

What Will It Take To Get The Job Done?

More than Money: Executive Summary



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As a donor, you have more than just a check to offer the organizations you fund. But how do you decide what that “more” should be? Should you participate in board meetings, open your Rolodex to introduce other potential funders, or chat with the CEO to share strategic guidance? Or should you take a hands-off approach, offering gifts of time, expertise, and connections only when asked?

After working with nearly 200 foundations over the past eight years, the Center for Effective Philanthropy (CEP) has heard all sides of the issue. Some nonprofits prefer just the check. Others clamor for more direct help. Among the latter, some say the support their funders offer is worth as much—possibly even more—than the actual money.

So, what’s really going on? Are funders routinely offering significant support beyond their grants? If so, is this support helping nonprofits get results?



A yawning disconnect between intent and reality

Upon analyzing its trove of survey data, CEP found nearly 80 percent of foundations leaders professed the best intentions of getting involved, agreeing that offering more than money is important “for improving grantees’ abilities to achieve their own goals.”

And yet, foundations aren’t walking the talk. More than half of nonprofits surveyed reported they did not receive anything from funders other than financial support. Only 10 percent said they are actually receiving significant support beyond the check.

Nonprofits also reported that, by and large, it was better for them to receive either a lot of non-monetary support or none at all. The message: “go big in value-added expertise or go away.”

For example, one respondent wrote, “There was a huge impact on the organization as we started a new program, but as we did not receive enough monetary and other assistance...we had to close the program down after the grant period ended.” Another grantee yearned for “more encouragement and

assistance in collaborating regionally to bring new services that would help everyone who is struggling to do more with less.”

This finding has serious implications for funders thinking about providing support beyond the grant. CEP concludes that it’s better to concentrate your support where it can have the most impact. And if you don’t have the resources to do that well, just write the check.

Simply put, size matters

Because quantity, as well as quality, counts, support should be spread thick. CEP found that foundations that reported providing more non-monetary support tended to make larger grants to a smaller number of grantees.



Specifically, CEP discovered that foundations that provide the most comprehensive or field-focused assistance manage fewer than 30 active grants and provide a median grant size of more than \$100,000. Conversely, foundations providing little to no support often manage close to 80 active grants and provide a median grant size of less than \$25,000. To be spread across so many grantees clearly limits the kind of support a foundation can provide.

When it comes to investing deeply in grantees, New York’s Wallace Foundation is in a league of its own. Wallace, which routinely assigns expert liaison officers to assist each recipient of its large, multi-year grants, makes unusually large investments in the organizations it supports. Its median grant size is \$1 million—versus a \$150,000 median grant size for a set of 10 of its peers. Wallace usually funds its projects for five years.

Needless to say, selectiveness is key. “We realized that we couldn’t get there by pushing the bottom [grantees] up,” said Wallace’s Christine DeVita. “We decided to give more intensive support to sites that had made the most progress in order to accelerate their efforts and impact.”

It also helps to be creative about how you provide the support. Consider:

- Hiring more staff relative to the number of grants you would like to give. CEP has found that foundations that provide effective non-monetary support tend to have more staff. A case-in-point: Florida-based Winter Park Health Foundation has a staff of 11 and makes grants to about 40 health-focused grantees each year—a 1:4 ratio of staff to grantees. Says President and CEO Patricia A. Maddox, “One of the things that I tell my staff is, ‘If you look around at other foundations that are our size, you don’t see this many program people.’”

- Partnering with the best external resources. In this case, you identify the support you want to offer and then fund other experts to help. Although this may literally entail writing a check, it's also an example of providing "more than money." Take the Hartford Foundation, which makes grants to 600 organizations a year and provides support to more than 140 of them using third-party providers. This allows Hartford's staff of 50 to remain focused on other critical activities—and elicits glowing grantee feedback. Says one grantee, "[the Foundation helps] you sustain the funding beyond [the single grant]."

Is it working? Ask!

CEP's findings underscore the importance of keeping communication lines open. Only about a third of foundation leaders and staff claim they always check in to understand the impact of their assistance. The rest follow up sporadically. Even for those who do ask, about 90 percent do not try identify how the organization has changed as a result of their assistance.

Key Takeaways

- **Identify:** Select the grantees that would most benefit from your support and pinpoint what they need.
- **Invest:** It is only when grantees receive a lot of assistance, or assistance focused on the nonprofit's subject area, that they report a substantially more positive experience. So staff up—or find outside organizations that can help.
- **Improve:** Ask your grantees how your support is helping, what else you could do, or what you should stop doing, and make changes to your practices as a result.

So what can you do to bridge the communication divide? A good first step is to simply ask for feedback.

The Hartford Foundation gathers feedback from grantees through regular conversations, periodic surveys, and roundtable discussions every few years. Vice President for Planning and Strategy Christopher Hall says the foundation asks "how [we] can be more helpful, which policies

are working and which are not?" In addition, the foundation tries "to understand what's happening in [grantees' fields], the latest developments, and the challenges [grantees] are facing."

If you persist in open, two-way communication, and asking your grantees the right questions, then ultimately the right assistance—in both kind and amount—will reveal itself.

What are you striving for? Consider this CEP survey response from a satisfied grantee: "The Foundation is always there for us. Whatever need arises, they

have been wonderful in lending their support and assistance and in helping us to network throughout the community.”

Now, that’s what more than money can really do.

ARTICLE SUMMARIZED FROM:

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TO READ THE FULL REPORT, GO TO:

<http://www.effectivephilanthropy.org/index.php?page=funder-grantee-relationships>

FOR FURTHER READING ON CAPACITY BUILDING GRANTS, READ:

- Backer, Thomas E. *Strengthening Nonprofits: Capacity Building and Philanthropy*. Encino, CA: Human Interaction Research Institute, 2000.
- Blumenthal, Barbara. *Investing in Capacity Building: A Guide to High-Impact Approaches*. New York, NY: Foundation Center, 2003.
- Connolly, Paul and Carol A. Lukas. *Strengthening Nonprofit Performance: A Funder’s Guide to Capacity Building*. St. Paul, MN: Amherst H. Wilder Foundation, 2002.