



## The DOs and DON'Ts of Working with Local Funders

### Considerations for National Foundations

National and local funders can benefit from working together in local communities. National funders can offer resources out-of-reach for most smaller foundations, helping to move local initiatives forward in directions, or at speeds, that local funders may not have been willing or able to achieve alone. National funders can also bring helpful national perspectives on complex social problems and, as outsiders, help local funders rise above local rivalries. What local funders lack in assets or staff capacity, they often supplement with sophisticated understanding of local and regional issues and credibility with key local players; national funders can boost local funders' credibility with these key players, and increase their abilities to leverage funds in support of local efforts.

Most local funders are wary, however, of the potential costs of relationships with national funders – the potential for their national counterparts to pull rank, overshadow local investments, or run roughshod over local goals and strategies – the feared “800 pound gorilla” of philanthropy. Local funders are also wary that national funders will “spend and run,” investing for short periods of time and leaving local funders to figure out how to sustain successful initiatives or pick up the pieces of failed initiatives. Under these circumstances, how can national and local funders develop productive, mutually rewarding relationships?

At the request of the Annie E. Casey Foundation, the Association of Baltimore Area Grantmakers (ABAG), a regional association dedicated to strengthening and promoting organized philanthropy in the Greater Baltimore region, gathered advice from the field on the do's and don'ts of working with local philanthropies. The Annie E. Casey Foundation sought guidance from peers in support of its Making Connections initiative so that staff might better reach out to and collaborate with local funders in those communities where the Foundation had made a ten-year commitment.

Throughout our more than twenty-year history, ABAG has embraced and encouraged funder collaboration. We also have sought to strengthen the relationships between our members and national funders interested in investing in the region. Accordingly, we welcomed an opportunity to explore the nature of relationships between local and national foun-

dations and to present our findings not only to the Annie E. Casey Foundation but also to other national funders and the field of philanthropy generally.

Our suggestions are based on conversations with local funders in our region, national funders with initiatives to engage local philanthropies, the staff of funder collaboratives whose partners include local and national funders, and the staff of our fellow regional associations of grantmakers (see Selected Sources on page 5).

We also reviewed a variety of publications and drew most prominently from the following programs and initiatives:

- The James Irvine Foundation's Community Foundations Initiative, begun in 1995 to build the capacity of seven small and medium-sized community foundations throughout California, providing grants of up to \$1.5 million over seven years to strengthen their internal infrastructure, expertise as community catalysts, ability to manage external relations, and partnerships with Irvine; and the
- Robert Wood Johnson Foundation's Local Initiative Funding Partners program, operating since 1988 to establish partnerships with local grantmakers who nominate local projects to improve community health outcomes and provide funds to match RWJF's support of these projects. Since 1988, RWJF has invested \$71 million in over 220 local projects, in partnership with over 1,000 local philanthropies.

We present the following suggestions to staff of the Annie E. Casey Foundation, and to other national funders, and we welcome input from other practitioners familiar with partnerships between national and local philanthropies. At first blush these recommendations may appear to be common sense; however, our research uncovered numerous examples of when collaboration stalled or failed because these lessons had not been heeded. National and local funders have a lot to offer one another and to our communities. We hope that these do's and don'ts provide practical guidance to further such relationships and deepen the impact of philanthropic investments.

■ **Familiarize yourself with the local funding community.**

Jan Jaffe of the Ford Foundation reminds national funders to “pause before acting,” taking time for proper reconnaissance. Orient yourself to the size and structure of the local funding community – mindful of the scope of local resources, key players with resources to help or hinder your project, and logical points of access to local funders.

Identify the distribution of independent/family/corporate funders and the size of annual grantmaking in your area of interest. FCSearch, the Foundation Center’s CD-ROM database of foundations and corporate giving programs and their associated grants, is a good starting point for these demographics, as are conversations with staff of regional associations of grantmakers.

Also identify who convenes funders in the local community and around what issues – potential points to access like-minded local funders. Regional associations of grantmakers, community foundations, United Ways, affinity groups, and funder collaboratives are likely convening groups, but no one group will provide suitable access in all local communities. Regional associations, for example, serve varying geographies and provide varying services, making some better positioned than others to provide access to like-minded funders in a given city.

Engage consultants as needed to scan the philanthropic sector or identify resources to support work in local communities. The John S. and James L. Knight Foundation engaged Fancher Associates, for example, to identify communications resources to support their grantmaking in Long Beach, California.

■ **Use basic courtesy.** Mutual respect is perhaps the most important factor to the success of working relationships between local and national funders, and respect must be earned, as local funders, most often with fewer resources, are especially sensitive to signs of arrogance among national funders.

“An attitude of equality, professionalism, and the fact that these are true peer relationships are most important,” shares JoAnne Bander, formerly of the Donors Forum of South Florida. Avoid the unnecessary “us-them” dichotomy, and take time to orient local funders to your organization’s language, structure, and decision-making processes, all of which make it easier for local funders to know how to relate to you. In turn, take time to orient yourselves to their language, structure, and decision-making processes. Speak openly, honestly, often, and with a common language.

Respect local funders’ time in meeting with you, remembering that local funders often have few, if any, paid staff, and acknowledge their timeframe for local initiatives, goals for their communities, and proposed strategies for change – all

likely to reflect a unique “ear to the ground” and commitment to the local community.

■ **Minimize power imbalances.** “The power dynamics are very important to understand in this work,” says Barbara Kibbe, former director of the David and Lucile Packard Foundation’s Organizational Effectiveness and Philanthropy program, “You cannot overestimate the power differential.” Be careful to avoid terms like “lead funder” or “lead partner” that unnecessarily emphasize national-local or local-local imbalances of power.

“Money and power have to take a backseat,” writes staff of Robert Wood Johnson’s Local Initiative Funding Partners program. The Foundation now takes recommendations from the community’s own funders – a long way from their early and unsuccessful attempts at “telling local philanthropies how to spend money on their home turf.” Irvine’s Community Foundations Initiative similarly invited community foundations to choose their projects based on local priorities, not top-down mandates.

Sharing power with community foundations was also key to the Packard’s success – inviting them to define agendas for convenings, hire the initiative’s evaluation firm, and provide feedback to Packard on their satisfaction with the Foundation’s support of the initiative.

Openness to feedback is particularly important. Adopt a learning perspective, and present your foundation as an open shop. Early on in work with local funders, discuss processes for giving and receiving formal and informal feedback, evaluating feedback, and making mid-course corrections. “And if you decide to do something local funders don’t recommend,” shares Jan Jaffe of the Ford Foundation, “be open and honest as to why this decision was made.”

■ **Approach funders by way of the most neutral convener possible.** To the extent possible, choose a convener who is neutral in size and stance on an issue. A very small funder may lack the connections or resources necessary to bring interested parties to the table; at the same time, the city’s most prominent funder may deter smaller foundations from expressing interest – sending a message of collusion among the “big guns” that can heighten fears of being overshadowed or overrun.

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Stance is less easily reckoned with. It is hard for funders to stay completely neutral when committed to community issues — after all, taking a stance reflects energy around an issue — but some funders and some entities (e.g., regional associations of grantmakers) may be more neutral players than others and better positioned to welcome a range of potential investors. Choosing the most neutral convener possible welcomes funders with less certainty about their stance — funders who, in neutral settings, may reveal themselves as allies.

- **Bring resources to the table.** Terrance Keenan, key initiator of Robert Wood Johnson’s Local Initiative, had little success engaging local funders with ideas alone — perceived as arrogantly trying to drum up support for projects the Foundation, an outsider, deemed worthy. Realizing “it would be easier to get a favorable reception if I had some money to put on the table,” the Foundation began matching local money dollar-for-dollar.

That said, money is not the only, and not always the most important, element that national foundations bring to relationships with local funders. A national presence is “valuable beyond the sum of the check,” according to participants in Johnson’s Local Initiative. Local funders value access to national publications, conferences, and experts with extensive knowledge and broad perspectives on complex issues; the administrative and financial functions that national funders can provide; and access to national funders as models and motivators. Several community foundations “pointed to Irvine’s strategic style of grantmaking, operating values of inclusion and partnership, track record of catalytic work ... and psychological energy as helping to shape and boost their work in communities.”

Host regular convenings as avenues for sharing resources, addressing broad learning goals, and sharing lessons learned, including the successes and failures of the national foundation, past and present. Barbara Kibbe, formerly of the Packard Foundation, advises national foundations to engage locals in defining the agendas for convenings, reducing the perception that convenings are “command performances” that local funders must attend in return for national money.

- **Become part of the local fabric.** Local funders have an “ear to the ground,” important relationships with community leaders, and a keen understanding of local and regional issues. Engage them to learn about local issues, but don’t stop at merely positioning yourself as a knowledgeable peer. “Get on boards, get to know the local culture,” suggests Betsy Ringel of the Blaustein Philanthropic Group. “Emphasis should be put on forming relationships with local funders,” says Ray Kuniansky, Chief Operating Officer of the Atlanta Neighborhood Development Partnership, “not just learning

the local issues and acting as a peer, but really forming a relationship and letting the local funder know that you are investing in the community just like they are.” A national funder with consistent, on-site staff is better positioned to achieve these types of relationships.

- **Allow room for local input.** “It is not wise for a private foundation to create an agenda that is so well thought out that the community foundation cannot put their handprint on it,” says Mike Howe of the East Bay Community Foundation, speaking of his participation in Irvine’s Community Foundations Initiative, “There’s a certain artificiality that plagues these kinds of initiatives from the start.” Ray Kuniansky of the Atlanta Neighborhood Development Initiative agrees: “The issue of local strategies is very important in Atlanta. The local folks here believe that if you can do it in New York, then we should be able to figure it out here with local folks. There is a lot of pride of ownership.”

Specific program goals and timelines are useful to structure work with local funders, and set agendas for periodic convenings, but prescribing specific strategies can be a hindrance. Robert Wood Johnson’s Local Initiative rests responsibility for program design and execution in the local community. The unusual hands-off approach — requiring only that programs fit into one of the Foundation’s three funding categories and be supported by matching local money — has resulted in a host of projects with local flavor and remarkable sustainability.

As a national funder, look for opportunities to communicate ideas and concepts, not specific blueprints for change. Encourage and accept input from local funders — input on significant issues that will enhance ownership, pride, and long-term commitment.

- **Make sustainability a priority.** Funders too often pay more attention to a project’s start-up than to how it will end: “No one wants a handoff,” shares Betsy Ringel, Executive Director of the Blaustein Philanthropic Group that funds largely in Baltimore. Abruptly withdrawing from work in local communities creates bad feelings among local funders and reluctance to partner with national funders in the future: “Local funders live with their mistakes,” says Robert Eckhardt of the Cleveland Foundation, a partner in several of Robert Wood Johnson’s Local Initiative projects, “Johnson can walk away from them.”

Communicate early and openly about sustainability, including your timeline for investment and the resources you will provide to local funders in strategizing for sustainability (e.g., money, technical assistance). Irvine did not succeed across the board in supporting the sustainability of activities among participating community foundations. Not all had sustainability plans, and in retrospect, Irvine believes dili-

gence in phasing out support over time may have pushed participants to find other sources of support before the initiative ended.

- **State your expectations.** National and local funders often operate very differently, making it extremely important to recognize, share, and monitor your expectations for a working relationship. What resources will you bring to the table, and what will you expect in return? What types of communication do you expect from local partners, and how often? If funding an intermediary, what are your expectations around governance? What results do you hope to achieve, and by when? What is your timeline for investment? What is your tolerance for local agendas and strategies or varying degrees of local investment?

Mike Howe of the East Bay Community Foundation, a participant in Irvine's Community Foundations Initiative, warns that community foundations often focused on getting the money, without looking carefully at what they were supposed to do with the money. Clearly stating your expectations increases the chances that local funders participate because they see an added value and a structure they can live with, not just an opportunity to secure national money.

- **Develop the partnership over time.** In partnering with local funders, the Robert Wood Johnson Foundation experienced "no straight stretches and a lot of ups and downs between the curves." Develop partnerships with local funders slowly over time, investing sufficient time in start-up and beginning internally with your own staff.

Create a culture among your staff that values work with local funders. Make staff aware of the potential value added, and provide them with the training and resources necessary to be knowledgeable about local funders and successful in this work. When Robert Wood Johnson launched its bottom-up Local Initiative — in context of the Foundation's top-down culture — the disconnect perceived internally and externally nearly killed the initiative.

Bring local funders to the table early to reach agreement on values and goals for a working relationship. Get assurance that local funders understand and value the work and believe it to be appropriate for their organizations. In some cases, ambivalence among some local funders' boards or staff undermined the progress of Irvine's Community Foundations Initiative.

Partnerships between national and local funders fall along a continuum, including information sharing, consultation, strategic alignment of grantmaking (without pooling funds), and collaborative (pooled) grantmaking. Together with staff, decide what are you trying to achieve and how to explain that to local funders: "There are a variety of ways for private foundations to come in," says Humboldt Area Foundation's Peter Pennekamp, a participant in Irvine's Community Foundations Initiative, "One way is to come in and say, 'We just want these five meetings convened. They're really our meetings but we're paying you to do them.' That's fine, but be clear that's all you expect and don't expect anything else."

## Selected Sources

### REGIONAL ASSOCIATIONS OF GRANTMAKERS

Lori Van Auken, Rochester Grantmakers Forum  
Carlota Baca, New Mexico Association of Grantmakers  
JoAnne Bander, formerly of the Donors Forum of South Florida  
Kae Dakin, Washington Regional Association of Grantmakers  
Kathy Doellefeld-Clancy, formerly of the Metropolitan Association for Philanthropy (St. Louis, MO)  
Deborah Fugenschuh, Donors Forum of Wisconsin  
Valerie Lies, Donors Forum of Chicago  
Betsy Nelson, Association of Baltimore Area Grantmakers  
Miyoko Oshima, Southern California Association for Philanthropy  
Nancy Roberts, Connecticut Council for Philanthropy  
Michael Seltzer, New York Regional Association of Grantmakers  
Carol Simonetti, Indiana Grantmakers Alliance

### NATIONAL FUNDERS

Ira Barbell, Annie E. Casey Foundation  
K.C. Burton, Annie E. Casey Foundation  
Jan Jaffe, Ford Foundation  
Dottie Johnson, W.K. Kellogg Foundation  
Barbara Kibbe, formerly of David and Lucile Packard Foundation  
Marilyn LeFeber, Charles Stewart Mott Foundation  
Ray Murphy, Charles Stewart Mott Foundation  
Polly Seitz, Robert Wood Johnson Foundation

### LOCAL FUNDERS / FUNDER COLLABORATIVES

Patrice Cromwell, Open Society Institute-Baltimore  
Ray Kuniansky, Atlanta Neighborhood Development Partnership  
Betsy Ringel, Blaustein Philanthropic Group  
Jan Rivitz, Aaron Straus and Lillie Straus Foundation  
Ann Sherrill, Baltimore Neighborhood Collaborative

### CONSULTANTS

Alice Buhl, Buhl & Associates  
Charles Fancher, Fancher Associates, Inc., consultant to the John S. and James L. Knight Foundation

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