Foundation Horizon Scan

Taking the long view

Magdalena Kuenkel and Celia Hannon
with Edmund Le Brun

November 2019
Acknowledgements

We are extremely grateful to the experts, researchers and foundation leaders who contributed their insights to this horizon scan – within a challenging time frame. Holly Jamieson provided essential oversight and project design skills, and we received extremely valuable feedback throughout from Geoff Mulgan, Halima Khan, Bea Karol Burks and Vicki Sellick at Nesta and Adrian Brown at the Centre for Public Impact. Thank you to Charles Unwin for copyediting this paper, as ever all errors and omissions remain our own.

About Nesta

Nesta is an innovation foundation. For us, innovation means turning bold ideas into reality and changing lives for the better.

We use our expertise, skills and funding in areas where there are big challenges facing society.

Nesta is based in the UK and supported by a financial endowment. We work with partners around the globe to bring bold ideas to life to change the world for good.

www.nesta.org.uk

About the Centre for Public Impact

The Centre for Public Impact is a not-for-profit, founded by the Boston Consulting Group. Believing that governments can and want to do better for people, we work side-by-side with governments – and all those who help them – to reimagine government, and turn ideas into action, to bring about better outcomes for everyone. We champion public servants and other changemakers who are leading this charge and develop the tools and resources they need, like our Public Impact Fundamentals, so we can build the future of government together.

If you’d like this publication in an alternative format such as Braille, large print or audio, please contact us at: information@nesta.org.uk

Design: Green Doe Graphic Design Ltd
# Foundation Horizon Scan

## Taking the long view

<table>
<thead>
<tr>
<th>Section</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preface</td>
<td>4</td>
</tr>
<tr>
<td>Introduction and summary</td>
<td>6</td>
</tr>
<tr>
<td><strong>1</strong> Future challenges: legitimacy and impact</td>
<td></td>
</tr>
<tr>
<td>Legitimacy</td>
<td>12</td>
</tr>
<tr>
<td>Impact</td>
<td>14</td>
</tr>
<tr>
<td><strong>2</strong> Emerging responses: foundation practices</td>
<td></td>
</tr>
<tr>
<td>I. How are foundations enhancing their legitimacy?</td>
<td></td>
</tr>
<tr>
<td>Investing endowments to align with social mission</td>
<td>15</td>
</tr>
<tr>
<td>Making data transparent</td>
<td>18</td>
</tr>
<tr>
<td>(Re)defining relationships with the public sector</td>
<td>21</td>
</tr>
<tr>
<td>Addressing the power imbalance</td>
<td>24</td>
</tr>
<tr>
<td>II. How are foundations enhancing their impact?</td>
<td></td>
</tr>
<tr>
<td>Collaborating for impact</td>
<td>28</td>
</tr>
<tr>
<td>Adopting private sector approaches</td>
<td>30</td>
</tr>
<tr>
<td>‘Systems change’: moving from rhetoric to action</td>
<td>33</td>
</tr>
<tr>
<td><strong>3</strong> A look ahead: strategic choices</td>
<td>51</td>
</tr>
<tr>
<td>1. Power and control</td>
<td>51</td>
</tr>
<tr>
<td>2. Diversity</td>
<td>52</td>
</tr>
<tr>
<td>3. Transparency</td>
<td>52</td>
</tr>
<tr>
<td>4. Role in public sector delivery</td>
<td>53</td>
</tr>
<tr>
<td>5. Time horizons</td>
<td>53</td>
</tr>
<tr>
<td>6. Monitoring, evaluation and learning</td>
<td>54</td>
</tr>
<tr>
<td>7. Assets</td>
<td>54</td>
</tr>
<tr>
<td>8. Collaboration</td>
<td>55</td>
</tr>
<tr>
<td><strong>Characteristics of foundations</strong></td>
<td>56</td>
</tr>
<tr>
<td><strong>Appendix</strong></td>
<td>57</td>
</tr>
<tr>
<td>Rapid Horizon Scan: Methodology</td>
<td>57</td>
</tr>
<tr>
<td><strong>Endnotes</strong></td>
<td>59</td>
</tr>
</tbody>
</table>
Preface

Geoff Mulgan, CEO, Nesta

Philanthropic foundations tend to blossom when economies are going through periods of profound change. The last two decades have, in this sense at least, been propitious. Vast amounts of wealth have been accumulated in digital industries. Huge fortunes have been grown in what used to be called ‘emerging economies’. A stretched distribution of wealth that has favoured the top 1 per cent, and even more the top 0.1 per cent and 0.01 per cent has meant that many people have far more money than they can easily spend on themselves.

That explains the growth in supply, just as at the turn of the 19th and 20th centuries philanthropy was an obvious outlet for a previous generation of industrial titans. Then, Carnegie, Rockefeller and Ford used their money to do good but also to gain credit and to distract attention from the often questionable ways they had made their fortunes. The same mix of motives and responses is visible today.

What of the demand? Here the picture is more complex. On the one hand, most people would prefer to see money being spent on social good rather than yet another lavish home or sports car. Philanthropy means love of humanity – who could be against that? Social and environmental action needs at least some money to fuel it, and help the world protect everything from threatened oceans to divided communities.

On the other hand, many fear that philanthropy is a superficial response to deep questions, that it distracts attention from the real causes of social problems and that it makes people who are already powerful in the economy even more powerful in society too.

The mood has certainly shifted from a few years ago. Then there was much talk of philanthrocapitalism, of the newly wealthy solving social problems which governments and traditional civil society had failed to solve. Now there’s a lot more humility. Philanthropy has made a big impact on some issues, notably diseases. But it hasn’t ‘solved’ any big social challenges. Its scale rarely matches up to the scale of problems. And the philanthropists themselves – particularly those who made their money in finance or digital – are seen in a much less rosy light than in the 2000s.

Yet with governments often weak or distracted, who other than foundations can address the big long-term issues head on? Who else can take big risks, unconstrained by accountability to shareholders or voters?

Foundations are uniquely endowed not just with money but also with freedom and solidity. They should be uniquely well suited to work on the truly big challenges of our time, from climate change to inequality, ageing to unemployment.

This paper surveys the changing landscape, and explores the readiness of foundations to play a bigger role. Parts of the picture are very varied globally. The insights highlight some of the eternal dilemmas of philanthropy, summarised by Shakespeare’s comment that it is excellent to have a giant’s strength but not to use it like a giant, and their paradoxical position of having power and moral purpose but little formal accountability.
In this landscape each foundation has to decide how it will answer a series of difficult questions:

Challenge government or collaborate? In countries where political leaders are hostile to civil society, resistant to criticism or independent power, and especially prone to bristle at foreign foundations, foundations have to decide whether to become more overtly political, supporting opposition and protest, or whether to keep their heads down. In other places, by contrast, foundations are learning to work more closely with government recognising that in many contexts that is the only way to have serious impact at the scale of problems.

Challenge business or collaborate? Most foundations are naturally close to business and many want to apply business methods to social issues. But proximity to business can create tensions, especially on environmental issues where business may be more the problem than the solution. An even more challenging question, after a period that has seen such a big shift of power and wealth from labour to capital, is what role to play in relation to precarious workers, empowerment and trade unions.

Predictable impact or big bets? All foundations grapple with how to ensure their money has a useful impact in the world. Their challenge is not just about metrics but also about timescales and risk. It is far easier to measure impact if you’re working on relatively incremental tasks and on relatively short timescales. By contrast, the results of big, long-term bets are inherently harder to predict, and it may be decades before anyone can confidently say they are working.

Transparency or secrecy? Some foundations have opened themselves up to scrutiny. But others are nervous, and have remained secretive, both for bad reasons (not wanting to be accountable) and for better ones (if they’re operating in hostile environments where any open information can empower enemies).

Transforming systems or modest improvements? Many foundations understandably want to be involved in profound systems change – shifting to a low-carbon economy or transforming healthcare. But the more they play a leadership role of this kind, the more the limits of their legitimacy come into view. So an opposite view says that they should be humble, limited, and willing to play a subordinate role.

Fast or slow? Foundations face few competitive pressures to innovate. As a result most use very traditional tools of grantmaking. They have been slow to adopt or experiment with alternatives, slow to engage seriously with the new possibilities arising from data, AI and collective intelligence, slow to empower beneficiaries. But using new methods is itself risky and may involve short-term impairment to performance before gains kick in.

These are not, of course, binary choices. The best answers will be subtle and nuanced. But hopefully, this horizon scan – packed with good examples from around the world – will encourage more imagination, boldness and honesty on the part of foundations in thinking through answers that make sense to them.

I hope it will be used by managers, staff and boards to reflect on what they do, why they do it, and how they could do more.

In some respects, foundations are almost medieval institutions, somewhat anachronistic in the world of 24/7 media and an economy changing at warp speed. Yet we rely on them more than ever to use their unique power – and their unique freedom – to do what is necessary, and not just what is comfortable or easy.
Introduction and summary

The next ten years will be a defining decade for foundations. Internationally, the trends point to a booming philanthropic sector, one which is poised to expand in both size and ambition. In contrast to governments and businesses, foundations are capitalising on their power to focus on long time horizons, and many are setting out to shape the future in ever more profound ways.

At Nesta, we wanted to take a ‘long view’ on some of the significant challenges on the horizon for foundations, and to capture responses to these challenges emerging from the sector. In carrying out a rapid horizon scan over two months, rather than an in-depth study, the modest aim was to take a snapshot of trends worthy of deeper analysis in future. We worked with the Centre for Public Impact on a rapid review of the literature, carrying out interviews with 25 leaders in the field from the UK and internationally. Drawing on these insights we isolated signals of change in the sector - some inevitably weaker than others - and focused on several ‘clusters’ of foundation practices. Given that foundations around the world are grappling with similar challenges, we wanted to offer up the results of this exercise back to the sector. Whilst far from comprehensive, this paper is designed to support further conversation, inquiry and experimentation.

In that spirit, we also asked several other leaders and thinkers working in and around foundations for their take on the future role of foundations over this pivotal decade. Their provocations (published in tandem with this paper) touch on a host of challenges and opportunities which lie ahead, from power asymmetry to AI. Taken together, we hope that the insights emerging from this exercise will be one further contribution to the mounting international debate about the role foundations are set to play in influencing society.

1 Future challenges: legitimacy and impact

Part 1 of this paper addresses two themes that surfaced repeatedly in the expert interviews and the literature review. Firstly, if foundations do not find a way to convince their critics – and the wider public – that they are becoming more transparent and accountable, then they will find themselves confronting the difficult consequences of deepening mistrust.

Scepticism about the legitimacy of their power is only likely to increase at a time of rising populism and antipathy towards ‘elites and the establishment’.

Secondly, foundations must be able to argue robustly that they are effective, rather than simply serving as fig leaves to protect the wealthy from closer scrutiny. Are they capable of bringing about deep social change or are they simply too embedded in the system to do so? Are the tools at their disposal equal to the task of addressing highly complex, systemic problems such as social inequality and climate change?
Emerging responses: foundation practices

Part 2 of this paper explores the emerging responses to these challenges. Given that foundations and philanthropists are increasingly attuned to the need to enhance their legitimacy and to sharpen their account of their impact, what kinds of practices and approaches is the sector developing in response?

I. How are foundations enhancing their legitimacy?

Investing endowments to align with social mission

One expression of foundations’ efforts to build legitimacy is a growing reflectiveness about their internal practices as organisations, including the use of their assets. In response to increased public scrutiny, some are interrogating the sources of their income and how endowments or other resources are being deployed. This section explores foundation efforts to align investments with their social mission, such as using endowment funds to support social, and mission-aligned businesses and the shift towards becoming ‘100 per cent impact’ invested.

Making data transparent

Transparency will be crucial for foundations seeking to sustain or build public trust in their work and in helping them to address a perceived information asymmetry with grantees. Greater transparency throughout the sector can also help individual foundations deploy their resources more effectively - rather than duplicating funding. Whilst the publication of grants data has become the norm for grantmakers in many places, new practices and approaches are emerging. These include more open decision-making processes, the use of algorithms to rank foundations’ transparency and the publication of data on unsuccessful grant applications to support collaboration between organisations working on similar challenges.

(Re)defining relationships with the public sector

Foundations walk a difficult line when it comes to their relationship with the public sector. If they are seen to be taking on too many of the core responsibilities of governments, they can be accused of undermining the role of the state - or even acting undemocratically. However, as government budgets in many countries become increasingly strained, the sector is finding itself under pressure to plug gaps. This may prove challenging, given that foundations lack the capacity to replace government services effectively at scale, and it may also limit their scope to experiment with new solutions. In response, foundations will need to cycle in and out of different partnership modes over time, according to the strengths and weaknesses of their respective public sector partners. Partnerships with the public sector are also now more likely to include a third actor – the private sector – and many foundations will need to draw on their convening power to mobilise the resources and strengths of all three sectors around common goals.

Addressing the power imbalance

The power dynamics associated with philanthropy and grantmaking are increasingly coming under the microscope. This applies to the design of internal governance and management structures inside foundations as well as the dynamics of external relationships with grantees and beneficiaries. Many foundations are now looking for more equitable, distributed working models, so that they can avoid perpetuating the inequalities and power imbalances they aim to disrupt.
II. How are foundations enhancing their impact?

**Collaborating for impact**

Collaborative projects that pool funds and bring different philanthropists together remain a reasonably rare phenomenon. Yet, against a backdrop of global challenges which demand responses on a scale that eclipses existing funding models, collaborations and alongside them, the concept of ‘big bets’ are gaining traction. Foundations are experimenting with new types of partnerships, e.g. by working with aggregators who pool funds, identify projects and manage risks for participating donors.

**Adopting private sector approaches**

The rise of ‘social entrepreneurship’ and the view that the pursuit of profit can go hand in hand with social impact, has shaped the worldview of millennials and Generation X. This shift in attitude is reinforced by the mounting influence of philanthropists who accumulated wealth at a young age in the private sector and who are now looking to give away large sums more quickly and with bolder ambitions attached. New ways of working which incorporate private sector practices (such as mergers and acquisitions or the use of layered financing) are establishing themselves in parallel with traditional models of philanthropic giving.

**‘Systems change’: moving from rhetoric to action**

Whilst ‘systems thinking’ is far from a recent invention, it has experienced something of a renaissance in recent years. There is an increasingly sophisticated understanding of the extent to which most of the social challenges which foundations work on, from homelessness to education and obesity, are highly complex and associated with intractable (or ‘wicked’) problems. Meaningful attempts to impact those problems must be sensitive to the behaviour of the wider system in which they are located. Whilst foundations might theoretically be particularly well placed to experiment with systems thinking, those applying these approaches in practice are still very much in the minority. Foundations committing to this way of working need to be equipped with in-depth research to map the root causes of a problem and be willing to invest over the long-term in securing buy-in from multiple actors across sectors.

**Leveraging digital and data analytics**

The use of predictive algorithms, machine learning, and live data analytics all present new opportunities for foundations. Data and digital can help improve internal processes and operations, but also offer significant potential to strengthen the effectiveness of programme delivery. However, the promise of data and digital remains a blind spot for the sector more broadly and only a few foundations are actively testing new approaches, such as real-time programme monitoring or data philanthropy.
Rethinking impact measurement

In recent years, there has been a global push in the foundation sector to improve impact measurement practices. As evaluation and reporting tools have become more widespread, the limitations of data-driven approaches have simultaneously become apparent in the context of philanthropy. In response, some foundations are shifting the emphasis from evidencing outcomes in the short term, to improving long-term impact by developing a culture of shared learning. ‘Next generation’ models are likely to holistically blend impact metrics with broader performance data, as well as qualitative insights that support learning and improvement – rather than fixating on the pursuit of elusive ‘hard’ programmatic metrics alone.

Reimagining place-based approaches

In contrast to the upsurge in large-scale, global interventions, the sector is also seeing a revival in place-based grantmaking and investment. For philanthropists, place-based giving is an opportunity to demonstrate a deep commitment to a larger social problem within a locality where they see the greatest potential for impact. Internationally, we are also seeing a growth in community foundations and localised Giving Circles. In the US alone, Giving Circles have tripled in number since 2007. Beyond making small contributions of money go further, Giving Circles provide a structure which allows members to collaborate on researching potential causes to support.

Using strategic foresight to explore emerging trends

In the nature of their design and structure, foundations have a unique freedom to think and act beyond short-term political or investment cycles. They have the resources to make strategic investments which may not yield results for many years - if at all. Increasingly, this long-termism will be a vital tool in tackling complex, unpredictable global trends. Some foundations are responding to this challenge by investing in the creation of in-house foresight teams to anticipate the impact of future trends, or by adjusting their own strategy cycles towards operating on extended time horizons.

Supporting movements, people or ideas

Polarisation in politics means some foundations will inevitably struggle to operate within a particular political settlement, whether that be on the left or right. Foundations will have to decide whether they are happy to accept the current political settlement or seek to change it by attempting to influence public debate and opinion. ‘Shifting the Overton window,’ as it is often called, requires a systems based approach and a return to supporting movements, people and ideas. Whilst foundations already have a long history of funding this kind of activity, new types of movements as well as the opportunities of data and digital change the role that foundations play in supporting them.
A look ahead: strategic choices

The challenges facing the foundation sector in future do not have simple solutions. Whilst foundations are experimenting with a diverse array of approaches to enhance their legitimacy and deepen their impact, in devising their strategies they will inevitably have to make tradeoffs between different priorities. Pursuing one path might well mean forfeiting the benefits afforded by a different approach. Part 3 highlights some of the live tensions foundations will need to manage in coming years.

1. Power and control

Centralised Distributed

Foundations operating at the more ‘distributed’ end of this spectrum are experimenting with ways to give more control to beneficiaries and grantees through practices such as participatory grantmaking and unrestricted funding. They also often look inwards and challenge existing ‘command and control’ governance structures, for example by rethinking the composition and decision-making powers of boards. However, working in a more decentralised way can also mean a reduction in pace or a dilution of mission.

2. Diversity

Professional experience Lived experience

Many foundations are aware of the need to become more diverse and inclusive, not just in relation to what they fund but also in relation to who they are, how they operate and how they make decisions. In response, there is a strong desire to find staff with ‘lived experience’ of the challenges the foundation seeks to address. However, finding the right balance between lived and professional experience can be difficult and might require changes, not just to existing staffing models but also to recruitment, training and support.

3. Transparency

Low exposure High exposure

Criticism of the opaque practices of some foundations and philanthropists has spawned a host of transparency initiatives in recent years. In response, many foundations are seeking to transition to a more ‘exposed’ model of working – sharing their data, evidence of impact, knowledge and decision-making processes more openly. But while these strategies might enhance accountability, operating at the exposed end of the continuum also necessitates tradeoffs. For example, efforts to fund unconventional, early-stage approaches or to build new fields are generally less compatible with radical transparency.

4. Role in public service delivery

Safety net Test bed

For some foundations, defining their role in relation to the public sector will mean making a fundamental decision about whether they collaborate with or challenge the government. Some foundations will define their role as being the experimental test bed for social innovation, backing higher-risk activities which cannot generally be supported by public money. In places with less well-developed public service provision (or where government cuts are eroding budgets), foundations may decide to focus on playing a ‘safety net’ role by filling a funding vacuum.
5. Time horizons

Directing resources to urgent problems enables foundations to be responsive to immediate challenges, capitalising on their ability to mobilise quickly and allowing foundation leaders to point to immediate impact and measurable results. Whilst this approach is an attractive one, other foundations are increasingly seeing the advantages of shifting to longer-term time horizons, in order to support change efforts over many years. However, pursuing long-term initiatives can mean trading away a degree of certainty, because the more long-term and experimental an initiative, the harder it is to anticipate the nature of the downstream impact.

6. Monitoring, evaluation and learning

For many foundations, the most appropriate response to the increased pressure to demonstrate their effectiveness is to become tightly focused on a set of objectives they can be held to account to, all underpinned by relatively inflexible metrics. Alternatively, some foundations are starting to focus on more iterative models of learning, which explicitly recognise that there are multiple factors within a given system which can influence outcomes. These approaches may make it harder to point to the direct impact of their funding, but they do allow for complexity and changes in the operating environment.

7. Assets

Traditionally, the investment strategy of most foundations centred on securing the best financial returns, so that the resulting income could then be re-distributed in the form of grants. The clear advantage of this approach is that it assures the long-term financial sustainability of the foundation itself, and the risks are generally low or manageable. Conversely, other foundations are seeking to achieve ‘full alignment’ between the use of their assets and their social mission. Foundations moving towards this end of the continuum may need to contend with lower returns and higher risk; which could in turn deplete the resources they have available for philanthropic activities.

8. Collaboration

The complex nature of the problems many foundations seek to address requires a multifaceted response that no single organisation can tackle by itself. Going forward, foundations will have to choose between being able to act quickly, decisively and alone with more limited impact, or as a broader coalition with bigger impact and the necessary overheads that coordination demands.
Future challenges: legitimacy and impact

Legitimacy

At a time when national governments remain paralysed by internal divisions and short-termism, the means to think and act over longer-term horizons is in short supply.

However, the freedom that foundations enjoy to shape the future is inextricably linked to their lack of accountability to voters, shareholders or markets – the more that foundations invest in large-scale, long-term efforts to change the world, the more they open themselves up to criticism of their unchecked power. Foundations, then, find themselves in a paradoxical position: uniquely well placed to tackle long-term challenges but also criticised for their efforts to do so.

Influential contributions to this debate, such as Anand Giridharadas’s *Winners Take All* or Rob Reich’s *Just Giving: Why Philanthropy Is Failing Democracy and How It Can Do Better*, have reignited a long-running debate about the power of foundations to shape society. Rob Reich’s description of philanthropy as “an exercise of power by the wealthy that is unaccountable, non-transparent, donor-directed, perpetual, and tax-subsidised,” is a particularly succinct summary of some of the charges being levelled against the sector on an increasingly regular basis.

This debate about legitimacy is not restricted to the US, where foundations have come under fire for their influence on politics and society at several points in history. It is also associated with broader international trends around falling levels of trust in the social sector. According to the Edelman Trust Barometer’s assessment of NGOs, government, media and business, trust in the in social sector organisations is low. In its 2019 study, Edelman found that NGOs are less trusted than businesses in 11 of the 28 countries they surveyed. While foundations are clearly a distinct category of NGOs (and no comparable data was available specifically for foundations), these trends reflect the growing view that the public is less willing to give social sector organisations the benefit of the doubt just because they claim to be ‘doing good’.
The rise of populism in the US and UK, and the re-emergence of authoritarian leadership in numerous countries around the world, is also set to prove particularly problematic for foundations. Mistrust of ‘elites and experts’ can all too easily attach itself to the work of foundations, as one of the interviewees, Rhodri Davies, puts it:

“With a view to the global rise in populism, philanthropy is often seen as being part of the problem. There is a lack of transparency around where money comes from and a growing criticism of elites creating self-perpetuating systems of power and influence.”

Rhodri Davies, Charities Aid Foundation

With the sector entering into a period of boom and expansion, questions about accountability will only become more pressing. New foundations are being established, and philanthropic giving is accelerating in the US and Europe, as well as in emerging economies – most notably in China. A global survey by Barclays Wealth Management found that 70 per cent of billionaires report that they are active in philanthropy. This is also reflected in the growing popularity of the Giving Pledge, with the number of signatories having grown from 40 in 2010, to 204 by May 2019. By 2022, the total pledge could be worth US$600 billion.

Meanwhile, over the decade from 2006, the number of registered foundations in China increased by 430 per cent, 46 out of 200 of the wealthiest Chinese citizens now have foundations, and in 2017 China’s 100 largest donors gave US$2.5 billion to charitable causes.

While foundations are unlikely to ever face the same degree of scrutiny of their spending that governments can expect from voters or businesses receive from their shareholders, they will increasingly face calls to account for the value they add to society and to be more transparent about their mission and methods:

“Organisations that feel left out of what they perceive as a charmed circle of grantmaking are increasingly voicing their anger. At a time of mistrust in the established sources of power – and a growing view that neither wealth nor knowledge are automatic and uncontested routes to wisdom – the rumbles of discontent are increasingly noisy.”

Julia Unwin, Chair of the Independent Inquiry into the Future of Civil Society in the UK
Impact

“There are all sorts of reasons why foundations face legitimacy concerns, but one of them is actually the failure to deliver.”

Cat Tully, Co-founder of the School of International Futures

Closely linked to the challenge of legitimacy is a growing scepticism about foundations’ capacity to deliver impact. After all, endowments and philanthropic fortunes are often the product of systems which initially gave rise to some of the social and economic inequalities the sector aims to address. How easy is it, then, for foundations to tackle the root causes of these issues and create deep structural change?

The ‘traditional model’ of grantmaking has also come in for criticism as being piecemeal and short-termist, or even reinforcing unhealthy power dynamics between funder and grantees. Like other institutions, foundations need to adapt to what has been described as ‘new power’ – the unpredictable mass movements that are challenging old ideas of command and control.10 The School Strike for Climate, initiated by Greta Thunberg in Sweden, is a case in point: starting with one person in August 2018, the movement has now reached global scale with hundreds of thousands of schoolchildren demanding action for climate change, joined by leading academics and scientists from around the world. Emergent social movements such as this are rarely dependent on philanthropic support to get heard – in fact, foundations are seldom able to fund such movements until they become well established.

The quest for deeper impact – and evidence of that impact – has also been coming from other quarters. Over recent decades, the sector has been reshaped by the growth of social investment, ‘catalytic philanthropy’, corporate and venture philanthropy. Heavily influenced by this influx of corporate thinking, many foundations and philanthropists are now looking to ROI metrics, greater grantee accountability, and quantifiable data to verify their impact. These models are generally ‘top down’ in their design: donors bring preconceived notions about social problems and the solutions needed to fix them, and they hire existing non-profits or set up new ones to implement projects they have designed themselves. However, this ‘solutionism’ can also prove contentious. There is some unease about philanthropists seeking top-down impact of this kind – is it the change that communities would choose for themselves?

The impact debate is already a mainstream one in the sector, but it seems set to intensify in the coming decade as a new generation of philanthropists, donors and activists with a different approach to social change comes to the fore. This millennial generation is more sceptical about claims that the sector is doing good simply by existing, and brings with it a more “aggressive, innovative orientation to philanthropy,”11 characterised by a greater appetite for experimentation. As Will Perrin, Founder and Director of Talk About Local, observes:

“We are in the midst of a major intergenerational transfer of wealth. Younger people are now taking control of foundations and their natural instinct is to question how those foundations have been managed in the past and want to try new approaches.”

Will Perrin, Founder and Director of Talk About Local
Emerging responses: foundation practices

This section outlines a range of practices – some emerging, others more developed – which foundations are experimenting with. They are grouped around the dual challenges explored in the previous section: firstly, the task of strengthening legitimacy and, secondly, the challenges associated with creating long-term impact.

I. How are foundations enhancing their legitimacy?

Investing endowments to align with social mission

What’s the approach?

One expression of foundations’ efforts to build legitimacy is a growing reflectiveness about their role as organisations. Where does their money come from? How is their endowment being used? What is their role as a shareholder?

In this context, growing numbers of foundations are reviewing how they use their endowments. Traditionally, most foundations’ investment strategy is to secure the best financial returns, so that they can then distribute this income in the form of grants. Increasingly, however, foundations are seeking to adopt a bifurcated model: not only are they divesting from fossil fuels and other ‘negatively-screened’ investments but they are also combining grants with social investments that contribute to a common social mission. A number of foundations are going one step further. Known as 100 per cent impact investors, these foundations use their entire endowment to invest in social change.

In focus: donkey wheel foundation

The Australian family foundation, donkey wheel, is an example of a foundation that has successfully aligned the use of its endowment with its social mission. The foundation was set up in 2004 with the mission of supporting community groups to “think differently, act differently, to make a different difference.” Like many other foundations, donkey wheel initially focused on grantmaking, supporting organisations by providing them with non-repayable finance. In 2008, however, this approach started to shift. Rather than fund individual projects or programmes, the foundation started to use its endowment to support businesses and organisations that contribute to a strong and healthy ecosystem for frontline social change. “We focus on supporting and growing businesses that fill the gaps in the ecosystem so that those people who are trying new ways to make the world better get the support they need,” explains Paul Steele, CEO of donkey wheel.
This focus on developing sustainable businesses and a healthy ecosystem for social change makers has affected the foundation’s use of its own endowment. "It is paradoxical to – let's say – invest in Rio Tinto and then run campaigns against Rio Tinto with the money made from these investments. This is why we were keen to find ways of using our endowment more effectively," says Paul Steele. Today, the foundation has invested its entire endowment in investments aligned with their mission. These investments are often long-term, and in most cases they are co-investments with other organisations. Importantly, investment decisions are not determined by solely maximising financial returns but by a given organisation's ability to plug a gap in the ecosystem for social change makers. For example, donkey wheel's first impact investment, the acquisition of the Victorian Melbourne Tramway and Omnibus Company building (now renamed as donkey wheel house) did not just fulfil the purpose of offering a space for change makers to work, it paved the way of another donkey wheel investment, Ethical Property Australia, which aimed to fill a gap in the market for a company promoting the ethical use of property.

The transition from using parts of the foundation's endowment to buy one property to investing all its assets in mission-aligned organisations was only made possible by the support of donkey wheel's board. According to Paul Steele, the transition required a shift in mindset from thinking about investment in terms of risk and return to thinking about how the endowment could best be used to support the foundation's theory of change. This shift has eventually removed the distinction between a granting committee and an investment committee at board level: "given that the principles that we use to decide on our grant funding and our investments are the same, it only made sense to bring both committees together," explains Paul.

Who else is using this approach?

Heron Foundation (US) – The Heron Foundation is often referred to as a leader in this field, having experimented with programme-related investments since the 1990s. In 2012, the Heron Foundation moved its entire US$270 million endowment into investments that contribute to the organisation's mission. Today, the foundation has built up a broad portfolio of investments, balancing factors such as mission alignment, liquidity, and levels of risk and return. As a mission-oriented investor, the Heron Foundation weighs up what it describes as "other factors that traditional investors leave out, including how a company treats employees, manages waste, and impacts the communities in which it operates." And as a philanthropic investor, "we sometimes choose to make investments for which we expect a below-market rate of return, because we have a compelling mission-related reason for doing so."14

Nathan Cummings Foundation (US) – In March 2018, the foundation announced it would invest its near half a billion dollar endowment in investments related to its two focus areas – the climate crisis and growing social inequality. This makes it one of the largest foundations in the world to do so. However, this decision required careful planning and consultation, and is closely linked to the foundation's adoption of impact investing as a means of creating change. In 2013, the foundation invested US$6.5 million in social enterprises, experimenting with this approach as an alternative to grantmaking. Based on this experience, and after an in-depth, externally-led review of the wider impact investment landscape and other organisations' use of endowments, in November 2018 the board agreed to shift the entire endowment into social investment. The board has publicly acknowledged that this decision is not without risk: Jaimie Mayer, a trustee, recently stated that "we're going to learn a lot, fail a lot and succeed a lot as we chart our course."15
In addition to their responsible investment decisions, the Nathan Cummings Foundation also seeks to change corporate behaviour through shareholder activism. The foundation is committed to so-called ‘active ownership’ which means that they “leverage their assets to promote positive changes in corporate behaviour that help to protect shareholder value, and, [...] further programmatic interests.” Since 2002, NCF has filed more than 200 shareholder resolutions on issues ranging from climate change to executive compensation.17

Barrow Cadbury Trust (UK) – In 2010, the trustees of Barrow Cadbury Trust decided to use part of the endowment to further the aims of the trust through investments in charities and social enterprises, aiming to achieve both a social and a financial return with the funds. Investing between £50K and 250K in each product, the trust has allocated more than £3.8 million to 20 different social investments since 2010, and currently holds 15 social investments totalling £2.4 million.18

Sasakawa Peace Foundation (Japan) – The foundation advises other foundations on how to develop integrated programme financing approaches that combine grantmaking and impact investment. In 2017, SPF invested US$100 million of its own endowment in the Asian Women’s Impact Fund to support women’s empowerment across Asia.

Where is this going?

While many foundations talk openly about the need to align their investments with their charitable mission, adopting these principles in practice remains difficult. It requires visionary leadership and a board that is open to risk-taking and willing to accept the risk of a lower return on its investment of assets. After all, reinvesting the endowment can – in the worst-case scenario – undermine long-term sustainability. Another challenge is that markets for investment opportunities that evidence high social impact are not well organised; making it difficult to find the right opportunities.

However, as mainstream investment becomes more impact-focused, this is likely to change, allowing more foundations to shift their portfolios into social investments in the future.

I wonder whether foundations might end up being more progressive in their investment portfolio, before they become more progressive in their grantmaking. Partly because of the historic attention that foundation boards have paid to the investment portfolio, and partly because this can be outsourced to investment managers. Some foundations may find it easier to commit to some of the bigger social justice and systems-based changes through investment than it might be through their grantmaking.

Dr Katherine Rake OBE, Founder and Chief Executive of Totalpolicy
Making data transparent

What’s the approach?

Transparency is crucial for foundations that are seeking to sustain or build public trust in their work and could help to address the lack of information about the distribution of funding. Transparency also actively opens up opportunities for foundations, helping them deploy the right resources in the right areas, learn about what works and what does not, “advancing the effectiveness and impact within [foundation] walls.”

Over the past decade, new digital platforms have paved the way for grantmakers to publish their data in an open, standardised way, showing who and what they are funding, where. The aim of these platforms is to increase the effectiveness of giving by creating a shared data set that informs donors and grantees alike and reduces the risk of duplicating efforts. At the same time, in a bid to promote responsible and informed giving, many national regulators are introducing regulation to make data on charities and foundations available online. “There is a greater push for transparency in philanthropy that is coming from government and society. People want to know how decisions are being made. In a society that is becoming more transparent, foundations need to respond to this ask for more transparency,” says Denis Mizne, CEO of the Lemann Foundation.

While achieving greater transparency by publishing grant data is an established agenda in many countries, it does not necessarily translate into transparency in practices or decision-making. “The greater movement of publishing data is a step in the right direction but publishing data does not make you a transparent organisation,” says Cassie Robinson, Head of Digital Grant Making at the National Lottery’s Community Fund. “The behaviours and practices of truly working in the open, and in turn being more accountable, are still quite new to the sector.”

There is a parallel with the use of open data in the public sector, where researchers have argued that “transparency is only ‘one quarter’ of the ‘minimal chain of events’ leading to accountability.” In addition to data disclosure, it is equally important that foundations think about who makes up their intended audience, how the audience can act on the information provided, and how these actions affect decision-making. Open data in philanthropy, then, is only one part of the transparency equation.

What we are trying to do is build the supporting data infrastructure. When people ask why we aren’t talking about impact, I think that’s like asking why don’t we have a faster car when we still haven’t built the road! We need data infrastructure to get there.

Fran Perrin, Founder of the Indigo Trust and Chair of 360Giving
In focus: Chinese Foundation Center’s Transparency Index (China)

When it comes to the publication of grants data, the Chinese foundation sector aspires to be one of the most transparent in the world. Through its online Transparency Index, the China Foundation Center (CFC) ranks foundations across more than 40 indicators, spanning basic financial, project and donor information. An algorithm takes this information and produces a weighted composite transparency score which is adjusted on a weekly basis. According to the Asian Venture Philanthropy Network, the platform enables “members of the public [to] easily access the information, and to conduct further investigation. Hence, foundations are not only held to account by the index, but are also under scrutiny by the public eye.”

The platform is considered to be highly comprehensive and sophisticated, having rated nearly 70 per cent of Chinese foundations. It is also an illustration of how different actors across sectors collaborate for greater standardisation. The database was commissioned by the CFC and developed by the Anti-Corruption and Governance Research Center of Tsinghua University. The team sought advice from the Foundation Center in the US and adopted practices that had already been tested and rolled out successfully elsewhere. At the same time, the project had the support of the Chinese government.

Who else is using this approach?

360Giving (UK) – Initially incubated by Nesta in 2015, 360Giving is an independent charity that promotes greater transparency in grantmaking by collecting and publishing grantmaking data from over 100 funders in the UK. However, as Fran Perrin, Co-founder and Chair of 360Giving notes, “360Giving is not primarily about improving transparency. Transparency isn’t an end in itself. The point is to improve the information available to inform decision-making in grant-giving, which in turn leads to better outcomes. Most foundations suffer from a fundamental lack of data upon which to make decisions. Grant-giving is very much like making investments, but if you think about the amount of information that institutional investors have available and compare that to grant givers the difference is stark. For grantmaking, we have far less data and data analysis as part of our due diligence process.”

Open Philanthropy Project (US) – The Open Philanthropy Project in the US describes “transparency as one of the core areas in which we are trying to experiment, innovate, and challenge the status quo.” With its radically open approach, the foundation is pushing the boundaries of open working, not just by publishing grants data but also by sharing as much information as possible on decision-making processes. In the past, they have – for example – published notes from conversations with experts and grantees to explain why grants were made and what the potential risks were. The foundation hopes that its approach will strengthen its credibility and improve access to information for other donors.
MacArthur Foundation’s Solutions Bank (US) – In 2016, one MacArthur Foundation programme made four grants of US$100 million while turning down more than 1,800 proposals from applicants. Recognising how much work had gone into developing these proposals, the MacArthur Foundation partnered with the Foundation Center to launch the Solutions Bank, which publishes submissions and seeks to “bring greater visibility and spark greater collaboration and learning among organisations tackling the same problem.”

GrantAdvisor (US) – GrantAdvisor is an initiative of the Minnesota Council of Nonprofits, California Association of Nonprofits, and GreatNonprofits. It is a platform that enables grant recipients to review anonymously their experiences of securing and executing grants. Launched in 2017, GrantAdvisor was the first platform to offer a peer review of grantmakers, and is shifting power dynamics within the sector. By sharing information about factors such as the funder’s overall openness and accessibility, non-profits are now able to recognise which grants are worth applying for, while simultaneously giving foundations important feedback on how they can improve.

Where is this going?

Digital technology makes data collection and dissemination much easier. It also provides new tools and channels to engage grantees and beneficiaries in decision-making processes, overcoming barriers of time and place. It is therefore unsurprising that ‘technology-driven transparency’ has been highlighted by international foundation leaders as the most promising new initiative for the future.

Open data also has the potential to improve the effectiveness of grantmaking by providing funders and beneficiaries with more information about the flow of resources in the funding ecosystem. However, publishing more data is likely to be a necessary, but not sufficient, response to growing calls for transparency. The underlying question of why foundations should be transparent and about what still remains open. There is an important difference between data that foundations publish with a view to promoting their own activities and data that is made available for the curious public who might have questions about how foundations operate and/or make decisions. Finding a way of balancing these two different types of transparency with the sometimes very deliberate decision to not share certain data remains challenging. Particularly, when it comes to funding social movements or working in opposition to a government, a foundation might have good reasons to withhold detailed funding information. At the same time, and as foundations increasingly share data digitally, additional and new questions arise. Could the growing focus on measurable and standardised information crowd out qualitative data and peer-to-peer learning? What are the nuanced methods which could be used to share important lessons of failure? In what context can foundations share these lessons without raising doubts about their effectiveness?

Greater transparency also means being more vulnerable. It means admitting in public and to the board that some things didn’t work out. And that is what is so hard about it at the moment.

Pedro Villares, Director and President, Marae Brazil
(Re)defining relationships with the public sector

What’s the approach?

Foundations tread a fine line when it comes to their relationship with the public sector. If they are seen to be taking on too many of the core responsibilities of the public sector, they come under fire for being too close and compliant with government, particularly where governments are pursuing an agenda of rolling back the welfare state. On the flip side, if foundations are seen to be challenging or uncooperative with the government of the day they are accused of playing politics and undermining democracy.

The ‘additionality principle’ – the idea that foundation grant giving should be complementary to government spending, not a replacement for it – remains a useful one, but doesn’t prevent foundations from being criticised for wasting money, failing to engage with unsatisfied needs, or simply ‘tinkering around the edges’.

In countries such as the UK, foundations have largely sought to define a complementary but distinctive role for themselves alongside the public sector, in order to play to the strengths of both partners. While government or government-regulated systems from healthcare to education are generally the only ones “designed for universality and usually the only systems that can reach the most in need,” they are also heavily constrained by the short-term time horizons and risk aversion from elected officials. Conversely, foundations are limited in their ability to bring about change at scale, but they are – in the words of Rob Reich – able to take “risks of social policy experimentation and innovation that we should not routinely expect to see in the commercial or state sector.”

However, there is emerging evidence that the balance is now beginning to tip in the other direction. According to a report by Rockefeller Philanthropy Advisors and the London School of Economics, in recent years “the pendulum of innovation scaling through government has switched the other way, with government now turning to philanthropy and viewing it as a way to hand over various projects.” UK philanthropist Vivien Duffield explains that in 2015 “our early philosophy was to provide things that…[government] wouldn’t or couldn’t. That’s had to change a lot over recent years…. We are no longer the icing on the cake in the UK. We’re not even the filling any more, and I worry we’re almost becoming the cake itself.”

As government budgets in many countries become increasingly strained, the sector is finding itself under pressure to plug the gaps. This may prove challenging, given that foundations lack the capacity to replace government services effectively at scale, and it may also limit their scope to experiment with new solutions. As the philanthropist Fran Perrin, Founder of the Indigo Trust and Chair of 360Giving, observes, “philanthropy should be about funding social innovation. That is a great role for philanthropy to play. One of the sadnesses recently is that more foundations are being sucked into service delivery because of government cuts which risks squeezing out innovation.”

This trend is concerning because foundations are in the unique position to not just fund innovation, but also to support minority issues and interests, contributing to a more pluralist society. At a time where the scale and numbers of environmental or public health crises is increasing, the pressure on foundations to supplement the role of the public sector in emergencies is rising. The 2016 water crisis in Flint, Michigan is an example. When large amount of lead leaked into the local drinking water system, and the city faced a very serious public health crisis, foundations and non-profits began to act as first responders, delivering bottled water and water filters to the residents.
Foundations also underwrote the cost of switching the water back to the original source and stepped in to provide long-term solutions to the nutritional and educational needs of Flint’s children.

Questions about how best to define the relationship between foundations and the public sector are just as relevant in places with a long history of philanthropy, like Europe or the US, as they are in emerging economies. In India, Argentina, Columbia, Nigeria and the UAE, for example, over 60 per cent of foundations report partnering with government, and a Hauser Institute survey of 541 foundations in ten countries and in Hong Kong found that 52 per cent of respondents align their activities directly with government priorities. Depending on local context, foundations need to find distinctive ways to add value to the work of government.

Historically, the role of foundations was to fund pilot programmes, evaluate the results, and then get government to scale up successful interventions. Foundations today need to recognise that what is missing in public service at the moment is not a lack of good ideas – what is missing are solutions that can be implemented at scale and at a price point that is acceptable to government.

Denis Mizne, CEO Lemann Foundation

In focus: The Lien Foundation (Singapore)

The Lien Foundation is a philanthropic organisation that seeks to inspire social change and improve the lives of seniors, children with special needs, and those who are born into low-income homes. The Lien Foundation prides itself on a ‘radical approach’ to philanthropy and seeks to pioneer and propagate solutions that attempt to tackle the root problems of social challenges in Singapore and elsewhere in Asia.

“We believe in creating a democracy of deeds – where actions speak for themselves – and hope the solutions we pioneer can be mainstreamed by the government, community and companies alike,” says Lee Poh Wah, CEO of the Lien Foundation. The Mission: I’mPossible initiative, for example, was the first intervention of its kind to screen, flag and address the needs of children with developmental needs in Singapore’s preschools. It has since been scaled by the government from 25 to 700 preschools. Another example is the foundation’s ECHO Framework, an early intervention service framework for children with special needs, which encourages them to practise and improve their functional skills. The programme, initially piloted by the Lien Foundation in four early intervention centres, is now being scaled up by the Singaporean government and will be introduced in all early intervention centres island-wide.

Governments have their own limitations, concerns and funding priorities, so large-scale mainstreaming by the state is not our only goal. We also work with private, grassroots and community organisations to do ground-up scaling of programmes which we believe are necessary, even if they are yet to attract government interest,” says Lee Poh Wah. Gym Tonic – a customised strength training programme for seniors – is an example of this. The foundation funded 29 gyms in care and community facilities for seniors and hopes to reach 50 locations over the next few years. The facilities are co-funded, and partner organisations are shouldering the operational costs themselves. “This is an example of how philanthropy is essential in areas where there is no sustainable business model,” comments Lee Poh Wah.
Who else is using this approach?

Atlantic Philanthropies (Ireland) – The partnership between Atlantic Philanthropies, the Department of Health Ireland, and Irish non-profit Genio to provide dementia, mental health and disability services is another example of how philanthropic funding – combined with the knowledge and experience of a third sector organisation – can complement the role of the public sector. Partly as a result of austerity measures, government budgets for the provision of social services in Ireland have been extremely tight. The Irish government recognises that personalised, targeted social services can achieve better outcomes than standardised, ‘one-size-fits-all’ approaches. However, it was unable to transform services because the limited available funding was locked into existing service provision, leaving no resources for innovation.

The Genio model promotes social service transformation in three stages from ‘early innovation’ through ‘scaling innovation’ to ‘system-wide change’. Philanthropic capital is the primary funder of the high-risk ‘early innovation’ stage, taking on risks that government cannot absorb. At the last stage, when the risk is lowest, public funding is used to roll out innovative interventions that have been tested and shown to be impactful. Private and philanthropic funding continues to support innovation and consumer demand for better goods and services. 37

Where is this going?

Foundations will need an increasingly sophisticated model to define their relationship with the public sector. This need not be a binary choice between ‘replacing’ and ‘adding to’ the work of central and local government. Rather, foundations will need to cycle in and out of different modes over time, in response to the strengths and weaknesses of the respective partners.

Partnerships with the public sector are now more likely to include a third actor – the private sector. The UK government’s Inclusive Economy Partnership (IEP) was one such experiment in rallying business and civil society around the shared challenges of financial inclusion and capability, mental health at work, and transition to work for young people. Between August 2017 and September 2018, Nesta ran the ‘IEP Accelerator’, which helped grant-winners to work together with business, civil society and government to promote social innovation. 38  Looking ahead, the holy grail will be to mobilise successfully the resources and strengths of all three sectors around shared social goals – this is where foundations could be poised to play an increasingly vital convening role. 39

Meanwhile, in the context of growing political polarisation, working more closely with the government is, of course, not the only choice for foundations. The conflict between the Hungarian government and philanthropist George Soros’ Open Society Foundation (OSF) and the subsequent lawsuit filed by the OSF against the Hungarian government in the European Court of Human Rights is a high-profile example of a foundation taking a stance against a nationalist regime. Particularly in countries where nationalism and populism are on the rise, foundations will have to decide to what extent they wish to challenge government. “Foundations can also work as a bulwark against populism. They stand outside of political and market cycles, they have the power to lead a resistance,” says Rhodri Davies from the Charities Aid Foundation.
Addressing the power imbalance

What’s the approach?

The power dynamics associated with philanthropy are increasingly coming under the microscope. This applies to the design of internal governance and management structures as well as the dynamics of external relationships with grantees and beneficiaries. Many foundations are now looking for more equitable, distributed working models, so that they can avoid perpetuating the inequalities and power imbalances they aim to disrupt.

The debate around ‘sharing power’ is closely linked to the concern that decisions in philanthropy are made too far away from those who are ultimately affected by them, and that decision-making is too often the preserve of people who are too white, too male, or too influenced by their shared professional backgrounds to have the required deep understanding of beneficiary needs. Efforts are already being made to bridge the gap between professional and lived experience and many foundations are committed to reviewing their diversity, equity and inclusion initiatives. However, it is not just the lack of diversity across staff levels that is problematic; foundations often also have hierachical power structures in which a small group of people at the top of a foundation woul[d] significant power with little or no external challenge. As Fozia Irfan, CEO of Bedfordshire and Luton Community Foundation observes: “The homogeneity of the people in the sector and critically those with decision-making power, is striking and this factor cannot be discounted when analysing why change is so difficult.”

In the UK, Lankelly Chase has been at the forefront of questioning its own governance structures as well as its relationships with grantees. Its CEO, Julian Corner, has said that “we now view our position as fundamentally paradoxical, given that we are seeking to tackle inequality by holding accumulated wealth.” As a result of this view, Lankelly Chase has described efforts “to model the behaviours of healthier systems, including delegated decision-making, mutual accountability, trust-based relationships, promoting equality of voice. By aiming for congruence between means and ends, we and our peers contend that effective practice and ethical practice become the same.”

I assume we’ll be seeing more and more pressure around Boards being more representative of society. Right now we have around 10,000 registered foundations in Canada and probably a minority of them would be representative of the diversity of the Canadian population.

Tim Draimin, McConnell Foundation

This is difficult territory for foundations, and only a handful appear to be experimenting with approaches such as decentralised decision-making. “We don’t see much use of a more bottom-up model for philanthropy in Brazil yet. In most foundations, the board sets the priorities and senior management executes them. However, in the future, I do believe we will see a shift towards more structures with flatter hierarchies. Foundations need to move from being big and slow-moving dinosaurs to being smaller and more flexible,” says Pedro Villares, Director and President of Marae Brazil.
Another dimension of this broader movement to decentralise power is an upsurge in efforts to share decision-making with grantees and beneficiaries. Relinquishing control can take different forms, from a more flexible design of grants and attached reporting conditions – e.g. via unrestricted funding – through to engaging beneficiaries in grant decision-making. The empowerment of beneficiaries and grantees can disrupt traditional hierarchies.

Such approaches have the potential to address concerns of legitimacy, because they improve the transparency of decision-making processes and address the criticism of philanthropy being too dominated by a handful of powerful people. At the same time, they can also improve the effectiveness of programmes: initiatives shaped by grantees and beneficiaries ultimately benefit from a deeper understanding of root causes and local needs.

Meanwhile, unrestricted funding, or access to core funding allows grantees to decide independently how best to spend the grants they receive. While still relatively rare, a 2018 global OECD survey of foundations found that 35 per cent of foundations have started to make some form of unrestricted funding available. Participatory grantmaking cedes decisions to the communities that the funding aims to serve. This approach to decision-making is one way of leveraging the knowledge of grantees and beneficiaries, building their capacity to become agents of change in their communities rather than being passive recipients of aid.

In focus: FundAction (Europe)

FundAction combines both these approaches. It is a participatory grantmaking organisation, born out of conversations in 2017 between activists and four foundations (the Open Society Initiative for Europe, the European Cultural Foundation, the Charles Leopold Mayer Foundation and the Guerrilla Foundation.) FundAction seeks to "strengthen collaboration and mutual support among European activists and build the capacity of activists and the social movements they work with."

At the heart of FundAction is a digital assembly – an online platform powered by Decidim, a software programme initially designed to facilitate participatory democracy in Spain – which allows groups to discuss proposals and make decisions. By facilitating swift decision-making, the digital assembly gives FundAction the flexibility to react nimbly to ‘hot issues’ where activists are in need of urgent funding, often to support core costs or grassroots activities.

FundAction has 250 members spanning 27 countries across Europe. Although it has one in-person annual assembly, everything else is decided through comments, votes and different decision-making processes on the online platform, with engagement rates between 20 and 30 per cent. Crucially, the foundations that finance FundAction have no voting power. The organisation sees this as vital for shifting power dynamics in the sector. As a result of being entirely activist-led, FundAction believes its proposal applications and reporting systems are more accessible and that they are able to fund grassroots organisations that would otherwise be ignored.

Iva Čukić, coordinator and a member of FundAction says: “the idea is to support grassroots and informal groups which are not necessarily familiar with typical NGO vocabulary. The applications as well as reporting requirements for grantees are very simple, and if members have difficulties to write a proposal or to write in English, the Facilitation Group or other members are able to help.”
Who else is using this approach?

**DEI Coalition (UK)** - 13 charitable foundations in the UK have formed a coalition with the aim of tackling issues of diversity, equity and inclusion (DEI) within the foundation sector. The coalition aims to “address many of the systemic inequalities which currently exist in the way foundations operate.” The DEI coalition “will provide a forum for the implementation of frameworks, processes and procedures within foundations and is focused on building a body of practice for themselves and others in the UK sector to learn from.” The coalition will begin its meetings in January 2020 and aims to provide a space for foundations to share best practice. Each of the 13 foundations have stated that they will prioritise this work, and have committed to working on the initiative for at least three years. The coalition aims to move “from merely talking about the issues to wanting to take practical action and set change in motion.”

**Disability Rights Fund (Global)** – As a grantmaking collaborative, the foundation includes people with disabilities on its board, grantmaking committee, global advisory panel and staff. By working closely with its beneficiaries, the foundation seeks to ensure that any programme or project is centred on their needs, equipping the community in the long-term with the necessary leadership skills that are required to build their own human rights movements.

**Laidlaw Foundation (Canada)** – All direct funding decisions for the foundation are delegated to committees comprised of volunteer advisors who have experience in the youth sector and/or are young people. The foundation’s commitment to listening to grantees is further demonstrated by a recent initiative launched in partnership with the Lawson Foundation and the Counselling Foundation of Canada, which aimed to “demonstrate transparency, foster learning, and strengthen collaboration by collecting and analysing feedback from grant recipients.”

**Esmée Fairbairn Foundation (UK)** – In 2019, the foundation reported that 64 per cent of active grants (£92.7m) offer core or unrestricted support. Esmée Fairbairn’s in-depth research on the subject shows that while unrestricted and restricted grants remain equally effective, in the long run unrestricted grants help their recipients evolve and improve their work and take more risks, and leave them more time to raise additional money for their programmes.
Where is this going?

Despite the increasing degree of attention that these practices are receiving, they are still being trialled only in the minority of foundations. As with the long running debate about improving diversity on foundations’ boards, a host of barriers stand in the way of foundations sharing power. Some factors are cultural – many foundations have been in operation for more than a hundred years, and legacy behaviours are hard to shift. Some are operational – unrestricted grantmaking means accepting a higher degree of risk with respect to how funds are used. Others are related to practice, in that implementing these approaches requires different skillsets and tools. They also require funders and grantees to adopt a different mindset that is based on trust and openness, something that can take many years to cultivate.

While cultural change is slow to take effect, technology offers ways to overcome some of the more practical barriers that impede models of more inclusive or participatory decision-making. FundAction’s digital assembly already shows how decisions can be coordinated effectively across many different countries with 250 activists, many speaking different languages and with different areas of interest. Similarly, AI-driven tools like Polis, which are currently being used by cities for participatory budgeting and democracy, can also be harnessed by foundations to create open processes whereby the public can comment on and rank potential grant recipients.50

I am increasingly advocating for UK foundations to urgently implement Diversity, Equity and Inclusion frameworks as a tool for catalysing change. These have been shown to be effective in shining a spotlight on foundations’ own demographics, processes and practices. They set out a systematic method of collating and analysing data in grantmaking operations and funding decisions as a basis for taking the necessary reparative action.

Fozia Irfan, CEO of Bedfordshire and Luton Community Foundation
II. How are foundations enhancing their impact?

Collaborating for impact

What’s the approach?

In the main, grantmaking is short-term (with grants being one to two years in duration), tightly restricted in terms of how money is spent, and fragmented, with many funders imposing their own requirements. Collaborative projects that bring different philanthropists together remain a reasonably rare phenomenon. Yet, against a backdrop of global challenges which demand responses on a scale that eclipses existing funding models, collaborations and the concept of ‘big bets’ are gaining traction. Foundations are experimenting with new types of collaborations, but often struggle to find programme partners or initiatives that are fully aligned with their mission. In response, a growing number of aggregators are emerging who pool funds, identify projects and manage risks for participating donors.

It is, however, not just among funders that collaboration is becoming increasingly important: foundations are also investing more time and resources into building collaborative relationships with grantees. This can mean relinquishing control, acknowledging that combining the collective strengths of funding partners and the expertise of grantees on the ground is more important than a single foundation or philanthropist having brand ‘ownership’.

In focus: Co-Impact (Global)

Co-Impact brings together leaders looking to solve social issues at scale with philanthropists who are interested in providing the right type and amount of capital. Co-Impact grants share three characteristics: they are big – typically US$10-25 million over five years; they are collaborative and cross-sectoral – designed and executed with partners from government, NGOs, community groups and the private sector; and they are combined with non-financial support.

Co-Impact’s collaborative model aims to unlock more big bets for greater change. As Silvia Bastante de Unverhau, Co-Impact’s Chief Philanthropy Officer puts it, “very few philanthropists are willing to give a US$25 million grant to an organisation or a coalition but we, as a collaborative, can.” Co-Impact does not simply find the right fundable opportunities, they also foster strong relationships and deeper partnership between philanthropists. “Collaboration is tough,” Silvia Bastante de Unverhau acknowledges. “To collaborate with others you have to be willing to give up some control, which is not always easy for successful businessmen and women who tend to be the philanthropists of today.” Co-Impact characterises its partners as “a group of people who are willing to put ego aside and are open to learning.”
Who else is using this approach?

**Blue Meridian Partners (US)** – One of the most ambitious new big bet partnerships is Blue Meridian Partners, which spun out of the Edna McConnell Clark Foundation in 2015. Seeking to address structural disadvantage and the poverty of children and young people, Blue Meridian Partners is a ‘catalyst philanthropist,’ pooling intellectual and financial resources from six key partners. The foundation is committed to investing at least US$1 billion in high-performing US non-profits, providing flexible, unrestricted and long-term (five-to-ten years) grants of US$100 million or more. The decision to provide unrestricted funding is driven by the recognition that “funders typically provide non-profit leaders with less money than they need in order to achieve results – often hardly enough to meet payroll, much less to support learning, improvement, and growth,” says Nancy Roob, CEO of the initiative.53

**Wellcome Trust (UK)** – The Wellcome Trust recently launched a £250 million fund to place big bets on four to six ambitious research programmes to “deliver breakthroughs that could fundamentally change science and transform human health over five-to-ten years.”54 Wellcome acknowledges the fact that the high-risk nature of this funding approach means that not all their goals will be achieved, but “we accept and embrace that, as we know that failure is an inherent part of innovation.”55

Where is this going?

In response to the growing appetite to work collaboratively, a number of aggregator intermediaries like Co-Impact have emerged. Aggregators are helping overcome the common barriers associated with funding the right partners and opportunities. They manage risk by pulling together diverse funders, conducting extensive searches for organisations capable of using large gifts effectively, working out how deals might be structured, and creating impact measurement frameworks. While this is largely a US phenomenon for now, similar aggregators seem likely to emerge in other parts of the world.56 They are also increasingly gaining importance in the impact investment market where organisation’s like the Calvert Foundation’s Community Investment Note offer off-the-shelf investment opportunities for philanthropic funders and impact-investors alike.57

There is a strong movement towards more collaboration in Brazil at the moment. Different actors unite behind a single cause and advocate for change together. This increased collaboration is driven by the recognition that relevant causes demand coordinated action, that resources are scarce and that cooperation – rather than competition – can lead to greater impact.

Alice Ribeiro, Executive Secretary, Movimento pela Base Nacional Comum

However, in order for collaboration to become even more common and effective among foundations, greater numbers of philanthropists and foundations will need to become more comfortable with relinquishing control, placing more trust in grantees and working with other philanthropists in the pursuit of common objectives. Many will be watching closely to gauge the impact of the current ‘wave’ of big bets before they are willing to take the leap themselves.
Adopting private sector approaches

What’s the approach?

The rise of ‘social entrepreneurship’ and the belief that the pursuit of profit can go hand in hand with social impact has shaped the worldview of millennials and Generation X. Unlike previous generations of philanthropists, these generations tend to see less of a distinction between the practices of philanthropy and of business. This shift in attitude is reinforced by the mounting influence of philanthropists who accumulated wealth at a young age and often through careers in tech. David Callahan, founder of Inside Philanthropy, says that unlike philanthropists who inherited their wealth, these philanthropists give larger amounts of money away more quickly and with bolder ambitions: “They are not saving their money for a rainy day. They want to have impact now [and apply] a problem-solving mentality rather than a stewardship mentality.”

The influence of these is partly fuelled by the next generation of technology billionaires – who are only likely to become more influential – at the helm of many of the large new ‘mega foundations’ across the world. A number of these ‘mega foundations’, most notably in the US, are being run along similar principles to tech companies. They are comfortable with risk and impatient for swift, high impact solutions for social change that align with their experience in business. Their leaders are exploring the common ground between the private and philanthropic sectors by introducing new ways of working, such as mergers and acquisitions or layered financing.

In focus: Chan Zuckerberg Initiative (US)

The Chan Zuckerberg Initiative (CZI) is one of the most prominent examples of a foundation with parallels to innovative tech companies. CZI focuses on a set of ambitious goals across three core areas, “to help cure, manage, or prevent all disease by the year 2100” being one example. Unlike other, more traditional philanthropic models, CZI does not have a long-term grantmaking or programmatic strategy that describes how it works to achieve this goal. Rather, teams experiment continuously with any valid practice or method in pursuit of the goals, many of them being directly borrowed from the private sector. The acquisition of for-profit enterprises and adaptation of their business models towards a social end is one example of this in practice. In 2017, CZI purchased the startup, Meta, which had developed AI software to help scientists navigate, read and prioritise academic papers.

CZI’s hypothesis was that through Meta’s service, it could enable scientists to locate valuable research hidden in obscure scientific journals, thus dramatically speeding up the process of scientific innovation. Instead of attempting to build something new, CZI saw the advantage of buying a company that had already established itself as a leader in the aggregation of research, and distributing its tool for free. This approach is particularly compatible with the principles of social enterprise, where the desire to create sustainable revenue streams can limit the potential for impact, and vice versa.

It has been argued that this new way of working has created a need for different legal structures. While the setup of CZI as a limited liability company (LLC) has often been criticised from the perspective of transparency, there is a counter-argument that such structures give foundations greater flexibility to create social impact. Pam Omidyar from the Omidyar Network, which is also set up as an LLC, has said that in using an LLC, “you have the ability to act and react as nimbly as need be to create change. The reality is,” she continues, “we are now seeing a blurring of lines between sectors in a way that was not even discussed ten years ago.”
While the rise of the LLC is very much a US-based trend, this ‘blurring of lines’ between the private and philanthropic sectors is seen across the world. In fact, corporations are increasingly aligning their philanthropic activities with their core business. Microsoft’s Corporate Social Responsibility initiatives, for example, highlight that ‘corporate philanthropy’ does not necessarily need its own, separate foundation. Microsoft committed $125 million over five years to using artificial intelligence to tackle some of society’s biggest challenges and another $500 million in loans and grants to accelerate the construction of more affordable housing in the Puget Sound region in the United States.60 A global report on corporate foundations, published by UK consultancy Corporate Citizenship in 2017 showed that 76 per cent of corporate foundations were aligning their giving with the business strategy of the founding company, as opposed to only 58 per cent who did so in 2013.61 Similarly, the report noted that 71 per cent of corporate foundations are also leveraging the use of networks and contacts created by the parent company.

The impact of the corporate sector on philanthropy is further reflected in the growth of the impact investment market in general, and layered financing in particular. In layered financing, foundations often provide the first layer of funding, with social investment providing the next, and in some cases more traditional investors providing an additional layer on top of that. At each layer, the level of risk decreases and the level of returns increases. By taking on the highest levels of risk and seeking the lowest returns, foundations are able to use the layered financing approach to leverage large amounts of additional capital to support social objectives that would otherwise struggle to raise external capital.62 Social Ventures Australia (SVA), a leading non-profit impact investor, is one organisation making use of this model. In SVA’s Diversified Impact Fund, 11 foundations have come together to provide investors (both institutional and individual) with a no-cost 20 per cent downside protection on their investments.

**Who else is using this approach?**

**GoodStart (Australia)** – In 2008 Australia’s largest provider of childcare, ABC Learning, went into administration and its childcare centres were put up for sale. Seeing the opportunity, four foundations – the Benevolent Society, Mission Australia, the Brotherhood of St Laurence, and Social Ventures Australia – came together in a consortium to rescue the business and turn it into a social enterprise. They raised finance from a range of partners, such as the National Australia Bank, the Australian government, which provided A$15 million, and 41 social investors, including both individuals and foundations. In all, the consortium was able to secure A$95 million to purchase 678 child centres, and A$70 million to fund ongoing operations.63

**Nesta (UK)** – In July 2015, Nesta launched the £7m Arts Impact Fund which offers unsecured, repayable finance to organisations in the arts and cultural sector. As a partnership between the Arts Council England, Esmée Fairbairn, the Calouste Gulbenkian Foundation (UK Branch), Nesta, and Bank of America Merrill Lynch, the fund blends public, philanthropic and private money, enabling non-commercial funds to subsidise the returns expected in the commercial sector. While this type of funding is already more established in the US – in part because of the Community Development Financial Institutions64 – the concept of repayable finance is still relatively new to the non-profit sector in the UK. In the long-term, it seeks to reduce the reliance on grant funding in the non-profit sector, and also raise the risk attitude of funders.
**Where is this going?**

The influence of the private sector is changing philanthropy. New tools and methods have opened up new ways for foundations to achieve impact. However, many commentators are critical of the blurring of lines between the private and philanthropic sectors. Should foundations’ tax-free funds really be used to provide downside protection for private investors? Is it problematic that corporations are donating consumers’ data to academics? To what extent are specific corporate practices (e.g. zero hours contracts, unfair pay or lack of insurance benefits) responsible for the social problems that foundations are seeking to ameliorate?

Despite these concerns, business practices seem set to continue reshaping the way foundations operate and behave. Partly this is a product of demographic and geographic shifts in relation to the profile of philanthropists. For example, explosive growth in the tech sector has caused the average age of the ‘ultra-rich’ to fall in some countries. In the US, the average age of individuals with a net worth of US$25 million or more is 47, 11 years less than the average age found by the same survey five years ago. 65

This trend is even more pronounced in emerging economies like China. In 2017, the average age of those entering the billionaire bracket is 55 – six years below than the US average and seven years below the European average. 66 It is reasonable to assume that as the average age of the world’s ultra-rich falls, the more likely these individuals will be to engage actively in philanthropy earlier on in life – often while they continue to run companies. It seems highly likely that the practices and values of corporate life will continue to influence philanthropic behaviour.

Similarly, despite the numbers of foundations using social investment mechanisms remaining relatively small for now (less than 4 per cent of 2,833 foundations across 14 countries surveyed by the Hauser Institute67), younger generations are demonstrating a desire to engage with impact investment. While only 30 per cent of affluent donors from the baby boomer generation have made an impact investment, a recent study by Fidelity Charitable showed that 77 per cent of affluent millennials and 72 per cent of Generation X investors have already done so. 68 Women also appear to be more likely to participate in impact investing. In a recent global survey by Morgan Stanley, 84 per cent of women said they were interested in ‘sustainable investing,’ compared to just 67 per cent of men. 69 As philanthropic wealth continues to transfer to women and younger generations, the trend towards foundations using social investment (along with approaches such as layered financing) is only likely to accelerate.
‘Systems change’: moving from rhetoric to action

What’s the approach?

Growing numbers of foundations are taking a ‘systems’ approach to impact. While systems change thinking is far from a recent invention, it has experienced something of a renaissance in recent years. This is closely related to the nature of the long-term problems faced by many societies – climate change, disruptions associated with the ‘fourth industrial revolution’, a loss of trust in democratic institutions, and demographic pressures to name a few. The complexity and unpredictability of these trends make it challenging for any single organisation to act in isolation within a wider system which is in state of flux.

The premise of systems thinking is that systems are complex environments of tangible components, such as people, resources, policies and services, and less tangible ones, such as relationships, routines, values and perceptions. These different components are all connected – with varying kinds of cause and effect relationships. Most social challenges, from homelessness to education and obesity, are part of complex systems and are associated with underlying intractable (or ‘wicked’) problems. Therefore, any meaningful attempt to address them must involve different actors in a system working together in a way that is sensitive to the intangible as well as the tangible components. A true systems change initiative must attend to existing relationships, values and routines, while respecting the boundaries of the system.

It has been argued that foundations are particularly well placed to undertake systems change work. Not only does their freedom and independence allow them to make choices about entering and exiting systems at various points over time, they can also – in the words of Julian Corner, CEO of the Lankelly Chase Foundation – “adopt many different modes of working in a system, such as fostering innovation and disruption, building consensus, amplifying unheard voices, creating institutions, growing grassroots, investing capital, reframing arguments.”

Whilst foundations might be particularly well placed to use this model, adopting a systemic approach to social challenges is not easy. It requires in-depth and on-the-ground research to map the root causes of a problem, it relies on the support and buy-in from multiple actors and their willingness to invest time and resources in a cross-sectoral collaboration. Furthermore, because distributed leadership has emerged as a key principle for systems change work, it is also likely to challenge traditional leadership models within the foundation sector. Tim Draimin, a Senior Advisor to the McConnell Foundation, highlighted the sophistication cross-disciplinary nature of this kind of activity: “Really successful programme initiatives are those that build ecosystems around a challenge. They focus on building resilience and creative capabilities that can address the challenges of navigating complex systems. It's not just one intervention, or one outcome, it really is an integrated collaboration across sectors.”
In focus: Dasra (India)

Dasra, an Indian foundation, pioneered the concept of high-net-worth giving circles, where groups of up to ten philanthropists got together with a view to scale specific NGOs with exceptional potential. Realising that scaling individual NGOs alone was not enough to create widespread impact, in recent years Dasra has evolved this concept to bring together larger pools of funders to tackle entire systems. While these programmes are larger in scale and focus on ten-year time horizons, rather than the original three-to-five years, the core components of Dasra’s collaborative funding model have remained the same. This is what Dasra calls its ‘field approach’, which considers “all the stakeholders, identifies multiple areas of action, and coordinates them towards a specific goal.”

This approach is exemplified in its 10to19 programme, which focuses on transforming health and wellbeing indicators for marginalised adolescents throughout India. The collaborative model integrates stakeholders across sectors – including funders, non-profits, technical experts, and the government, using an approach which encompasses health, education, employability and agency. The ‘collaborative’ involves more than 60 adolescent-focused organisations, and partners closely with the government by participating in policy-level discussions.

In the view of Dasra’s cofounder Deval Sanghavi, many systems change efforts falter because foundations focus “more on expenditure items in a proposal, rather than giving NGOs the flexibility to do whatever it takes to achieve long-term outcomes on the ground.” Dasra sees itself playing a key role in mobilising an ecosystem of organisations around a clearly defined set of outcomes, connecting partners through data, and engaging heavily with government and the media.

Who else is using this approach?

Robert Wood Johnson (US) – From 1991 to 2009, the foundation invested close to US$700 million in helping habitual users of tobacco to quit, and preventing tobacco uptake (particularly among children), resulting in at least 5.3 million fewer people smoking in 2010. In a classic example of what Dasra calls the field approach, the foundation worked alongside researchers, philanthropists, NGOs and federal agencies, funding policy research and advocacy and creating national campaigns in partnership with the Annie E. Casey Foundation, the American Chemical Society (ACS), and the American Health Association.

Paul Ramsay Foundation (Australia) – Since the death of its founder, Paul Ramsay in 2014, the Foundation has set out to make deeper systemic change, beyond funding specific programmes: “We wanted to avoid having to fund things over and over again, and avoid funding in government territory. We’re keen to find those points in the system to leverage opportunities and make sure that change will be sustained without us in the long-term,” says Jo Taylor, Chief Capability Officer at the Foundation. In practice, this means that the Foundation has increasingly worked with its partners using a systemic approach, recognising the interconnectedness of health and education and their collective impact on disadvantage. Another difference is in the approach to timescales: recognising how long it takes to effect change, the Foundation classifies ‘short-term funding’ as that which is provided over five years, and is looking to work in areas or on issues for five to ten years under its new strategy.
One of the Foundation’s first investments was A$14.7m to trial an innovative approach to suicide prevention in Australia. At the time of investment, there was an evidence-base around strategies which can prevent suicide, yet, aside from some smaller European trials, very little had been done in evaluating the impact of coordinating those strategies at scale. Through its NHMRC Centre of Research Excellence in Suicide Prevention, the Australian-based Black Dog Institute developed LifeSpan, a model for implementation of nine evidence-based suicide prevention strategies. Data-driven and community-led, it entails the coordination and leveraging of local organisations, health systems and networks within a region. The Foundation’s support enabled the implementation and evaluation of LifeSpan in four regions of New South Wales, Australia. The model quickly gained broader interest, attracting state and federal government funding, to roll-out suicide prevention programs based on LifeSpan in a further 25 regions nationally. “This first investment allowed us to see both the impact on the sector as a result of forward-thinking, innovative funding, as well as how our funding could catalyse further support from state and federal governments.”

**Where is this going?**

The current disconnect between the rhetoric on systems change, and the spread of applied practice, can be partly explained by the inherent complexity of systems change and the difficulty of identifying the most effective projects or initiatives to support. Another challenge that foundations will have to grapple with is the question of how to measure impact in systems. Particularly at a time when their impact and effectiveness is being questioned, foundations working in these ways need to find a sophisticated way to capture their contribution to large-scale systems change, without over-claiming.

There is a fundamental tension between delivering systems change work and “wanting to be able to control, predict and take credit for impact.” A systems approach can undermine the use of outcome-led measures alone. An alternative might be to focus on the effectiveness of the system itself, focusing on metrics such as “the amount of information exchanged, the frequency of professionals calling each other to talk about an individual [or] the percentage of paperwork reduced.”

**Systems change is not new to philanthropy in Russia.** I will give you one example. We have a large number of old people living in remote areas, who were previously supported by a very small number of spot interventions of some charities and foundations. Today, these formerly separate projects have grown into more joined-up interventions, as foundations and charities started working together across a bigger portfolio of activities, seeking to influence policymakers and building strategic alliances with other players in the field. This joint approach led to the adoption of the government’s ‘Strategy in the Interests of Elderly People and Strategy for Palliative Care’ – the first time in the history of modern Russia.

Maria Chertok, CEO Charities Aid Foundation Russia

---

35
Leveraging digital and data analytics

What’s the approach?

The use of predictive algorithms, machine learning, and live data analytics present new opportunities for foundations. One application is the use of data and digital to improve internal processes and programme management. These benefits apply at the level of a specific foundation’s operations, for example in relation to codifying grant data or impact metrics, but also at the scale of the sector as a whole. With respect to the latter, the US-based Foundation Center uses algorithms to scrape information from 35 sources, such as direct reports of grants by foundations, Internal Revenue Service information returns, or foundations’ websites. The data is then coded and standardised using a supervised machine learning model. To publish and share this data, the Foundation Center offers customised data visualisation platforms as well as application programming interfaces that allow foundations to link their internal systems to the Foundation Center’s database.

The second application of data and digital is directly linked to programme delivery: from live data analytics, predictive algorithms and cloud technology to the donation of data or direct funding of tech or data initiatives, foundations are experimenting with a variety of different methods to use data and digital to design more effective interventions.

Despite a growing range of applications, the sector has been slow to harness the potential. One possible inhibitor of a greater internal use of data and digital may be the challenge of using standardised data that can be shared and compared across organisations. Experimentation in operational practices – and the funding of tech programmes themselves – might also be impeded by an underlying risk-aversion when it comes to new technologies.

In focus: Child in Need Institute (India)

Some foundations have been able to apply real-time monitoring to live feeds of information from multiple sources. This allows decisions to be made with the most up-to-date information, rather than based on data which is months or even years old.

In conjunction with Accenture Labs, India’s Child in Need Institute (CINI) developed a digital solution called Girl Power, which uses data to inform the design of interventions to protect vulnerable adolescent girls. This solution enabled community facilitators to register beneficiaries through a mobile device, recording data on health, nutrition, protection, and education. This data is transferred to centralised servers using cloud-based technology, and processed and analysed in real time, tracking changes in the girl’s circumstances and triggering alerts when an intervention is required.

“The technology helps us identify the most vulnerable girls in minutes,” says Indrani Bhattacharya, CINI’s assistant director. These live data analytics help CINI to intervene before situations deteriorate further, and is estimated to have saved more than 200 girls in one year from trafficking and child abuse.
In focus: Mastercard Centre for Inclusive Growth (Canada)

As corporates are increasingly becoming more interested in philanthropy, many have started looking beyond financial contributions to examine what they can offer social change organisations. This has given rise to a growing focus on a different resource – data.

The Mastercard Centre for Inclusive Growth, a subsidiary of Mastercard, donates anonymised consumer data to academics to enable them to gain socially beneficial insights. This includes donating data to Harvard researchers to explore "new frontiers of inclusive growth – from the impact of tourism on emerging economies to the role of knowledge exchange between countries." Mastercard also produces its own reports, such as Donation Insights, research which leverages Mastercard’s "anonymised and aggregated transaction data to learn more about the trends in philanthropic donations, such as when donations increase or what types of organizations benefit." These insights are designed to help organisations become more effective in their approach to fundraising.

In January 2019, Mastercard extended its commitment in this field, partnering with the Rockefeller Foundation to announce a five-year US$50 million commitment to support socially-focused data science initiatives, which "help leaders uncover new insights and trends from their data and build more impactful programmes for the communities they serve."

Who else is using this approach?

The National Lottery Community Fund (UK) – Launched in 2018, the National Lottery Community Fund’s new Digital Fund is UK-wide, providing £15 million of funding to charities and community organisations, helping them to become more resilient and responsive organisations. "The social sector in general needs to make some big leaps forward in how it understands digital, how it makes use of digital and the role of digital in more fundamental change. It’s really about strengthening the social sector, revisiting its purpose and raising its ambitions," says Cassie Robinson, the National Lottery Community Fund’s Head of Digital Grant Making. The fund seeks to help raise awareness and ambition around digital within the sector, and has intentionally been set up as a short-term fund, given that ultimately "digital shouldn’t be a separate fund, it should be part of all of the funding streams."

Medway Trust (UK) – Predictive algorithms can help improve human decision-making about programmes by quickly mining large amounts of data from similar cases and issues, and providing recommendations based on predicted outcomes. The Medway Trust has been able to leverage predictive algorithms by combining text-mining and 30 partners’ databases to determine young people’s risk of becoming "not employed, in education, or in training." The system has led to a 250 per cent improvement in the accuracy of identification compared to the previous system of using manual searches.

Nike Foundation’s Girl Effect (Global) – The independent non-profit Girl Effect, initially set up by the Nike Foundation in 2004, operates internationally to support and empower girls. In many developing countries, data on girls and their educational and developmental needs is typically provided by the heads of households, who tend to be men. So, the foundation decided to use technology to develop an alternative research method to close the ‘gender data gap’. TEGA (Technology Enabled Girl Ambassadors), an initiative now live in seven countries (the US, Rwanda, Nigeria, Ethiopia, Malawi, India and Bangladesh), illustrates how foundations can leverage technology, data, and cross-sectoral collaboration to give a voice to beneficiaries and develop a strong evidence base and deep understanding of local needs.
Where is this going?

We must be the forerunners for other sectors. Sometimes it’ll be easier and faster to test these technologies with philanthropy, where you can deal with uncertainty much easier than in usual business.

Pedro Villares, Director and President, Marae Brazil

While there is a growing range of foundations seeking to fund and deploy these new technologies, the sector as a whole has been slow to adopt them. One of the reasons for this lack of progress is that the skills required to work effectively with big data and machine learning are in short supply. Unless foundations are willing to invest in expensive efforts to recruit data scientists, this is unlikely to change any time soon.

Another barrier holding back foundations is the accessibility of valuable data sources. While there are a growing number of private sector organisations willing to donate data, it has a high market value, and there are significant costs associated with “developing partnerships and extracting, cleaning, sharing and processing data.” Data protection regulations, such as GDPR in the EU, add to the complexity and cost of handling data responsibly. This perhaps explains why projects in this field tend to be pilots or one-offs and rarely the sustained investments that are needed to deliver change over the long-term.

These barriers may well prove hard to overcome, but there are numerous opportunities for foundations to play an enhanced role in the future beyond simply funding digital programmes. They could leverage technology to reduce inherent human behavioural bias in grantmaking, and make access to funding more equitable. “Foundations could move away from the traditional written grant application – which favours those with highly educated backgrounds – to a system where a structured interview process run by chatbots converts speech to text,” suggests Rhodri Davies of the Charities Aid Foundation.

There is also scope for foundations to step in and use their convening power to build data partnerships between businesses and social sector organisations. They could help create new data sets, advocate for open data sources, and fund data scientist positions within social sector organisations that have a pressing need for them. Or, as Gerry Salole, CEO of the European Foundation Centre, points out, they could be custodians of data for the benefit of society: “At a time when the public is becoming increasingly alert to how their data is being used, foundations could be the place where we reposit public data. They could become data trusts – entities that protect the public good that is data.”

There is significant potential for applying AI in the context of philanthropic decision-making. However, data sets are one limiting factor. Whilst there might be sufficient data to describe social needs or problems, there is little reliable data to describe impact. An algorithm needs a goal but how do we describe the goal of philanthropy? How can we develop a value-neutral framework that is not biased towards large and well-known organisations?

Rhodri Davies, Charities Aid Foundation
Rethinking impact measurement

What’s the approach?

In recent years, there has been a global push in the foundation sector to improve impact measurement practices. This has been driven by internal factors, such as the need to justify spending decisions and provide impact reports to funders and boards, and external factors such as the rise of impact investing and the associated need for transferable impact metrics.

As impact measurement tools and practices have become more widespread, the limitations and potential pitfalls of this approach have also become apparent. Many of the impact goals that foundations seek to achieve have proved difficult to measure, and it is problematic to attribute impact or social change to a funded intervention alone. By focusing on what is measurable, many in the social sector have begun to argue that there is a risk that higher-value activities are de-prioritised simply because their outcomes are hard to measure.

Reflecting on government commissioners as well as philanthropists, Mary Kay Gugerty and Dean Karlan argue in a recent Stanford Social Innovation Review article that: “we need to consider not only when to measure impact, but when not to measure impact. Given all the benefits of impact measurement, it may seem irresponsible not to try to measure it. But there are situations in which an insistent focus on measuring impact can be counterproductive to collecting other important data.”

Much of the work which foundations invest in is unsuited to inflexible impact frameworks, for example a programme which is at a very early stage or in the cases of interventions where causality is hard to determine. Furthermore, mechanisms that link funding to the achievement of specific and predefined outcomes can set perverse incentives for grantees, significantly increase the data collection and administrative burden, and negatively affect the grantor-grantee relationship without improving impact.

Many philanthropists are aware of this challenge and are rethinking their approach to impact measurement. Increasingly, foundations are shifting the emphasis of impact measurement from evidencing outcomes in the short-term, to the pursuit of better long-term impact by developing a culture of shared learning. For many, the exploration of shared learning is a task that is not restricted to individual organisations. The Ontario Trillium Foundation, for example, has made investments in their MEL function with a view to “manage knowledge and mine insights for the field.” To achieve this, new roles and skill sets are required: the Ontario Trillium Foundation hired data scientists, business intelligence experts and knowledge translation specialists. However, the shift towards approaches of iterative and shared learning is not always easy as many funders will have to balance the demands of their Board to demonstrate programme effectiveness against the ambiguity of measuring outcomes in complex environments.
In focus: Engagement Migros (Switzerland)

Engagement Migros, an independent corporate fund of Swiss retailer Migros, sources and funds pioneering projects that have the potential to address social challenges in the areas of culture, sustainability, economics, and health in Switzerland. The fund has moved away from asking grantees to report on impact metrics, and instead has implemented a learning model centred on impact goals. This approach is driven primarily by the fund’s belief that solutions to complex social problems cannot be mapped out in advance: “finding a solution is 50 per cent strategy and 50 per cent opportunity – we want to make sure that our grantees are ready to drop their current approach and feel entirely free to adjust the way of going about it,” says Stefan Schöbi, Head of Engagement Migros.

This focus on creating impact also affects the way the fund thinks about how to measure it. Rather than investing in external evaluations of their projects, the foundation focuses on one single indicator: how many of the “progress markers that we agree with grantees are met, partially met and not met at all. As long as not all of them are met, it means we are on track. It means that the projects are learning, that the projects are using failure to adjust their approach. That is exactly what we want to see.”

Who else is using this approach?

The David and Lucile Packard Foundation (US) – Despite a general perception from staff and grantees that the foundation’s approach to monitoring, evaluation and learning (MEL) performed well in comparison with that of other funders, the foundation embarked on a two-year journey in 2017, seeking to move from ‘good to great’. According to the foundation, central to this undertaking was the need to address two questions: First, who is the core audience for MEL findings? Is it the leadership and the board or the programmes? Second, is MEL used to assess performance or is its primary focus to promote learning? The review of historic practices revealed that despite senior leadership’s efforts to emphasise that MEL is for programmes, reports and products were tailored for the benefit of senior leadership and the board, shifting the balance away from promoting learning towards perfecting results. To address this issue and improve learning, the foundation refreshed its principles for MEL, “elevating the role of grantee partners and the people we seek to help through our grantmaking.” In addition, they started to invest in building greater MEL capacity, for its own staff as well as for grantees: “We work to build monitoring, evaluation and learning capacity and design inclusive practices where Foundation staff, funders, and, in particular, our grantee partners and those being impacted by the work are engaged in the design, implementation, and reflection of our combined efforts.”
Where is this going?

Leading organisations such as the Global Impact Investment Network and the Global Reporting Initiative are already advocating a more flexible, nuanced approach to impact measurement. ‘Next generation’ models are likely to be successful by holistically blending impact metrics with broader performance data, as well as qualitative insights that support learning and improvement – rather than fixating on the pursuit of elusive ‘hard’ programmatic metrics alone.

A recent Deloitte report on impact measurement envisaged a future in which ‘continuous learning is a core management tool’ and foundations ‘stop giving grants and start funding experiments.’

Foundations will need to become far more comfortable sharing data, learning and knowledge openly with grantees and others, as well as placing greater emphasis on grantees’ feedback about what they need and what success looks like from their perspective. This shift will be reinforced if foundations continue to embark on more complex systems change work over longer time horizons. As Martin Stewart-Weeks of Public Purpose puts it, the fundamental questions for the sector are: “Can we align the timescale of systemic change to the timescale of the institutions through which we operate? And how do large foundations mediate the need for control and accountability without smothering the opportunity for creativity and true discovery with overengineered regimes of monitoring, evaluation and reporting?”

There has to be a practical and meaningful way of measuring progress and impact. We think it’s going to take us time to get there but we want to build on the work across education, health and early childhood development in particular and focus on the interlinking parts in this work. Quite practically this would mean that we’d move away from separate process evaluations and impact metrics for each strand of work towards a more holistic, issue-based view.

Jo Taylor, Paul Ramsay Foundation
Reimagining place-based approaches

What’s the approach?

In contrast to the upsurge in large-scale, global interventions, the sector is also seeing a revival in place-based grantmaking and investment. This is far from a new invention in philanthropy. In many ways, it can be seen as a return to the roots of philanthropic interventions in countries like the UK and the US, where the focus was often on responding to localised disadvantage in a given area by investing in the provision of health, education or employment opportunities.99

Today, the renewed focus on place-based approaches is often driven by the principle of developing localised solutions with local communities, rather than finding ‘scalable’ solutions to problems, which can be easily translated to different settings. As the academic Toby Lowe explains, the former approach has been shown to be a simplistic route to creating impact: “In complex contexts, old world ideas are less useful. In the old world, we told ourselves that social interventions were simple and linear in order to make them easier to manage... We told ourselves that we could learn ‘what works’, and then simply scale that up, and replicate it in other places.”100

The revival in place-based giving can be seen in two key trends: firstly, the strategies of larger foundations, which seek to deliver long-term change on their agenda (such as reducing unemployment) in microcosm within a particular local area; secondly, through the growth of community foundations and localised giving circles.

The US$100 million commitment by the Skillman Foundation to support six neighbourhoods in Detroit over a ten-year period from 2006 is an example of the former trend – where a major foundation changed its grantmaking strategy after four decades to focus on achieving greater impact locally.101 This trend towards addressing a specific social challenge in microcosm is not unique to philanthropy but also applies to the public sector more generally.102 It gained traction in the late 1990s and is often associated with new collaborations between philanthropy, community services and business, as exemplified by Harlem Children’s Zone in the US.103 For philanthropists, place-based giving is an opportunity to demonstrate deep commitment for a cause in a locality where they see the greatest potential for impact. They can play a central role in delivering visible impact by fostering local knowledge and building strong relationships within a community.

Meanwhile, Giving Circles are groups of individuals who come together to collectively donate money or provide unpaid time to support organisations of mutual interest. Beyond making small contributions of money go further, Giving Circles provide a structure which allows members to collaborate on researching potential causes to support.104 In the US alone, Giving Circles have tripled in number since 2007. This trend is also seen in the UK and Ireland, where a 2015 study identified 80 Giving Circles in operation, including a number of variants not seen in the US. These included 16 ‘live crowdfunding groups’ where preselected charities pitch to an invited audience of potential donors.
Similar growth has been documented in Asia, where the number of Giving Circles has almost doubled since 2014,\textsuperscript{105} and in Russia, where – according to Maria Chertok, Director of the Charities Aid Foundation Russia – “community foundations have been growing for the last 20 years, particularly in non-industrial and rural areas.” The popularity of community foundations and giving circles is often associated with higher levels of political engagement and grassroots movements. In Russia, for example, Maria Chertok explains that: “some of the small towns and villages are in a depressed state and people simply get tired of waiting for the government to look after them. Community foundations allow them to build the life they want to live; they help to accumulate resources, but even more importantly, they bring people together and encourage them to decide about the change they want to see in their community. There is no doubt that they have become leaders in promoting social and economic development in local communities.”

One benefit of taking a place-based approach is the scope to give greater control to beneficiaries, and to the local community more broadly. Shorter accountability loops, often incorporating local democratic or participatory mechanisms, can mean that the legitimacy and accountability challenges discussed earlier in this paper are less acute for place-based approaches.

In focus: Joseph Rowntree Foundation’s Hartlepool Action Lab (UK)

Initiated in 2016, the Hartlepool Action Lab is a hybrid model which funds local initiatives to tackle poverty and also seeks to develop the local community. Joseph Rowntree Housing Trust (JRHT) is a significant anchor agency in the town, and the Action Lab provides new ways for JRHT and Joseph Rowntree Foundation (JRF) to build on this presence to create strong empowered communities without poverty or isolation. In contrast to other place-based initiatives, which are often delivered in partnership with other civil society organisations or local government, the Joseph Rowntree Foundation (JRF) is the sole funder of this project. JRF and JRHT adopted agile problem solving approaches to provide “the freedom to develop the Hartlepool Action Lab along more experimental lines.”\textsuperscript{106} an ethos recognised by inclusion within the Place Based Social Action programme of the National Lottery Community Fund and the DCMS. The initiative is an equal partnership between members of the community and the JRF, meaning that all activities are agreed and delivered collectively with the local community. Community research, experimentation and learning are the key concepts that underpin the Action Lab’s work. They describe their starting point as “a listening exercise with 400 local residents about their experiences of living in Hartlepool. The findings of the research formed the basis of a collaborative planning workshop at which local people and organisations came together to develop solutions to the ideas and issues raised in the research.”\textsuperscript{107} This has led to six practical projects focused on solutions through housing, volunteering and work, community action, food poverty, fuel poverty and benefits.
Who else is using this approach?

Guy’s and St Thomas’ Charity (UK) – In 2017, the 500-year-old Guy’s and St Thomas’ Charity adopted a different approach to improve urban health in the London boroughs of Southwark and Lambeth. At the heart of the organisation’s place-based approach is the desire to develop a deep understanding of people’s lives locally and to develop whole-systems solutions to complex urban health issues like childhood obesity. To achieve this, each programme is informed by in-depth research that combines publicly available data, e.g. national statistics, with evidence and insight into people’s lived experience, e.g. from ethnographic studies. Two years into this model, a central lesson emerging for the organisation is the speed of learning from place-based programmes; the engagement of locals can shift the understanding of an issue in a short space of time, allowing foundations to understand more quickly the true nature of a particular challenge.

Where is this going?

Place-based approaches, despite being comparatively small in scale, have the potential to deliver a more radical – ‘vertical’ – impact in concentrated doses. They combine many of the other practices outlined in this section, from being systemic to enabling beneficiaries to shape programme outcomes. They use strategies that address multiple needs in a local area, and commonly require a long-term commitment and strong local relationships with community stakeholders.

Another driver of place-based work is the increasing challenge of social cohesion, as community belonging has declined throughout the developed world. Many place-based funding initiatives are therefore designed to go beyond a specific intervention towards achieving less tangible community goals. Involvement in social action can generate a sense of civic pride and purpose, and increase community cohesion, which in turn enhances wellbeing and reduces feelings of loneliness and isolation. Most place-based schemes require a degree of “local affluence alongside deprivation.” This typically means access to local sponsors, who can either be individuals or local businesses, without which community initiatives are unlikely to survive in the long-term.

Going forward, there is significant potential for community philanthropy and place-based giving to leverage the power of AI and data. Given the importance of in-depth community research to inform localised giving, only a few foundations are making the most of public data at this stage. Initially launched in Canada, Community Foundations UK’s initiative, Vital Signs, is one example of how the analysis of statistics, combined with local knowledge, can improve the targeting of local interventions.
Using strategic foresight

What’s the approach?

By the nature of their design and structure, most foundations have a unique freedom to think and act beyond short-term political or investment cycles. They have the resources to make strategic investments which may not yield results for many years – if at all. Increasingly, the complexity of the global challenges we face underscores how vital this kind of long-termism will be over coming years. By 2020, for the first time in human history, the world’s population of people aged 65 and older will exceed the number of children under the age of five. Automation on a global scale and disruptions in the workplace could lead to much greater job displacement and income inequality. The impacts of climate change and climate-related migration will begin to impact social cohesion and re-shape our politics: the UN predicts that there will be an additional 150-200 million climate refugees by 2050.

While many foundations engage with and acknowledge the trajectory of these trends, only a minority are explicitly applying futures foresight tools to their strategy, mission or ways of working. Working with distant time horizons, high risk, and high levels of complexity is a difficult task, and one that requires a high degree of comfort with uncertainty. Private foundations such as the Skoll Global Threats Fund or the Open Philanthropy Project as well as university initiatives such as Cambridge University’s Centre for the Study of Existential Risk and the Future of Humanity Institute at Oxford University, have historically led the way in this field.

Among those foundations which are integrating the practices of long-termism, two different types of responses are emerging. Firstly, there are examples of new internal functions being created which are explicitly tasked with exploratory foresight, and applying longer-term time horizons to the design of their own organisational strategy. The second type of approach sees foundations providing long-term support for programmes and projects with an extended time-span.

It’s surprising that foundations don’t do more future scoping and that they’re not involving their grantees in doing it. Most theories of change focus on the present rather than considering an exploration of what the future holds. It should be a norm of good practice for foundations to host foresight learning sessions, bringing grantees together, encouraging them to think about how dynamics in the future might affect their strategies today.

Ella Saltmarshe, Co-founder: The Comms Lab, The Point People and The Long Time Project
In focus: Omidyar Network (United States)

Omidyar Network – established in 2004 by philanthropists Pam and Pierre Omidyar – supports non-profits either through grants from its foundation or through investments from its impact investment firm. Omidyar Network seeks to “use the transformative power of people, markets, and technology to drive empowerment and accelerate solutions equal to today’s challenges.” In 2018, Omidyar Network launched a new ‘Exploration and Future Sensing’ unit. Central to the team’s work is the use of foresight methods to imagine alternative futures, with a view to catalysing dialogue and experimentation to test new avenues of change. “For generations, the future was largely directed by those with privilege and power, who had the resources, access, relationships, and opportunity to shape the world. By convening diverse networks and listening deeply, we are using foresight to inspire new thinking, conversations, and partnerships to challenge the future that we are building to ensure it includes and empowers us all,” says Eshanthi Ranasinghe, Interim Lead, Exploration and Future Sensing, Omidyar Network.

Examples of the team’s work include an investigation of the ‘moonshot economy’ and applications of 3D and 4D printing with the Future Hunters. By identifying drivers and designing future scenarios for what could emerge from today’s rise in neo-nationalism, the team also helped inform the Ethical OS framework created by the Institute For The Future (IFTF) and Tech and Society Solutions Lab.

Priorities for 2019 include an exploration of the mental health epidemic, quantum computing, the ascendance of China, and an early provocation on the future beyond the smartphone and the next layer of computing. Fundamental to this work is that the research and insights translate into actions that support the team’s mission of a future that includes and empowers all people. A next step for the team is therefore to start incubating ideas and develop new partnerships out of the opportunities that have surfaced.

Who else is using this approach?

McConnell Foundation (Canada) – The McConnell Foundation created a new strategic planning process, introducing a transition to a ten-year plan – from 2020 to 2030. “There’s never been anything like that in our foundation before. We are moving to a longer-term time horizon and are trying to test the viability of aligning ourselves with the Sustainable Development Goals,” says Tim Draimin from the McConnell Foundation. The idea of adopting a longer-term time horizon is very much linked to the foundation’s focus on trying to achieve systems change and creating a shared culture around learning. This shift and focus on the longer term is an experiment, and “we can always learn from failure if it doesn’t work out.”

As AI becomes more commonplace [these challenges will intensify, and] the nature of many of the problems that civil society organisations are called on to address will change dramatically... Foundations can once again play a vital role by using their unique strengths to cut through some of the short-term hype surrounding AI and instead focus on preparing civil society for the longer-term impact.

Rhodri Davies, Charities Aid Foundation
Where is this going?

A key challenge to embedding these practices is that there are few incentives or drivers for foundations to embrace long-term practices and strategies. The senior leadership of foundations is not immune from pressure to report on short-term results to boards and other stakeholders – finding ways to incentivise long-termism in the design of foundation governance will be key if this trend is to gather momentum.

The sector will also need to apply the tools of strategic foresight to explore how it can future-proof itself. This does not simply mean responding to external trends, it could mean, for example, identifying the changing skills required in its own workforce. Roles have already started to shift: grant administrators, for example, used to be primarily occupied with the monitoring and documentation of transactions between grantors and grantees. Today, and even more so in the future, effective grantmaking is more about fostering strong relationships, requiring problem-solving skills and the ability to anticipate challenges well in advance.

How are other roles going to change? For example, will new skills in data analytics or service design be required to harness the opportunities of digital grantmaking? Can the tools of foresight support foundation leaders to manage the uncertainty.

Most foundations are still too tactical and small scale around strategic foresight and systems thinking. It feels as if at the moment this kind of activity is more taking place at the margins, whilst I feel like it should really be embedded throughout the strategy. It’s the kind of thing that foundations do when they have extra money, rather than the thing that they do at the beginning that then sets the context for all of their operations.

Cat Tully, Co-founder School of International Futures, UK
Supporting movements, people or ideas

What’s the approach?

Foundations’ support of social movements goes back a long way in history. The American Fund for Public Services (more commonly known as the Garland Fund), for example, provided critical resources to the National Association for the Advancement of Colored People (NAACP) in support of the civil rights movement in the United States in the 1930s. More recent examples include the UK’s Children’s Investment Fund Foundation (CIFF) support of “the educational aspects of Extinction Rebellion’s mission” or the New York Women’s Foundation’s decision to launch a fund to support organisations aligned with the #metoo movement started by Tarana Burke in 2006.

Putting money behind movements, people and ideas can be a high risk strategy, as outcomes are often uncertain. Foundations funding social movements, people or ideas need to have faith that they can influence broad social change over years or even decades. It often requires a systems-based approach and flexible strategies that can evolve as milestones are reached or battles are won. In contrast to traditional grantmaking, philanthropic funders need to be more flexible, for example by: “guaranteeing core financial support, providing grants after phone conversations instead of proposals, creating pools of funds that can be released quickly without board meetings, and following up after grants are approved to see if a pivot in the use of funds is required.”

Foundations taking this approach will find themselves open to criticism, partly because the activity they fund may well resemble campaigning and involve engaging in political debate. This may mean shifting the boundaries of what is considered to be acceptable discourse on any given subject, such as moving climate change deniers to the fringes of the debate (the ‘Overton window’). It might also mean moving the focus from treating the symptom towards addressing the cause and coming up with entirely new ways to conceive of a social problem.

A high risk strategy this may be, but it is fundamental to the lasting social change many foundations aspire to bring about. David Callahan, author of The Givers, argues that through the 2000s, while left-leaning charitable organisations in the US were busy funding important but incremental, evidence-based programmes that worked within the framework of the current policy settlement, those on the right were funding the ideas and institutions that would completely change the nature of that very settlement.

Political considerations aside, there are a number of unique challenges and questions that foundations have to contend with when it comes to supporting movements. One challenge is the timing. Movements go through cycles of high and low energy and “receiving the right support at the right time in the cycle – or cycles – can make the difference between a mobilization that disappears for good and a movement that sustains and wins.” But what is the right point in time, and when it is too late? Should funders support movements in their early stages or should they offer their support after key trigger events when support might be winding down? Another challenge is the type of support. What is most valuable to movements? Whilst the timing often prescribes what type of support is most necessary, foundations might also be restricted by their charitable status. What sort of activities can they support and how is this restriction...
affecting the movement? Professor Megan Ming Francis from the Department of Political Science at the University of Washington, for example, argues that the funding the NAACP received from the Garland Fund redirected the NAACP’s agenda: “they used their financial leverage to redirect the NAACP’s agenda away from the issue of racial violence to a focus on education at a critical juncture in the civil rights movement.”

Another challenge for foundations is the uncertainty of outcomes. This kind of work rarely has an immediate pay-off and often demands that many actors are interested in an idea before it captures the public imagination. It is also possible that emerging ideas turn out to be smaller than anticipated or that time and resources are invested in building a body of evidence behind fringe concepts. The global interest in trials of Universal Basic Income are one example of this.

It is funding people though that is perhaps seen as the biggest risk of all. For every Greta Thunberg there are one hundred community organisers getting people on buses to protest, coordinating legal support or writing newsletters. Supporting this group of networkers and people on the frontline who are able to think and act in a strategic way, requires a unique approach. One example from the UK is Llankey Chase’s Systems Changers programme. Launched in 2015, the six months programme seeks to leverage the knowledge and expertise of frontline workers with a view to fund key people who can drive systemic change.

In focus: Tides Foundation (United States)

Tides’ mission is to “accelerate the pace of social change, working with innovative partners to solve society’s toughest problems.” Tides bridges different people, organisations and movements and often develops bespoke solutions to deliver social change. One example of Tides’ support of grassroots initiatives, is its commitment to Californians for Safety and Justice (CSJ). In 2011, in response to overcrowded prisons, a small group around Leonore Anderson, founder of CSJ, took action to reallocate resources from incarceration to support prevention, education and health. Tides supported Leonore from these early days, providing an ‘operational backbone’ and championing CSJ’s work publicly, thereby opening the organisation up to new opportunities. Tides acted as a fiscal sponsor to CSJ and also handled core functional services, such as financial management, HR and legal advice, freeing up time of CSJ’s senior staff to focus on campaigning. Three years into this partnership, CSJ launched a ballot to reclassify six nonviolent felonies to misdemeanors, seeking to reduce the number of people incarcerated (Proposition 47). Again, Tides found a way to provide effective support to the movement by using its 501(c)4 sister organisation to act as a sponsor of the ballot. In 2015, CSJ was able to launch a national organisation, the Alliance for Safety and Justice, that seeks to replicate the success of the movement in California nationwide.
Who else is using this approach?

**Solidaire Network (US)** – Established in 2012, Solidaire is a membership community of individual donors and foundations that seek to empower grassroots movements in impacted communities. It initially set out to organise donations in support of protests connected to the Occupy Movement. However, over time, the network of individual donors has broadened its frame to respond to a variety of social movements, including worker justice, climate change, immigration and anti-Black racism. Solidaire’s members are individuals or family foundations who are aligned with Solidaire’s values and can commit $50,000 or more per year to Solidaire’s cause. In addition, Solidaire seeks to partner with other foundations or grantmaking staff who can support movement building.

**Mozilla Foundation (US)** – The Mozilla Foundation’s fellowship is a ten-month programme for web activists, scientists, tech policy professionals or open internet engineers who support Mozilla’s mission “to stop the spread of misinformation, to put individuals in control of their data, and to keep artificial intelligence accountable.” Since 2013, the foundation has supported between 5-30 new fellows per year. At the heart of this approach is the belief that these individuals will not just contribute to Mozilla’s mission by publishing research; but that they will equally join the “community of practice and larger movement, fighting for a healthier internet over the long-term.” Mozilla leverages the power of these individuals to form networks that might have the potential to deliver change across a system.

Where is this going?

Entrenched polarisation of politics promotes a greater focus on funding movements, people or ideas. There is a significant opportunity for foundations to take on the role of supporting a pluralism of views and voices in society, but also a recognition that within more polarised debate foundations may be pressed towards taking sides.

Foundations with a higher appetite for risk may be more ready to take the path of funding movements, ideas or people, and willing to explore these new ways to collaborate with different actors to challenge the existing discourse or power structures. This way of working challenges standard philanthropic mechanisms for funding activity and measuring success. Foundations taking this route will need to develop sophisticated ways to track long-term investments and the less tangible pay-offs they yield.

Finally, foundations entering this field of work must be prepared to face criticism for picking sides, playing politics or having hidden agendas. Alongside robust challenge to this criticism, they will need to think about how transparent they can and should be in relation to their support of social movements. Another challenge that foundations, particularly in the US have started to grapple with is how far their legal and tax-exempt status allows them to go when advocating for social change. Some foundations, the Democracy Fund, being one example, have taken steps to ensure funds can go further by setting up a sister organisation, the Democracy Fund Voice which seeks to support civic engagement and effective governance.
A look ahead: strategic choices

The future challenges facing the foundation sector do not have simple solutions. Whilst foundations are experimenting with a diverse array of approaches to enhance their legitimacy and deepen their impact, in devising their strategies they will inevitably have to make tradeoffs between different priorities. Pursuing one path might well mean forfeiting the benefits afforded by a different approach. This section highlights some of the live tensions they will need to manage in coming years.

1. Power and control

In an effort to achieve greater internal alignment and move from the outdated concept of philanthropy working for communities towards a model of working with communities, enabling them to create their own future, the concept of ‘sharing power’ is becoming increasingly popular in the sector. This can manifest itself in different forms, e.g. in giving more control to beneficiaries and grantees through practices such as participatory grantmaking and unrestricted funding (see Part 2). However, foundations operating at the more ‘distributed’ end of this spectrum often look inwards and challenge ‘command and control’ governance structures, for example by rethinking the composition and decision-making powers of boards.

However, working in a more decentralised way can mean a reduction in pace or a dilution of mission. It can involve taking on a higher degree of risk, for example in instances where individuals’ visions are misaligned. Meanwhile, sharing power with communities and grantees asks foundations to forfeit a degree of control over outcomes and strategy – making it a less appealing path for foundations or philanthropists wishing to implement a pre-defined vision.
2. Diversity

While many foundations have woken up to the need for greater diversity and the benefits it brings, there is still work to be done on how to best support diversity in its broadest sense. This is much more than just thinking about diversity at board level – although representation and visibility at the highest levels of decision-making is important.

Foundations willing to invest in diversity will also look at internal hiring and training practices and understand the value of both professional and lived experience. Seeking to grow a workforce that reflects the demographic make-up and experiences of those it aims to help is often thought of as the ultimate goal as staff with lived experience can help transform the foundation’s impact. However, recruitment of a more diverse workforce is only one step. In order for an inclusive environment to grow, foundations need to promote awareness of structural inequalities and invest in creating a workplace that allows staff with lived and professional experience to flourish equally.

Whilst investing in people with lived experience as employees and leaders can strengthen understanding of the very structural inequalities the organisations exist to disrupt, there will invariably also be a requirement for professional experience and expertise. Establishing what the right balance is, and implementing it within internal governance and management structures can be difficult.

3. Transparency

As we have seen, the criticism of the opaque practices of some foundations and philanthropists has spawned a host of transparency initiatives in recent years. In response, many are seeking to transition to a more ‘exposed’ model of working – sharing their data, evidence of impact, knowledge and decision-making processes more openly.

But while these strategies might enhance accountability, operating at the exposed end of the continuum also necessitates tradeoffs. Efforts to fund unconventional, early-stage approaches or to build new fields are generally less compatible with radical transparency. Inviting scrutiny might also inhibit risk-taking, organisations might feel less comfortable backing initiatives with a high chance of failure when these failures will be widely publicised and dissected. In many places, political tensions and sensitivities can also make it particularly difficult for foundations to move towards full transparency.
4. Role in public service delivery

The previous section touched on the diverse ways that foundations can work alongside the public sector (Part 1). For some, this will mean defining and pursuing an independent agenda, one that is focused on leveraging foundations’ unique position to provide an experimental test bed for social innovation – including backing higher-risk activities which cannot generally be supported by public money.

However, in places with less well-developed public service provision (and increasingly in countries such as the UK, where austerity has eroded public resources in key areas such as education, health and social care), foundations might find themselves under pressure to align their work with the public sector and meet the needs of the public today. They may step in to fill a funding vacuum that government leaves behind. Many of those that are beginning to play a ‘safety net’ role by supplementing government services directly or providing core funding to the third sector may not be doing so out of choice, but as a direct response to unmet needs of the public today.

5. Time horizons

Directing resources to urgent problems enables foundations to be responsive to immediate challenges, capitalising on their ability to mobilise quickly – sometimes even more rapidly than governments (see, for example, the example given earlier of the response from civil society and philanthropy to the 2016 water crisis in Flint, Michigan[33]). A key benefit of operating on a shorter-term time horizon is that leaders are in a position to point to immediate impact and measurable results.

But as we have seen, other foundations are shifting to longer-term time horizons. They are capitalising on the freedom they have to operate independently of voters, shareholders and market cycles in order to invest time and resources to support change efforts over many years. However, this strategy can mean trading away a degree of certainty, because the more long-term and experimental an initiative, the harder it is to anticipate the nature of the downstream impact.
6. Monitoring, evaluation and learning

For some foundations, the most appropriate response to the increased pressure to give evidence of impact is to become tightly focused on a set of public objectives which are underpinned by set metrics. Here, the emphasis is likely to be on developing more sophisticated ways of capturing the data that underpins these metrics, and basing funding decisions on results from evaluations of tightly defined interventions or programmes.

However, as foundations increasingly focus on complex challenges, they are also grappling with the challenge of attribution – finding a way of demonstrating that their contribution has led to a particular outcome without over-claiming. Some foundations have already adopted new ways of thinking about impact by focusing on more iterative models of learning. These approaches explicitly recognise that there are multiple factors within a given system which can influence outcomes, and the ethos of the organisation should be one of continuous learning and iteration. This may make it harder to point to the direct impact of funding, but has the benefit of allowing for complexity and changes in the operating environment.

7. Assets

Traditionally, the investment strategy of most foundations centred on securing the best financial returns, so that the resulting income could then be re-distributed in the form of grants. The clear advantages of this approach are that it assures the long-term financial sustainability of the foundation itself, and the risks are generally low or manageable.

However, other foundations are seeking to achieve ‘full alignment’ between the use of their assets and their social mission. As we have seen in Part 2, this might mean divestment from controversial investments or purposely using their endowment and other resources to achieve defined social impact goals. Foundations moving towards this end of the continuum may need to contend with lower returns and higher risk; which could in turn deplete the resources they have available for philanthropic activities.
8. Collaboration

The complex nature of the problems many foundations seek to address requires a multifaceted response that no single organisation can tackle by itself. As the understanding of systems approaches to change spreads, some foundations will seek to work in concert to address different parts of the system in different ways. There is a growing movement to take a more coordinated response in the areas of technology, equality and climate change. Foundations will have to choose between being able to act quickly, decisively and alone with more limited impact, or as a broader coalition with potential for bigger impact but the necessary overheads that coordination demands.
## Characteristics of foundations

Foundations will all sit at different points on the spectrum of the strategic choices we describe in this report. Here, we outline the characteristics that different foundations might display based on those strategic choices and in relation to three broad roles a foundation can fulfill: that of a stabiliser, a moderniser or a transformer. It is likely that in some areas of activity a foundation could play a stabilising role, while in another their behaviour is more transformative. We encourage you to use this matrix to map the different roles your foundation plays.

**Characteristics of foundations in the role of the...**

<table>
<thead>
<tr>
<th>Tension</th>
<th>Stabilisers</th>
<th>Modernisers</th>
<th>Transformers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Power and Control</td>
<td>Centralised decision-making</td>
<td>Experimenting with participatory grantmaking</td>
<td>Decentralised decision-making that makes the most of digital technology</td>
</tr>
<tr>
<td>Centralised</td>
<td>Outcomes delivered for a community</td>
<td>Outcomes delivered with a community</td>
<td>Outcomes delivered by a community</td>
</tr>
<tr>
<td>Distributed</td>
<td>Delivery models prescribed by grantmaking mechanism</td>
<td>Some flexibility of delivery and grantmaking models</td>
<td>Flexibility of delivery and grantmaking models</td>
</tr>
<tr>
<td></td>
<td>Broadcast model for communication from the centre to frontline staff or grant recipients</td>
<td>Some decision-making devolved to frontline</td>
<td>Peer-to-peer communication between foundation staff and grant recipients</td>
</tr>
<tr>
<td>Where do you stand?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Diversity</td>
<td>Professional and academic experience of foundation staff is prioritised</td>
<td>Efforts to introduce diverse voices and lived experience into decision-making</td>
<td>Commitment to mirror the demographics and experience of beneficiaries among foundation staff and leadership</td>
</tr>
<tr>
<td>Professional experience</td>
<td>Expert-led</td>
<td>Awareness of the importance of diversity at senior leadership and board levels</td>
<td>Outreach and investment in people with lived experience as staff members and leaders</td>
</tr>
<tr>
<td>Lived experience</td>
<td>Strong influence from the family or founder</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Where do you stand?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transparency</td>
<td>Transparency to confirm activity rather than challenge it</td>
<td>Data and decision-making published in an unstructured format</td>
<td>Data published in a way that is useful and useable, e.g. by 360Giving</td>
</tr>
<tr>
<td>Low exposure</td>
<td>Compliance with regulatory reporting requirements</td>
<td>Transparency for transparency’s sake</td>
<td>Awareness of the limits and risks associated with data-purist approaches, e.g. encoding biases in algorithms</td>
</tr>
<tr>
<td>High exposure</td>
<td>Little room for challenge or criticism</td>
<td></td>
<td>Decision-making and strategy is public and open to challenge</td>
</tr>
<tr>
<td>Where do you stand?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Role in public service delivery</td>
<td>Efforts to plug gaps in public sector provision</td>
<td>Critical friend to the public sector, offering challenges and innovative ideas within existing delivery framework</td>
<td>Commitment to advance public sector innovation through new delivery models and approaches</td>
</tr>
<tr>
<td>Safety net</td>
<td>Acceptance of current frameworks offered by the public sector</td>
<td></td>
<td>Desire to change the framework and terms of debate for problems addressed by the public sector</td>
</tr>
<tr>
<td>Test bed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Where do you stand?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Time horizons</td>
<td>Focus on immediate needs of individuals and communities</td>
<td>Main focus on existing needs of people and communities today</td>
<td>Anticipation of future problems and focus on prevention</td>
</tr>
<tr>
<td>Near-term</td>
<td>Cure rather than prevention</td>
<td>Efforts to address structural and systemic change</td>
<td>Desire to address structural, systemic and political challenges</td>
</tr>
<tr>
<td>Long-term</td>
<td></td>
<td>New technology to improve existing processes</td>
<td>New technology and processes to ‘change the rules of the game’</td>
</tr>
<tr>
<td>Where do you stand?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Measurement, evaluation and learning</td>
<td>Target-led</td>
<td>Data-driven</td>
<td>Driven by experimentation and learning</td>
</tr>
<tr>
<td>Metric-led</td>
<td>Tried and tested initiatives</td>
<td>Continuous improvement through learning and established feedback loops for key metrics</td>
<td>Learning and insights prioritised over impact goals</td>
</tr>
<tr>
<td>Iterative learning</td>
<td></td>
<td>Experimentation with processes for more effective data collection and analysis</td>
<td>Desire to build and share deep knowledge of social change models, within the own organisation and beyond</td>
</tr>
<tr>
<td>Where do you stand?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assets</td>
<td>Focus on sustaining the endowment</td>
<td>Mixed strategy of seeking stable financial returns whilst investing with a social mission</td>
<td>Endowment used to advance social change</td>
</tr>
<tr>
<td>Maximising financial return</td>
<td>No social lens applied to investments</td>
<td>Divestment from assets that are not aligned with wider objectives, e.g. fossil fuels</td>
<td>Strong shareholder activism</td>
</tr>
<tr>
<td>Maximising social return</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Where do you stand?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collaboration</td>
<td>Can act swiftly and decisively</td>
<td>Coalitions and campaigns with like-minded organisations</td>
<td>Cross-sectoral coalitions and partnerships with unlikely partners to make change happen</td>
</tr>
<tr>
<td>Independent action</td>
<td>Often works alone</td>
<td>Foundations staff represented on boards or working groups on specific issues</td>
<td>Use of modern technology to experiment with new ways of collaborating effectively</td>
</tr>
<tr>
<td>Collective effort</td>
<td>Reputation for specific interventions or issues</td>
<td>Systems-thinking embedded into day-to-day work</td>
<td></td>
</tr>
<tr>
<td>Where do you stand?</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Appendix

Rapid horizon scan: methodology

This rapid horizon scan sought to capture trends in the tools, approaches and strategies that foundations are using to navigate an uncertain future. The scan was designed to pick up ‘weak signals,’ not only established trends, so the practices explored are at very different stages of evolution.

The analysis is based on a rapid literature review as well as a series of expert interviews. The literature reviewed focused on the evolution of philanthropic giving, trend analyses and future projections for the sector, with sources ranging from academic journals and books to grey literature such as opinion pieces and blogs (e.g. Stanford Social Innovation Review) as well as materials and case studies published by foundations themselves.

We engaged with over 25 researchers and leaders from foundations, academia and journalism, both in the UK and internationally. We are very grateful to the experts listed below who generously participated in interviews or submitted written provocations for the purposes of this horizon scan.

We would also like to thank the Social Innovation Exchange (SIX) and foundations participating in the Funders Nodes organised by SIX who shared their feedback and allowed us to refine this report.

Pushpa Aman Singh
Founder and CEO, GuideStar India
Silvia Bastante de Unverhau
Chief Philanthropy Officer, Co-Impact
Maria Chertok
Director, Charities Aid Foundation, Russia
Iva Čukić
Coordinator and member, FundAction
Rhodri Davies
Head of Policy, Charities Aid Foundation, UK
Tim Draimin
Senior Advisor, McConnell Foundation, Canada
Fozia Irfan
CEO, Bedfordshire and Luton Community Foundation, UK
Rob John
Associate, Centre for the Study of Philanthropy and Public Good, University of St Andrews
Charlie Leadbeater
Independent writer, advisor and speaker
Denis Mizne
CEO, Lemann Foundation, Brazil
Will Perrin
Founder and Director, Talk About Local
Fran Perrin
Founder of the Indigo Trust and Chair of 360Giving, UK
Louise Pulford
Executive Director, Social Innovation Exchange, UK
Katherine Rake
Founder and Chief Executive, Totalpolicy, UK
Eshanthi Ranasinghe
Interim Lead, Exploration and Future Sensing, Omidyar Network, US
Alice Ribeiro
Executive Secretary, Movimento pela Base Nacional Comum, Brazil
Cassie Robinson
Head of Digital Grant Making at The National Lottery Community Fund and working with the Co-op Foundation, Luminate, the Roddick Foundation and The Catalyst
Gerry Salole
CEO, European Foundation Centre
Ella Saltmarshe
Co-founder, The Comms Lab, The Point People and The Long Time Project, UK
Deval Sanghavi
Partner and Co-founder, Dasra, India
Stefan Schöbi
Head of Engagement Migros, Switzerland
Paul Steele
CEO, Donkey Wheel, Australia
Martin Stewart Weeks
Public Purpose, Australia
Jo Taylor
Chief Capability Officer at the Paul Ramsay Foundation, Australia
Cat Tully
Co-founder of School of International Futures, UK
Julia Unwin
Chair of the Independent Inquiry into the Future of Civil Society in the UK
Pedro Villares
Director and President, Marae Brazil
Poh Wah Lee
CEO, Lien Foundation, Singapore
Scope

Foundations have been described as ‘one of the most unrestricted contemporary organisational forms’, a fact that makes it challenging to define the scope of a horizon scan of this kind.\textsuperscript{134} In many countries there is no legal definition for a foundation, and where there are definitions, they do not fit a single universally applicable model. Given the fluidity of legal definitions, we have therefore decided not to exclude any sub-groups from the widely accepted categories of foundation: independent, family, corporate, community and government linked.

It is, however, important to note that the relative dominance of these different categories varies substantially between countries. Independent foundations are the predominant model in the US and Europe (96 per cent and 87 per cent respectively), corporate foundations are dominant in Latin America (50 per cent), family foundations in Africa (35 per cent), and government linked foundations the most common form in China (38 per cent) and the UAE (73 per cent).\textsuperscript{135} Similarly, there are substantial differences in the function of foundations across geographies. While the majority of foundations around the world operate their own programmes, in the US for instance, foundations are primarily grantmakers with fewer than 3 per cent running their own activities.\textsuperscript{136}

The report seeks to identify trends in philanthropy that apply equally to large and small foundations across the world. The case studies and examples presented often come from larger (if not some of the largest) funders internationally, a bias that reflects where data is most easily accessible.

Given how rapidly trends and practices travel throughout the foundation sector, we have featured examples of practices across this landscape. However, the operating climate for foundations will vary very significantly depending on the socio-political climate in any given locality. For that reason it is important to acknowledge that the analysis underpinning this horizon scan inevitably has a strong US and UK skew. This bias is illustrative of two features of the philanthropy landscape. Firstly, publicly available data on philanthropy is concentrated on North America and Europe. In most countries, neither governments nor private organisations collect or make available information on charitable activity.\textsuperscript{137} Secondly, the bias in data follows the concentration of foundations as a whole, with 90 per cent of identified foundations being based in the world’s 25 highest-income countries, 60 per cent of the world’s total foundations found in Europe, and 35 per cent in North America.\textsuperscript{138} Despite this bias, we hope that the insights from this horizon scan may also prove useful to foundations in the world’s emerging economies, as they grow in both size and influence.
Endnotes


12. A full list of organisations (including foundations) that have divested from fossil fuels is available at: https://www.divestinvest.org/

13. Also see: http://donkeywheel.org/

14. For more information, see: https://www.heron.org/conscious-portfolio-construction-1


17. For more information, see: https://nathancummings.org/our-investments/#section-2

18. For more information, see: https://www.barrowcadbury.org.uk/what-we-do/programmes/social-investment/


28. For more information, see: http://blog.grantadvisor.org/about/

29. According to the Grantmakers for Effective Organizations (GEO) 2017 survey of more than 3,500 US grantmakers, there is not just a greater willingness of grantees to provide feedback, but also a growing demand for feedback from foundations. For further information, see: https://geofunders-production.s3.amazonaws.com/documents/1646/c9b50eb3-f00a-4007-88ed-c9824109cd61?1509029442&inline;20Field%20Survey.pdf%22


37. For more information, see: https://www.genio.ie/meeting-the-challenges#our-model

38. For more information, see: https://www.nesta.org.uk/project/inclusive-economy-partnership/

39. For more information, see: https://www.gov.uk/government/groups/the-inclusive-economy-partnership


42. For examples and a discussion of the topic of decentralised decision-making in foundations, also see: Stevenson, A. and Bockstette, V. (2018). Being the Change - 12 Ways Foundations Are Transforming Themselves to Transform Their Impact. FSG. Available at: https://www.fsg.org/publications/being-change (last accessed 31st October 2019).


44. For more information, see: http://fundaction.eu/


46. For more information, see: https://laidlawfdn.org/wp-content/uploads/2014/07/Laidlaw-Strategic-Plan-final-1.pdf


49. Ibid.


52. For more information, see: https://www.rockpa.org/guide/collaborative-giving/

54. For more information, see: https://welcome.ac.uk/what-we-do/our-work/wellcome-leap-fund

55. Ibid.


64. Community Development Financial Institutions (CDFIs) are financial institutions that provide credit and financial services to underserved markets and populations, primarily in the USA but also in the UK. (Source: Wikipedia).


68. For more information, see: https://www.investmentnews.com/article/20180612/FREE/180619985/impact-investments-made-by-more-than-70-of-millenials-and-gen-xers


75. Ibid.


78. For more information, see: http://foundationcenter.org/gain-knowledge/foundation-data/foundation-center-apis

79. Attempts are being made to address this, e.g. by the Foundation Center’s Philanthropy Classification System. For more information, see: http://taxonomy.foundationcenter.org/

81. For more information on technological breakthroughs, see: https://www.pwc.co.uk/issues/megatrends/technological-breakthroughs.html


85. Ibid.


88. Ibid.

89. Ibid.

90. Ibid.


97. Ibid.


103. For more information see: https://hc2.org/about-us/history/


107. For more information, see: https://www.hartlepoolactionlab.org/the-idea/

108. For more information, see: https://www.gsttcharity.org.uk/content/our-place-based-approach-improving-urban-health


113. Ibid.

114. For more information, see: https://www.communityfoundation.org.uk/vitalsigns/


116. For more information, see: https://www.iom.int/migration-and-climate-change-0


118. For further information on the grant from CIFF to XR, see: https://clf.org/grant-portfolio/extinction-rebellion/


125. For further information on the role of philanthropy in Universal Basic Income trials, see: https://www.philanthropy-impact.org/sites/default/files/user-uploads/pi_mag16_final-soksis.pdf

126. For more information, see: https://lankellychase.org.uk/project-summary/system-changers/

127. For more information, see https://www.tides.org/story/californians-safety-justice/

128. For more information, see https://solidairenetwork.org

129. For more information, see http://solidairetemp.wpengine.com/our-work/membership/


131. Ibid.

132. Democracy Fund Voice is a 501(c)(4) advocacy group which is permitted to intervene in elections. In 2016, Pierre Omidyar, founder of the Democracy Fund, was the organisation’s sole contributor, providing a contribution of $5.51 million. See for further information, see: https://www.influencewatch.org/non-profit/democracy-fund-voice/


136. Ibid.

137. Ibid.

138. Ibid.