: A design workshop. This tool provides a process design for holding a creative “ideation” workshop that will help community philanthropy organizations generate creative new ideas about how they can play different roles in their communities.
- Prototyping solutions: A collaborative exercise. This exercise helps community foundations explore whether new ideas that they have surfaced are viable, and to anticipate potential challenges and hurdles that might emerge in the implementation process.

Altogether, the What's Next tools aim to hasten the change already under way in the field as community foundations rethink their models in rapidly changing global, community, and philanthropic landscapes. What's now clear though is that there will never be a single, correct model for the community foundation. The challenge will be to find the elements of the community foundation model that are right for each community and each situation, and to be ready to adapt and change as the community does.

The importance of aligned action

There is a great deal that community foundations can do on their own to push traditional boundaries and meet the evolving needs of their communities. But in some cases, the best way for individual community foundations to help themselves adapt is actually to change the way they work together. Aligned action could help community foundations act at a scale that will allow them to better respond to large global, national, and regional trends and to leverage the innovation occurring across the whole field to help each individual organization adapt better, cheaper, and faster than they could alone.

In this regard, there may be important lessons that can be learned from north of the border. In recent years, Community Foundations of Canada (CFC) — the collective of Canadian community foundations — has helped members share and implement best practices, spreading programs like the Vital Signs indicators project to communities across the country. CFC has also helped conduct joint marketing efforts, launching a national community foundation advertising campaign with locally tailored elements. And it has provided a mechanism for building national-level partnerships that can be implemented across multiple local sites, as CFC has done with its decade-old partnership with paint manufacturer Benjamin Moore to support heritage restoration and community projects in more than 220 localities across Canada.

It's interesting to imagine what could be done with a similar type of coordination in the United States:

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\text{Aligned action could help community foundations act at a scale that will allow them to better respond to large global, national, and regional trends and to leverage the innovation occurring across the whole field.}
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• What if community foundations could form large-scale partnerships with national corporations, and even government agencies, to allow them to support and implement programs in locations throughout the country?

• What if community foundations could learn together, jointly researching important trends like big data or emerging best practices for engaging millennials?

• What if American community foundations could work together to form a seamless network across the entire country whereby donors no matter which door they walked in, could get access to grounded, local advice about the places where they want to give?

• What if networks of community foundations could collaborate on issues that span geographies, from regional economic development to environmental issues to human slavery?

• What if community foundations and other community philanthropy organizations could market themselves together to promote local giving more broadly, taking out a prominent 30-second ad during the 2015 Super Bowl?

None of these scenarios is far-fetched (except maybe the Super Bowl ad). But they would require very new types of collective behavior on the part of community philanthropy organizations. And with the Council on Foundations now reconfiguring its structures for supporting U.S. community foundations, it may now be an ideal time to begin to rethink how community foundations can work together and align action in the years ahead.

The next 100 years

Even as community foundations try to adapt to the changing context, both individually and collectively, one key question still remains: if other community philanthropy organizations are beginning to step in to meet changing donor and community needs, why does it matter whether the community foundation model itself succeeds?

In the corporate world, companies regularly drop off the Fortune 500 list and even close their doors for good, replaced by other firms that do a better job of adapting to shifting markets and meeting emerging customer needs. The transitions can be painful for those involved, but this “creative destruction” is actually a fundamental part of the system.

After spending the last 18 months examining the field of community philanthropy, we've come to believe that there's actually nothing sacred about the traditional community foundation form that was invented a century ago. What will matter more in the coming years is that community philanthropy continues to thrive — that people have access to the vehicles they need to take action and improve the places they care about.

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And it will be up to community foundations to determine whether they maintain their position as cornerstones of community philanthropy. There are arguments on both sides of the ledger.

On one hand, billions of dollars and a hundred years of effort have built community foundations into powerful platforms for community change. And the work of community foundations is as important today as it has ever been. If we want to solve deep, systemic issues, we'll always need organizations that are around for the long term and can represent the most vulnerable segments of the community.

Bridging the gap between wealthy donors and community needs will continue to be critical in a world of growing economic inequality. And even as globalization and new technologies bring the rest of the world closer at hand, the concept of “place” will continue to matter, and is only likely to grow even more important in the coming years as government devolution and political gridlock at the federal level bring local problem-solving to the forefront.

But on the other hand, the community foundation model also carries with it a great deal of baggage that can hold the organizations back. And a rich and storied history is not, on its own, a license to operate for the next hundred years.
If community foundations hope to live up to their potential, they will need to innovate and adapt. Place by place, they will need to figure out what to hold onto, what to let go of, and what to create anew to better meet the evolving needs of their constituents.

If they’re able to do this, the future of community foundations looks bright. But the form they take may ultimately look quite different from the community foundations of the past, as the organizations mix and match the roles and structures that make the most sense to meet the specific needs of their donors and constituents.

Each community foundation will need to creatively reimagine its unique value proposition to the community — and then keep reimagining it, because the world around the foundation isn’t going to stop changing, nor will its community and donors. So adaptation needs to be a continuous process. And the community philanthropy organizations that truly flourish — whatever they may look like — will be the groups that have the capacity to adapt and innovate in an ongoing way: the ones that constantly look inward and challenge assumptions, look around to learn from others, and look outward to anticipate what the future might bring.

By doing so, community foundations have an exciting opportunity to craft a new narrative for the future of the field, creatively reimagining their models and adapting to the changing context around them as they enter into their second century.

This document is part of the What’s Next for Community Philanthropy toolkit, which was published by Monitor Institute in June 2014 with support from the Council on Foundations, the Charles Stewart Mott Foundation, the W.K. Kellogg Foundation, and Community Foundations of Canada, along with more than 15 North American community foundations.

The What’s Next toolkit aims to help community philanthropy organizations apply innovation and design methodologies to think creatively about their business models and the broader future of the field. The research for this toolkit involved nearly 200 interviews with leaders of community foundations and other community philanthropy organizations, as well as more than a dozen interactive workshops and user feedback sessions.

Visit monitorinstitute.com/communityphilanthropy to learn more about the What’s Next toolkit and research methods.

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