

THE PHILANTHROPY TOOLKIT

An Introduction to Giving Effectively

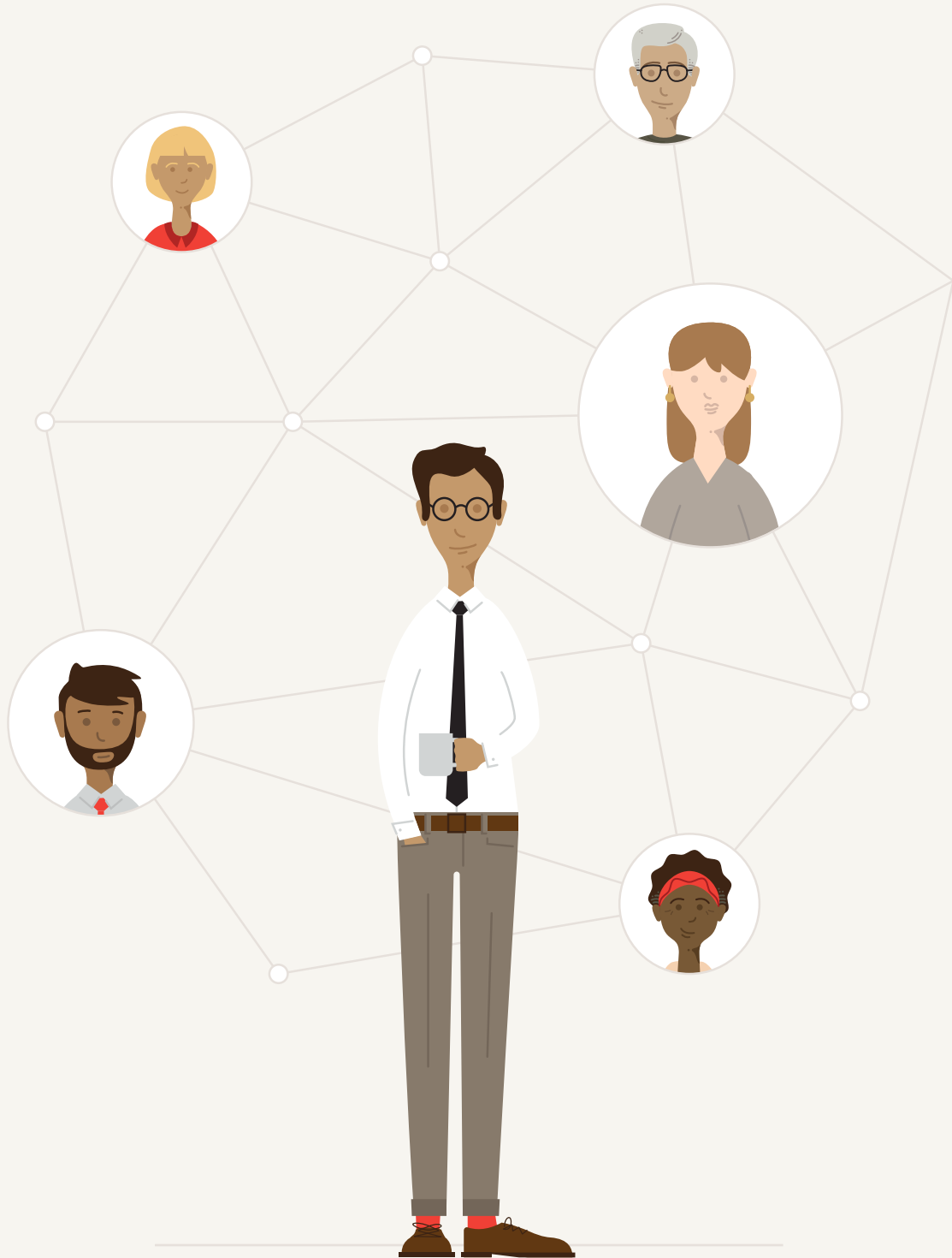
THE STANFORD UNIVERSITY
EFFECTIVE PHILANTHROPY LEARNING INITIATIVE



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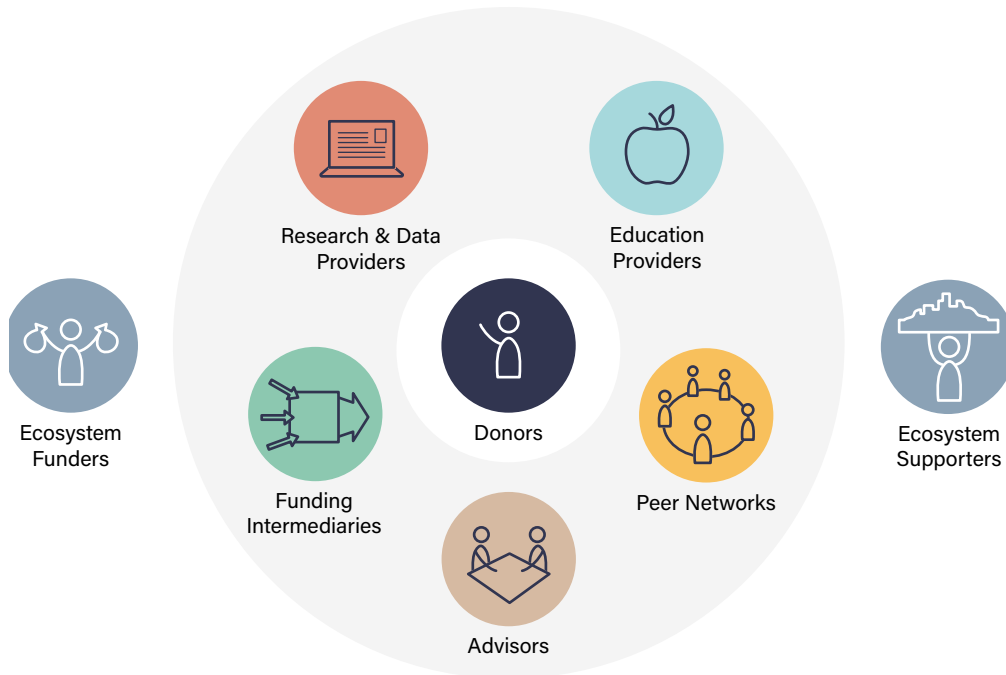
SECTION 2

WHERE CAN YOU LEARN MORE,
SEEK PROFESSIONAL ADVICE,
& ENGAGE OTHER DONORS?



2. ENGAGING OTHERS

At the beginning of your philanthropic journey, or even when it is well underway, you may find it helpful to seek professional advice and learn alongside other donors. Yet donors often find it challenging to identify reliable sources of assistance and collaboration. This section will help you navigate the landscape of organizations that might support you in achieving your philanthropic goals.



The middle two parts of this section use the Stanford PACS Philanthropist Resource Directory (PRD). The PRD is a database designed to help high-capacity donors and their advisors easily identify donor networks and professional organizations to support their philanthropy. It has an inventory of more than 280 organizations across the United States.

The PRD can be found at: pacscenter.stanford.edu/prd

This section guides you through the following steps:

- 1 Learn more about effective philanthropy** to supplement your use of this toolkit.
- 2 Seek advice from professionals** to better inform your philanthropy.
- 3 Learn with other donors** to exchange perspectives and experience with peers.
- 4 Collaborate with other donors** to deepen the impact of your philanthropy.
- 5 Learn from the communities you are trying to serve** through participatory grantmaking.

2.1

LEARN MORE ABOUT EFFECTIVE PHILANTHROPY

There is a wide range of reading material beyond this toolkit available for donors to learn more about effective philanthropy and the social sector. It can supplement your navigation of the toolkit and allow you to engage more deeply with your philanthropy.

Below is a list of Stanford PACS-affiliated reading materials for donors. For additional non-PACS resources, see **Additional Resources: Section 2** at the end of this toolkit.

Stanford Social Innovation Review (SSIR) by Stanford PACS

SSIR is a magazine and website written by and for social change leaders from around the world and from all sectors of society—nonprofits, foundations, business, government, and engaged citizens. With print and online articles, webinars, conferences, and podcasts, SSIR bridges research, theory, and practice on a wide range of topics, including effective philanthropy practices, human rights, impact investing, and nonprofit business models.

ssir.org

Continued on the following page.

2.1

The Stanford PACS Guide to Effective Philanthropy

by EPLI and various contributors (2020)

This book was developed to help emerging philanthropists improve their philanthropic practice. It addresses many of the topics in this toolkit in more depth, and includes additional chapters relevant to understanding the nonprofit sector.

Money Well Spent: A Strategic Plan for Smart Philanthropy

by Paul Brest and Hal Harvey (2011)

Published by Stanford Business Books, an Imprint of Stanford University Press

This book explains how to create and implement a strategy that ensures meaningful results.

Giving 2.0: Transform Your Giving

by Laura Arrillaga-Andreessen (2011)

Published by Jossey-Bass

This book offers practical tools and ideas to guide your giving journey and is accompanied by a discussion guide for educators and giving circle members to further engage with the material.

Just Giving: Why Philanthropy Is Failing Democracy and How It Can Do Better

by Rob Reich (2018)

Published by Princeton University Press

This book investigates the ethical and political dimensions of philanthropy and considers how giving might better support democratic values and promote justice.

2.2

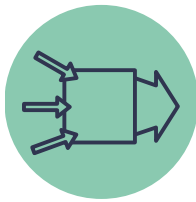
SEEK ADVICE FROM PROFESSIONALS

In the Stanford PACS Philanthropist Resource Directory (PRD), there are two categories of philanthropy professionals and issue area experts that donors can learn from: **philanthropic advisors** and **funding intermediaries**.



PHILANTHROPIC ADVISORS provide specialized assistance with developing philanthropic strategy, setting up your giving vehicles, and carrying out specific gifts. Advisors trained to give philanthropic advice can also help you develop a tax strategy to integrate philanthropy into your overall wealth planning. Advisors may be associated with independent consultancies, financial advisory firms, law firms, or banks. The PRD has included financial advisory firms and private banks with formal philanthropic advising services, as well as designated philanthropy advisory firms with three or more staff.

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FUNDING INTERMEDIARIES collect contributions from donors and distribute them to nonprofit organizations. The PRD lists those funding intermediaries that have specific programs to engage high-capacity donors.

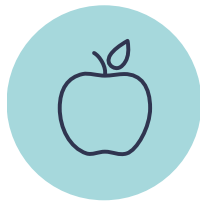
Intermediaries include some community foundations, other types of public foundations, funder collaboratives, donor advised fund management organizations, and other similar models.

A common example of funding intermediaries are community foundations. **Community foundations** usually operate in specific geographic areas and provide support to donors and nonprofit organizations in their locales. These organizations provide donors with information and structures that make it easier to distribute resources in a particular geography (and, often, beyond) while also avoiding the administrative and legal costs of setting up independent foundations. Community foundations are primarily categorized in the PRD as funding intermediaries, but they can also be good places to learn with other donors and connect with professional advisors.

2.3

LEARN WITH OTHER DONORS

The PRD provides two engagement categories for high-capacity donors to explore opportunities and learn in settings with other donors: **education providers** and **peer networks**.



EDUCATION PROVIDERS and affinity groups offer educational support for high-capacity donors, such as events, workshops, conferences, research, online courses, and programs. Examples include the National Center for Family Philanthropy, Indiana University Lilly Family School of Philanthropy, and the Aspen Institute's Program on Philanthropy and Social Enterprise.

Affinity groups are a type of education provider involving coalitions of philanthropists or philanthropic institutions that provide educational and networking opportunities to donors with a shared interest in a particular funding area. Examples include Asian Americans/Pacific Islanders in Philanthropy, the Jewish Funders Network, or the Women Donors Network. These groups host a range of activities including in-person meetings, expert panels, and interactive workshops. Webinars and email lists or forums can provide updates on current issues or a platform to share ideas and experiences on a regular basis. Affinity groups are categorized in the PRD under Education Providers but can also fall under the second category of Peer Networks.

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PEER NETWORKS These are organizations that manage networks of high-capacity donors. The shared knowledge from these networks can make your giving more effective.

Giving circles are a type of peer network that can be especially useful for deepening your knowledge about focus areas, contributing to pooled funds dedicated to specific issues or specific geographic areas, and making collective decisions on distributing the funds. Giving circles help participants collectively learn about philanthropy, and some also organize volunteer opportunities. Giving circles are usually hosted by a nonprofit organization, so a donor's contribution is immediately tax deductible even if giving decisions are made later in the process. If you would like to start your own giving circle, see **Additional Resources: Section 2** at the end of this toolkit.

2.4

COLLABORATE WITH OTHER DONORS

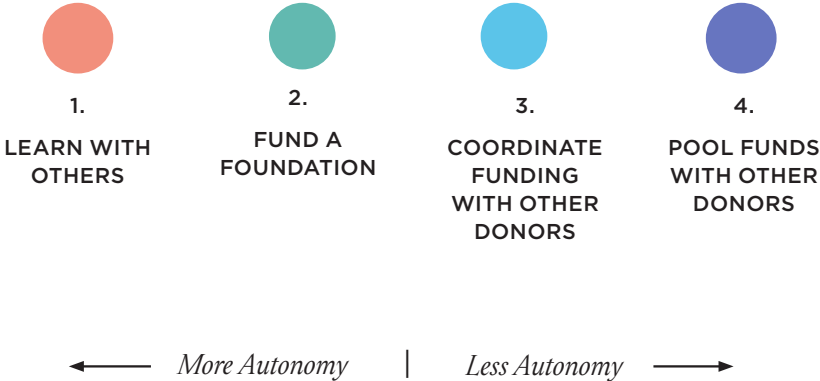
High-capacity donors—especially those who already have significant philanthropic experience—are increasingly seeking to collaborate with others. Your contributions are likely already working alongside other funders to support an organization’s work. However, you may choose to intentionally participate in collaboration and pooled funding initiatives to increase the impact of your giving. Collaboration allows donors to combine funding, knowledge, and expertise, and can be an effective way to leverage and scale your giving.





Collaborative funding is a growing field—it has been evolving over the last fifteen years with various legal structures and models under each means of collaboration and pooled funding. Your involvement and control will vary greatly depending on an initiative’s structure. For instance, you can donate to funds that are curated by funding intermediaries, and you might be able to exert influence but have less control over giving; or you can engage in giving collectives that are donor-led, where each donor has a decision-making seat at the table.

The following spectrum outlines different ways donors can approach collaboration. If you feel you are not yet ready to collaborate, you can always revisit the possibility of collaboration in future philanthropic cycles.

SPECTRUM OF COLLABORATION

The diagram below represents four ways donors can collaborate. Note how each method of collaboration has different implications for your decision-making autonomy.



WAYS TO COLLABORATE	WHAT IS IT?
 <p data-bbox="362 548 524 600">LEARN WITH OTHERS</p>	<p data-bbox="615 457 1247 512">The exchange of knowledge among donors is the most common form of collaboration.</p> <p data-bbox="615 548 1263 600"><i>Examples: joining an affinity group and sharing “lessons learned” with other donors.</i></p>
 <p data-bbox="362 842 524 894">FUND A FOUNDATION</p>	<p data-bbox="615 688 1256 779">You can entrust your funds to another well-established funder, usually a private or community foundation, that has full control over its grantmaking and is fully staffed.</p> <p data-bbox="615 810 1268 957"><i>Examples: One well-known example is Warren Buffett’s unrestricted gift of \$30 billion to the Bill and Melinda Gates Foundation in 2006. There are also other foundations that depend heavily on contributions—for example Tipping Point Community and GreenLight Fund, which respectively address poverty and inequality.</i></p>
 <p data-bbox="350 1209 535 1289">COORDINATE FUNDING WITH OTHER DONORS</p>	<p data-bbox="615 1041 1260 1188">Donors may choose to coordinate funding strategies within their focus areas. They can identify opportunities to support one another’s work, reduce areas of unnecessary overlap, and strategize together about how to address a specific problem.</p> <p data-bbox="615 1220 1268 1367"><i>Example: GlimateWorks brings together its core partners—the William and Flora Hewlett Foundation, the KR Foundation, the John D. and Catherine T. MacArthur Foundation, the Oak Foundation, and the David and Lucile Packard Foundation—to strategize and fund collective action to tackle the causes of climate change.</i></p>
 <p data-bbox="370 1593 516 1673">POOL FUNDS WITH OTHER DONORS</p>	<p data-bbox="615 1472 1268 1562">Donors can aggregate, or pool, funds with each other to create larger-scale impact in a shared focus area. Entities that have a thematic focus are known as issue funds.</p> <p data-bbox="615 1593 1268 1709"><i>Example: Hundreds of issue funds exist, covering a wide range of topics such as animal welfare, movement building, poverty alleviation, human rights, clean water, hunger relief, youth homelessness, and many more.</i></p>

2.5

LEARN FROM THE COMMUNITIES YOU SEEK TO SERVE

Participatory grantmaking aims to democratize philanthropy by shifting the decision-making power from donors to the communities being served. It empowers community members by recognizing the unique importance of their lived experiences in making good decisions about how the community should be served. The following chart represents different ways high-capacity donors can practice participatory grantmaking.

The grantmaking process itself is a key outcome of participatory grantmaking. The goal is to achieve an inclusive democratic process and, as such, is driven by values rather than by strict rules. Thus there is a lot of variation in how participatory grantmaking is practiced. Sometimes the process is completely led by peers and does not include any trustees or foundation staff. Sometimes, the grantmaking decision is led by peers but the donors and staff are involved in other aspects. Other times, peers and donors both participate in making grant decisions.

WAYS TO PRACTICE PARTICIPATORY GRANTMAKING	WHAT IS IT?
<p>1.</p> <p>LISTENING TOUR</p> <p>Survey the communities you seek to serve</p>	<p>Donors seek out nonprofit and community opinions and perspectives to learn about the issues they are trying to tackle.</p> <p>This approach to participatory grantmaking allows donors to retain control of their philanthropic process.</p> <p><i>Example: Donors ask a wide range of nonprofit staff or community members about their experiences around a particular issue.</i></p>
<p>2.</p> <p>SEAT AT THE TABLE</p> <p>Incorporate grantee and community voices into your philanthropic process</p>	<p>Donors include nonprofit or community perspectives to inform their philanthropic strategy.</p> <p><i>Example: A giving circle focused on girls' education in Southern California has an advisory board of teenage girls from the region.</i></p>
<p>3.</p> <p>ACTIVE PARTNERSHIP</p> <p>Collaborate with communities or nonprofits to carry out your philanthropic process</p>	<p>Donors give nonprofits and communities increased decision-making power to direct philanthropic resources. This level of partnership can be very rewarding but generally requires trust and deeper connections built over time.</p> <p><i>Example: A foundation creates a regional advisory board of community experts to make decisions about which nonprofits to fund.</i></p>

2.5

One key benefit of participatory grantmaking is that it strengthens trust and credibility of the donors since it democratizes the grantmaking process. As participatory grantmaking expert Cynthia Gibson points out, some proponents of participatory grantmaking believe this process leads to better decisions. Additionally, this process promotes diversity, equity, and inclusion; provides participants with an opportunity to network, build their leadership skills, and increase community engagement; and can often help nonprofits identify new initiatives and take more risks.

While it has many benefits, participatory grantmaking may not always be the best approach for funders. Funders are still fiscally and legally responsible for their funding decisions and as a result, some traditional funders believe that they shouldn't cede control of decision-making. Additionally, for some organizations operating at a national level, engaging in participatory work may be overly challenging if they serve multiple constituencies and have fixed existing organizational policies and structures. Participatory grantmaking can also be resource-intensive. Coordinating among and supporting multiple community volunteers can increase the length of the process, and ensuring representativeness can be a challenge. This approach can also lead to conflicts of interest among community volunteers or between the organization and the community volunteers.

If you are interested in learning more about participatory grantmaking or reading Cynthia Gibson's work, please see the **Additional Resources: Section 2** at the end of this toolkit.

EPLI PHILANTHROPY PLANNER

ENGAGING OTHERS SUMMARY

Now that you have completed Section 2, turn to the Engaging Others Summary on the next page. Complete the survey to help you consider the different ways you can collaborate with other donors, nonprofit leaders, subject matter experts, and community members in the future. Tear out the summary to include in your Philanthropy Planner at the end of the toolkit.

EPLI PHILANTHROPY PLANNER
ENGAGING OTHERS SUMMARY

INSTRUCTIONS

Reflect on the considerations for collaborating with other donors. If you answer "yes" on any item, use the notes at the bottom of this page to jot down any considerations you may have in moving forward.

ARE YOU WILLING TO INVEST THE TIME TO:	YES SHORT TERM	YES LONG TERM	NO
Learn more about your selected issue area?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Learn from philanthropists working on your selected issue?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Learn from philanthropists in your geographic location?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Build the relationships of trust necessary for effective collaboration?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
DO YOU WANT TO SHARE WITH OTHER PEER DONORS:			
Lessons you learn in your philanthropy about promising giving practices or warning signs?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Decision-making in your philanthropy?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Your philanthropic legacy?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Your personal networks, skills, and expertise?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
DO YOU WANT TO PARTNER WITH OTHER PEER DONORS TO:			
Scale an initiative?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Elevate voices from communities affected by your issue(s) and provide space for their leadership?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Increase your influence on key stakeholders?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expand the skills and networks available to your philanthropy?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Pilot a new initiative?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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EPLI PHILANTHROPY PLANNER
ENGAGING OTHERS SUMMARY

INSTRUCTIONS
Reflect on what you've read about the different levels of participatory grantmaking. Jot down any concerns, considerations, or open questions.
Note: You may choose to engage in participatory grantmaking practices in all your philanthropic activities or only in some instances, around particular issues or organizations.

WOULD YOU LIKE TO DO A LISTENING TOUR ON A FOCUS AREA? YES NO

With whom might you want to speak (staff, community members or other subject matter experts)? Are you giving at a level commensurate with the time and attention you are requesting from people? Are you open to giving an honorarium to people if you are asking for their dedicated time?

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ARE YOU INTERESTED IN INCORPORATING GRANTEE AND COMMUNITY VOICES IN YOUR PHILANTHROPIC DELIBERATIONS? YES NO

Which people might you be interested in having around the table as a slightly more formalized advisory group while you deliberate about what kind of projects to support and how? What diversity, equity, and inclusion opportunities become possible with this approach? Do you need additional information to take this step?

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ARE YOU INTERESTED IN GIVING GRANTEE LEADERS OR COMMUNITY MEMBERS DECISION-MAKING POWER OVER ALL OR SOME PORTION OF YOUR DONATIONS? YES NO

How would you want a delegated decision-making entity to communicate their process and decisions with you? Who might you want to see involved in this collaborative group? What concerns do you have about this? What structures, level of formality, and commitments would you want to see to make this feasible?

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EPLI PHILANTHROPY PLANNER
ENGAGING OTHERS SUMMARY

INSTRUCTIONS
Once you have completed the survey, look back at the Spectrum of Collaboration in Section 2 to see which approaches, if any, might suit your current interests in collaboration. Then, think through the questions below.

SHORT-TERM APPROACH

What approach would you like to take to collaboration over the next cycle of your philanthropy?

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LONG-TERM APPROACH

What approach would you like to take regarding collaboration over the next 5-10 years?

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METHODS OF COLLABORATION

What are some concrete ways you would like to collaborate with others, in the short and long term?

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ACTION STEPS

What steps do you need to take to move forward?

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