

WHAT IT REALLY TAKES TO INFLUENCE FUNDER PRACTICE

Philanthropists are increasingly combining forces to improve grant making. But what it takes to match their “will to skill” in influencing practice can feel murky. Twelve multiyear initiatives of the past decade shed light on promising approaches and reveal four consistent proponents of change.

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INFLUENCE IS AN IMPORTANT ELEMENT in the philanthropic tool kit. Many funders have long sought to shift how government, the private sector, and nonprofits address urgent and complex problems such as climate change, poverty, threats to democracy, and more.

Increasingly, funders also seek to influence one another, urging peers to change their grant-making practices—more advocacy funding, more systems funding, more collective impact, more equitable funding, and so on. This is different from collaborating to channel more dollars to, say, education or swapping favors (e.g., “You co-fund my project, and I’ll co-fund yours”). These influence initiatives aim to change how whole categories of funders—such as high-net-worth individuals, legacy institutions, and impact investors—conduct their own business to create a more effective philanthropic sector with more equitable resource flows and relationships with grantees.

Call it “funder influence at scale,” a phenomenon little studied to date. Yet its potential appears to be significant. In a recent Ford Foundation-funded research project by Milway Consulting, we observed a present-and-recurring set of elements across 12 funder-influence initiatives of the past decade that were present in efforts that gained ground and absent in those that stalled (see table, “[Twelve funder-influence initiatives](#)”). We tested the findings at a convening this year of more than a dozen institutional funders involved in influence initiatives, and they resonated. We also compared our findings and found alignment with proven funder-influence efforts that fell outside our study period, like [StriveTogether](#), which pioneered [collective impact](#) in 2006.[i]

The challenge of influencing funder practice

Consider the example of [Diversity in Five Years](#), or D5, a coalition that grew to include 27 grant-making and other philanthropic support organizations. Its members originally joined forces to address deep gaps in diversity, equity, and inclusion (DEI) across philanthropic leadership, grant making, and investing. Launched in 2010 on an \$8 million budget, D5 built the knowledge base of foundation policies to advance DEI, convened its members and their networks to develop common messaging, and developed annual data collection about foundation performance on diversity metrics. Evaluations after five years showed philanthropy’s increased awareness of DEI concepts—but limited change in philanthropic practice.

Nevertheless, the tools D5 created to promote DEI across foundations proved to be useful after a public, multisector push for DEI took hold in the wake of the Movement for Black Lives, #MeToo, Time’s Up, and other related campaigns and movements. Ultimately, D5’s leaders underestimated the amount of time, resources, and public pressure necessary to influence philanthropy to change, but they laid important groundwork upon which others continue to build (see appendix I, “[D5: The long game of influence](#)”).

The D5 example illustrates that funders need to get real about what it takes to influence practice. For the two of us who work at the Ford Foundation (Kathy and Chris), the question of which approaches to influence are most effective hits close to home. In 2016, the Ford Foundation launched the BUILD program, a six-year, \$1 billion commitment to strengthen key institutions around the world that focus on dismantling inequality. BUILD offers five-year grants that combine general support and capacity building, while also shifting the locus of power in deciding about how to use donor funds to the grantee partner. We've seen promising early results from the BUILD program, and the initiative has been a game changer for our own practices: In 2015, Ford gave only 36 percent of grants in the form of general support (sometimes called “core support”); by 2018, the proportion had increased to 71 percent—having nearly doubled in three years.

We knew we were far from the first donor to try to work in this way, but we wondered how many others were making the attempt. Despite ample data to support grantee-centered funding (see appendix II, “[Yet more evidence in support of grantee-centered funding](#)”), funder progress toward larger, longer-term, more flexible grants—and shifting power from donors to grantees—remains frustratingly slow. To tease out specific tactics that could accelerate change, the research zeroed in on six initiatives that represent a high diversity of objectives and structures. Milway conducted 360-degree interviews with initiative leaders, participants, and, where applicable, grantees, and developed [case studies](#) from that research. Although in our sector it's all too common to extrapolate from a few cases and make grand assertions about how change happens, we were nevertheless struck by patterns that emerged from the 6 that we then observed across most of the 12. One pattern was a recurring set of design choices among initiatives that had made headway versus those that met headwinds.

Designing for headway

If we look at philanthropic research and listen to the people who work hard to create more effective philanthropy, we can get a pretty good idea of some fundamentals: Any campaign seeking to influence funder norms requires strong leadership, adequate resourcing, and generous time horizons—after all, philanthropic change is a long game. Fewer than half of the initiatives we looked at were open-ended or involved a decade-long commitment. The others aimed to wrestle down change in two to five years and, like D5, faced challenges influencing norms.

As we dug further into the six cases (see the full case write-ups at www.fordfoundation.com/improvingpractice), we began to see a pattern in the strengths of their basic design (see figure 1, “Making headway vs. facing headwinds”).

Figure 1. Making headway vs. facing headwinds

DESIGN INSIGHTS

INITIATIVES THAT MADE HEADWAY

- Involved doers & donors from start
- Actively lowered barriers to adoption
- Had strategies for building will & skill

INITIATIVES THAT MET HEADWINDS

- Overlooked issues of inclusion
- Lacked a sustaining center
- Lacked early and ongoing exemplars

Making headway

Initiatives that made headway drew in both doers and donors at inception, recognizing that it's nearly impossible to shift a funding norm by influencing funders alone. Take, for example, [Blue Meridian Partners](#), a philanthropic investment platform that asks philanthropists to join as partners and commit at least \$15 million to jointly fund multiyear (5 to 10 years or more) business plans of a portfolio of vetted nonprofits. Blue Meridian is only the most recent iteration of a more than decade-long initiative of the Edna McConnell Clark Foundation (EMCF) to encourage funders to aggregate resources so that they can help nonprofit leaders and organizations bring their solutions to scale. [ii] Blue Meridian is drawing in philanthropists interested in alleviating poverty and promoting economic mobility, and simultaneously attracting nonprofits that have established track records for doing so. Blue Meridian has not only grown participation in its own platform but also has helped influence emulators, who are creating their own investment platforms to fund deep social change. Blue Meridian CEO Nancy Roob said in an interview with us, “We can see elements of Blue Meridian in up to 10 other aggregated investment platforms that have since been launched, such as Co-Impact, the Audacious Project, Lever for Change, and the Collaborative Fund for Women’s Safety and Dignity.”

Second, the initiatives that made headway embedded **mechanisms for lowering barriers to adoption**, whether live or online technical assistance, plug-and-play tools to effect change, or testimonials to persuade colleagues. They not only designed for adoption but their staff also constantly looked for barriers to joining and lowered them. [Fund for Shared Insight](#), [iii] for example, comprising 13 core funders including Ford and EMCF, launched an initiative called Listen4Good (L4G) in 2016 to spur nonprofits to collect feedback from the people they strove to help—and to spur funders to support grantee investment in feedback systems and use the feedback from those efforts to inform their own grant making and strategy development. L4G has grown to include more than 400 nonprofits that have invested in creating feedback systems and more than 100 funders that support them. A key to that growth formula has been an embedded technical-assistance program led by L4G managing director Valerie Threlfall, which codifies FAQs and implementation tips for new adopters in addition to offering a helpline to give bespoke assistance. As L4G has progressed, Threlfall and her team have continued to look for places where assistance can be automated in order to smooth and accelerate adoption.

A final design element we found among the initiatives that garnered broader adoption was dual goals to **build will and skill for change**. At Blue Meridian Partners, for example, general partners—such as hedge fund manager Stanley Druckenmiller, former Microsoft CEO Steve Ballmer, and Ballmer’s wife, Connie—attend regular investor meetings with management staff, where they learn about approaches to sourcing and vetting nonprofit partners. Meanwhile, Blue Meridian assigns nonprofit partners a managing director who is knowledgeable in their field and able to support them in creating long-term business plans that merit investments of \$100 million or more. Such will and skill building across donors and doers can be a step toward adjusting power dynamics between investor and investee. Fund for Shared Insight’s 13 core funders, who contribute \$250,000 or more annually to fund L4G and other projects, embedded (from the start) an evaluator in their triannual meetings to garner feedback in real time about the alignment of their efforts with their theory of change. A few years in, they added another consultant to these meetings to hold up a mirror on equity, diversity, and inclusion.

Facing headwinds

On the flip side, we also saw a pattern of design gaps in the cases that met headwinds and struggled to grow adopters. For one thing, such initiatives tended to **overlook issues of inclusion** at inception. They started with one group of stakeholders and then added more segments—and the second and third waves of participants never felt as fully integrated as those involved at the outset. Case in point: D5 started with funders and then added philanthropic support organizations, whose leaders said they struggled to feel like full partners. This was also true for the Giving Pledge, whose aim was to influence billionaires to pledge half or more of their wealth to charity during their lifetime or upon passing. The [Giving Pledge](#) launched in 2009 with a US focus. Later it reached out internationally—500 billionaires cropped up in China alone—and found it had to overcome a culture gap. In an interview with us, Rob Rosen, who today oversees the initiative as head of Philanthropic Partnerships at the Bill and Melinda Gates Foundation, said, “Broadening to international led to a learning curve on acculturation and has taken much time, but also brought much richness to the learning community.” As of June 2019, 204 billionaires, about 9 percent of the global total, had signed the pledge—with US billionaires accounting for about 86 percent of all pledgers’ total assets.

Another factor in initiatives that stalled was **lack of a sustaining center**, an entity serving as hub for the initiative that could hold the strategy and implement initiative-wide tasks, such as gathering and maintaining a database of results, providing technical assistance, serving as the microphone for the cause, and offering psychological support for change. The power of such sustaining entities is well captured in a 2017 *Stanford Social Innovation Review* article, [“How Field Catalysts Galvanize Change.”](#) [iv] The under-resourcing of (or lack of) these sustaining centers inhibits progress. In the case of D5, which executive director Kelly Brown managed with one assistant and a couple of consultants, the center simply wasn’t robust enough to execute on all that it had envisioned to promote adoption. For example, D5 designed a campaign, Take 5,

to motivate participants to move from awareness of and interest in DEI to taking five steps to embed DEI in grant making. But Brown lacked the resources to roll out Take 5 publicly. In another case, a multiyear initiative led by the Bridgespan Group called the [Transformative Scale Collaborative](#) helped funders and nonprofits design for solutions at scale. Bridgespan invested significant resources in the effort but did not have a dedicated community manager. Rather, its co-leads, Bridgespan then manager, Abe Grindle, and managing partner Jeff Bradach, coordinated efforts off the side of their desks. This worked for a while but ultimately proved to be unsustainable.

A third consistent headwind grew from **lack of exemplars** as part of the launch model. If potential adopters couldn't see and speak to others who had achieved change, it was hard to envision change themselves. California's [Full Cost Project](#), led by Philanthropy California, learned this lesson as they strove to promote a common approach for funders to calculate the full cost of achieving the impact their grantees targeted, while also considering costs associated with nonprofit sustainability and resiliency. Over the course of four years, the initiative identified barriers and opportunities to a full-cost approach, created opportunities for funders and nonprofit grantees to discuss them, and offered technical trainings for those wishing to do a deeper dive into the practical application of a full-cost model.[v] Yet, because the focus during the first four years was on skills acquisition and culture change (with doers' full participation in phase two), without pushing for change in practice, few exemplars of adoption came to the surface to inspire others. Philanthropy California plans to launch a third phase of the Full Cost Project in 2020 to build on prior work and promote change in practice.

The Four *E*'s of influence

As we dug further into six funder-influence initiatives, including D5, Blue Meridian Partners, the Transformative Scale Collaborative, the Giving Pledge, the Full Cost Project, and Making Big Bets for Social Change (Big Bets), we began to see recurring elements of successful implementation. The key elements in combination created a cycle of influence, which we came to refer to as “the Four *E*'s” (see figure 2, “The Four *E*'s influence cycle”):

- **Evidence:** Launching an initiative after identifying clear, data-driven evidence of the problem, defining a verifiable goal, and committing to track evidence of progress toward the goal
- **Engagement:** Investing VIP time to engage a coalition of like-minded collaborators—and equipping that coalition to engage and attract even more adopters
- **Example:** Holding up an example of success at launch and building momentum by showcasing additional examples along the way to encourage others to “join the club
- **Easing adoption:** Making it easy for adopters to implement new practices by dedicating adequate staff and resources to take on tough or time-consuming, initiative-wide tasks.

Each of the Four *E*'s is rooted in a long history of scholarship about how influence operates, and we saw power in their combination and repetition as an initiative cycled through broader and broader ripples of change. Funders could enter the cycle at any point as long as they covered all four bases and continued to revisit them at each stage of advancement. If they skipped or dropped a step, the initiative derailed, petered out, or lost momentum until the gap was addressed.

Figure 2. The Four E's influence cycle

INFLUENCE CYCLE IN ACTION: 4Es

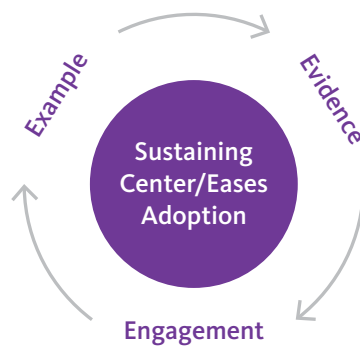
EXAMPLE

Launch with example of success that potential collaborators can see and interrogate.

Build trove of success cases to inspire others to “join club.”

EASING Adoption

Make it an ongoing job to scan for barriers to adoption and lower them, typically a task taken on by initiative’s “sustaining center.”



EVIDENCE

Gather quantitative evidence to define concept; draw others to it

Define success; Measure progress; share results as initiative unfolds

ENGAGEMENT

Use one-on-one conversations to build coalition of likeminded

Equip coalition with will and skill to attract more adopters

EVIDENCE: Quantitatively document the problem and define success

The first critical element for influencer success is to muster hard, data-driven **evidence of the problem**, and enough indicators of a path forward to draw others to the cause, while leaving room for adherents to put their fingerprints on the strategy. On an ongoing basis, as the initiative progresses, it needs to grow a body of quantifiable evidence to indicate whether the approach is working. This process requires a vision and definition of success before launch, and it means tracking progress against that definition as the initiative unfolds as well as adapting strategy based on results.

The Transformative Scale Collaborative, or T-Scale, germinated in 2013 with jolting evidence embedded in a speech by Bradach of Bridgespan at the Social Impact Exchange conference. Bradach’s key slide listed top nonprofits in a given field—say, Teach for America in supplying teachers to underserved school districts, or Year Up in skilling and apprenticing disconnected youth—and charted their progress versus the magnitude of the problem they hoped to solve. For Year Up, the gap at the time was stark: 2,000 graduates a year, in a country with more than six million disconnected youth; other gaps were similar. Indeed, the sheer chasm between progress and solution for each of the leaders in a given field was a wake-up call for doers and donors to change their approach to scaling impact.

The evidence paved the way for Bradach and Grindle to launch a multiyear initiative in 2014, ultimately engaging about 30 domestic and international nonprofits (including Year Up) and funders. Within four years, these organizations were invited to participate in two three-day, lab-style workshops called Impact Labs, plus a dozen or so side meetings. The goal: to rethink their strategies for achieving impact at scale. “It was an opportunity ... to be ... generative, out of actual leaders doing the work,” said Bradach in an interview with us.

Surveys after each lab captured data and stories about participant breakthroughs. For example, a 2016 survey report found that 91 percent of participants had accelerated their strategic pivots, and 60 percent said they had begun scoping or implementing a new approach. By 2018, Bridgespan could point to at least a quarter of participants, including nonprofits like patient advocate Health Leads and funders like EMCF, launching visible new strategies to leapfrog the chasm between progress and scale. Some nonprofits lowered implementation costs via licensing; others created commercial demand or plugged into public systems; and several funder participants launched big-bet initiatives to fund long-term efforts and systemic change.

ENGAGEMENT: Invest VIPs’ time to build a coalition, then equip collaborators to attract more adopters

The second *E* in the cycle, **engagement, starts with building a coalition of like-minded collaborators**. We found the approach to implementation to be consistent across every one of the six cases we explored in depth: VIPs blocked time on their calendars for one-on-one calls to rally adopters. The Giving Pledge’s Rob Rosen and its founding director, Olivia Leland, for example, cited hours and days that co-chairs Bill Gates, Melinda Gates, and Warren Buffett had blocked out to enlist the founding 40 pledgers. This up-front work allowed them to launch with the wind at their back and to co-shoulder the campaign with collaborators who already shared its aims. In an interview with us, Texan entrepreneur Lyda Hill, a founding 40 pledger and the first woman to pledge her wealth, said: “I had already planned to give 100 percent of my estate to charity. It was a slam dunk.”

As the influence cycle turns, the most successful initiatives equip the engaged to share their knowledge and draw in other adopters, thereby forming new clusters of energy and drive for change. The Giving Pledge instituted annual meetings and learning sessions to help peers share ideas on giving more effectively and impress the urgency of giving now. In many instances, affinity groups of pledgers formed around specific fields, such as education and climate change, and encouraged one another to give more.

Another initiative, [Big Bets](#), actively shares insights and evidence among initiative participants, equipping adopters to draw in others. Big Bets launched as an open movement, sparked by Bridgespan research published by *Stanford Social Innovation Review* in 2015 and building off more than a decade’s work with clients. The findings

showed that while 80 percent of major donors flagged social change as part of their mission, only 20 percent of commitments of \$10 million or more went to fund social change. Big Bets aimed to encourage funders to direct more of these big gifts to social change (giving collaboratively or solo, at a pop or over time). By design, the Big Bets campaign closely paralleled Bridgespan’s client services to leaders in the field, helping funders develop big-bet strategies and helping implementers of social change structure “big-bettable” opportunities. “Neither the campaign alone nor client services alone could have created sufficient momentum,” initiative co-lead William Foster, head of Bridgespan’s consulting practice, told us in an interview. Such cross-pollination—with Bridgespan as either formal or informal adviser—further engaged a number of large-scale philanthropic investment platforms launched publicly since 2016, including TED’s The Audacious Project, Lever for Change (spun out of the MacArthur Foundation), Blue Meridian Partners, and Co-Impact.

EXAMPLE: Show what it looks like to change

These new philanthropy platforms have also provided the Big Bets initiative a third *E* in the cycle of influence, one that powerfully aided diffusion of StriveTogether’s approach to collective impact: visible **examples of funders changing their ways**. . Indeed, Big Bets launched with the happy coincidence that the MacArthur Foundation simultaneously announced it would restructure its grant making around Big Bets. Meanwhile, the Ford Foundation and the Rockefeller Foundation announced they, too, would refocus their portfolios, with more funding for fewer causes. The combination of new research from Bridgespan and national examples propelled the Big Bets story to significant national media coverage, thereby raising awareness and will to “join the club.”

As the initiative has unfolded, Big Bets’ core team has annually tracked and published the number and types of individual or collaborative bets on social change of \$25 million or more. The exercise has created a trove of easily accessible examples that can inspire others. After the first Big Bets list, published in 2015, the volume of such bets rose by a third, from 48 to 64, the following year, although growth has leveled off since, prompting reexamination of influence tactics.

Among our full study set of 12 initiatives, [The Power of Possibility](#) aimed to encourage more nonprofit boards to consider strategically collaborating or merging, and funders to support such unions. Project lead BoardSource launched its campaign with case studies related to each of six inflection points in an organization’s life cycle to show trustees what success could look like. While BoardSource CEO Anne Wallestad told us in an interview that annual surveys have yet to indicate behavior change, the initiative’s online resources, like D5’s, continue to attract visitors—particularly its to how-to tools, including case studies.

Meanwhile, another initiative in our study set, the National Committee for Responsive Philanthropy's pledge-based [Philanthropy's Promise](#), shuttered in 2016 after five years spent gathering 202 public commitments from foundations to give 50 percent or more of grants to marginalized communities and 25 percent or more to social justice strategies. Vice president and chief engagement officer Jeanné Lewis told us in an interview that it proved too difficult to gather accurate data to confirm follow-through on pledges and validate exemplars. Since then, the National Committee for Responsive Philanthropy has shifted to a core strategy called Power Moves, which lifts up visible examples of equity in grant making.

EASING adoption: Lower barriers to joining

The final element in our influence cycle is straightforward but profound: making it a real job to **ease the adoption of new practices**. This entails creating a strong organizing mechanism, or “sustaining center,” that can scan the horizon for both structural and psychological barriers to adoption and then work systematically to flatten them. Such barriers can be anything that asks collaborators to do something extra, difficult, or outside their own organization, like building a database of evidence, a library of tools, or an initiative-wide evaluation. Too often an initiative's funders think this can work with a little bit of time from a lot of people, or a lot of time from very few people. Where initiatives succeeded, the mechanisms to ease adoption were robust; in those that fell short, they lacked. Each of the six cases we developed included ways to ease adoption, and their best tactics are worth noting

- The Full Cost Project seized on the tactic of hiring a neutral arbiter of change. It engaged the Nonprofit Finance Fund to conduct its joint trainings of doers and donors, which created consistency and a safe sounding board for difficult conversations.
- D5 created conversation starters for foundation staff: a library of professional videos that coalition members could take back to their organizations to stimulate discussions of DEI needs and goals.
- The Transformative Scale Collaborative harnessed the power of focusing executive attention. Its initiative required that participants bring their full executive teams to the three-day Impact Labs, limiting daily interruptions and galvanizing focus on pivoting strategies.
- The Giving Pledge transposed the power of public declaration to philanthropic intent. Public square commitments, key to the cessation of harmful practices—from foot binding in China to female genital cutting in West Africa—worked to create a moral obligation to give away wealth.
- Big Bets showed the power of building a comprehensive database. It launched with a list of all the big bets made within the span of a decade (and what they funded), and it has tracked all big bets as evidence of shifts toward funding social change that can inspire others.

- Blue Meridian Partners showed the power of perhaps the strongest (and most exacting) type of sustaining center: a platform where both doers and donors find support and guidance, and are held to a common standard and objectives.

Smoothing the way for change

At the Ford Foundation, we recognize that many funders have been practicing the kind of funding we advocate—providing larger, longer-term, more flexible grants that truly strengthen institutions—for many years. We hope to use our platform to increase adoption of this practice. We therefore take the Four *E*'s to heart (see appendix III, [“How BUILD is applying the Four *E*'s”](#)). In this effort, we are encountering the need to lower not just structural barriers to change, such as fixed budget lines, but also psychological barriers, such as lack of trust and desire for control, which can be the toughest of all. Those factors are frequently rooted in the C-suite or boardroom, but just as often they are rooted in the rank and file among program staff who have worked for decades to build their expertise and believe that they know best what the field needs, or they buy in (intentionally or not) to their institutions' mandate for control.

How can Ford and others help flatten such barriers to adoption? What evidence will help make the case? How can we create the readiness for change among foundation leaders and staff? We at Ford ask those questions as we think through how to engage a coalition, equip it to help others adopt more effective funding practices, and grow a constellation of examples that will ultimately lead to a new and better norm for philanthropy.

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APPENDIX I.

D5: The long game of influence

In 2007, the Russell Family Foundation gathered the heads of more than a dozen foundations in Gig Harbor, Washington, to discuss the state of philanthropy. The group—which included Susan Berresford, then president of the Ford Foundation, and Stephen Heintz, president of the Rockefeller Brothers Fund—lamented the fact that philanthropy, as a field, lagged society when it came to reflecting diversity, equity, and inclusion. They agreed as a group to foster a voluntary effort, the Diversity in Philanthropy Project (DPP), with support from consultants, to increase DEI across philanthropic leadership, grant making, and investing. The effort lasted about three years but never really took off.

The group concluded that it needed a more effective organizing mechanism, involving both funders and philanthropic support organizations, such as regional grant-maker associations. So Heintz of the Rockefeller Brothers Fund; Robert Ross, CEO of the California Endowment; and Sterling Speirn, then president of the W.K. Kellogg Foundation (later succeeded by Luz Vega-Marquis, president of the Marguerite Casey Foundation) founded and chaired an independent follow-on initiative named the D5 Coalition and hired Kelly Brown as executive director. Fiscally sponsored by Rockefeller Philanthropy Advisors, D5 aimed to significantly increase diversity in philanthropy within five years.

D5 raised \$8 million, largely from its founders, and used it to try to influence DEI practices among institutional funders. They created professional videos and tools to engage foundation staff and leaders in DEI discussions; helped pilot a demographic portal at GuideStar for collecting demographic data about boards and senior management; and convened more than 250 discussions with members of their coalition partners, which grew over five years from 6 to 27 philanthropic support organizations.

Flash forward to 2017: A post-initiative evaluation showed that D5 did raise funders' awareness and aspirations, but the data systems were not in place to track evidence of progress. (Best related data available: A Foundation Center survey over the period of DPP and D5 found a doubling to 10 percent in 2015 from 5 percent in 2008 of staffed foundations reporting that they had goals and guidelines in place related to grant making that served people of color.) To be sure, D5 hit design and resourcing bumps along the way and, happily, the end of the initiative did not halt the effort to extend the reach of DEI practice across philanthropy. Indeed, Brown now works with the founding funders on new efforts to better engage foundation trustees around DEI through an initiative called D5 Compass.

APPENDIX II.

Yet more evidence for grantee-centered funding

The practice of seeking multiyear, flexible support with organizational strengthening attached goes by many names: grantee-centered philanthropy, trust-based philanthropy, pay-what-it-takes philanthropy, or even a tongue-in-cheek coinage by blogger Vu Le: Multi-Year General Operating Dollars (MYGOD).[vi]

By any name, evidence of the effectiveness of the approach abounds, including recent reports from the Bridgespan Group, Rockefeller Philanthropy Advisors, and USAID's Local Works. They all correlate long-term, flexible funding to long-term, large-scale change. USAID's [2018 report](#) [vii] on supporting the financial sustainability of NGOs included quantitative research on more than 1,800 grants in six countries. It found that funding for long-term institutional sustainability, unrestricted funding, building of technical capacity, and investments in fostering strong organizational cultures were critical to NGO success. It also found such grants to be rare. General support grants to local NGOs accounted for only 3 percent of the overall funding for the six countries included in the study, and only 11 percent of general support grants in the data set were awarded for more than one year. Rockefeller Philanthropy Advisors' [Scaling Solutions reports](#) in 2017 and 2018 echoed these findings.[viii]

Entities like the Weingart Foundation and the Einhorn Family Charitable Trust have been advocating a move to grantee-centered funding for years. And they've been cheered on by groups like Grantmakers for Effective Organizations, the National Committee for Responsive Philanthropy, and others who advocate for long-term general support—and by nonprofits who consistently say they are hobbled by overly restrictive foundation relationships. But adoption of this approach to funding has been slow. The Foundation Center currently identifies only about 20 percent of institutional foundation grants as general operating support. Evidence and advocacy alone have not been enough to catalyze change.

APPENDIX III.

How BUILD is applying the Four *E*'s

At Ford, we are just at the beginning of our influence work, and we know we will make mistakes along the way. We hope that our fellow donors and nonprofit partners will hold us accountable for applying the lessons gleaned from our research. We offer these lessons at a time when collaboration for system change increasingly requires sustained attention to the challenge of how to influence funder behavior and practice. In the case of BUILD, we are applying the Four *E*'s to:

- Build an **Evidence** base by commissioning research on the extent to which funders are moving toward grantee-centered practices—and what barriers prevent them from doing more.
- **Engage** other funders from the very beginning, through one-on-one and small-group meetings with funders who have already committed to grantee-centered practices. Rather than launching our own campaign, we are going slowly so that we can co-create a strategy for change with these partners. We plan to highlight many different approaches to becoming more grantee-centered—not just in our own work at Ford but in the work of others, including the foundations involved in the [Trust-Based Philanthropy Project](#) and Blue Meridian Partners, to name just two.
- Develop a compelling **Example** by investing in a four-year developmental [evaluation](#) of BUILD and sharing with the field, in real time, what we are learning about the program's successes and challenges.
- **Ease** the way for other funders to explore grantee-centered practices—by writing and speaking about the program and making tools like the organizational assessment we use, the [Organizational Mapping Tool](#) (OMT), available online in seven languages and free of charge.

We are also watching out for the headwinds. Given that our aim is to change funder practice so that nonprofits might benefit, we know we need nonprofits to participate in developing strategies for influence, so we plan to engage both donors and doers from an early stage. While we're still figuring out what a sustaining center looks like, the work is currently anchored within the BUILD team at the Ford Foundation, which has a critical mass of institutional credibility, relationships, and staffing to support it. And we know that many exemplars are out there; our approach is to connect with them, learn from them, and lift up their successes and lessons learned.

TABLE.

Twelve Funder-influence initiatives of the past decade

INITIATIVE (*, ** = related initiatives) AND PERIOD ACTIVELY FUNDED	OBJECTIVE
Big Bets 2015–present	<i>Encourage more, bigger, longer philanthropic bets on social change valued at \$10 million or more.</i>
Blue Meridian Partners 2016–present (with antecedents dating from 2009)	<i>Encourage aggregated funding to finance long-term business plans of nonprofits with proven models for alleviating poverty and advancing economic mobility.</i>
D5: Diversity in Five Years 2010–15 (with antecedents dating from 2007 and existing online resources)	<i>Increase the diversity of philanthropic leadership, grant making, and investments.</i>
Full Cost Project* 2015–18	<i>Develop a shared approach for California grant makers and grantees to calculate and fund the full cost of achieving impact.</i>
Fund for Shared Insight** 2014–present	<i>Improve philanthropy by promoting the practice of collecting, analyzing, and responding to feedback from the people and communities that nonprofits and philanthropy seek to benefit.</i>
The Giving Pledge 2009–present	<i>Spur more billionaires to give half or more of their wealth to charity in their lifetime or on passing.</i>
Pay What It Takes* 2015–19 (with antecedents dating from 2009)	<i>Ensure that all grants cover a fair share of indirect costs required to achieve impact.</i>
Philanthropy's Promise 2011–16	<i>Encourage funders to give half or more of their grants to marginalized communities and 25 percent or more to social justice strategies.</i>
Power of Feedback** 2018–19 (with online collection of resources)	<i>Provide tools and testimonies—and raise public awareness—to accelerate collection and use of “customer” (for example, client or citizen) feedback by funders and nonprofits.</i>
Power of Possibility 2017–19 (with online collection of resources)	<i>Encourage funder and nonprofit boards to consider mergers and collaborations at six stages in an organization's life cycle.</i>
Transformative Scale Collaborative 2014–18	<i>Support funders and nonprofits committed to designing strategies to solve social problems at scale.</i>
True Cost Collaborative* 2016–19 [ix]	<i>Work to develop approaches to more wholly fund the indirect costs of project grants.</i>

End Notes

- [i] John Kania and Mark Kramer, “Collective Impact,” *Stanford Social Innovation Review*, Winter 2011.
- [ii] In June 2019, Edna McConnell Clark Foundation staff and operations transferred to Blue Meridian Partners as part of EMCF’s plan to wind down.
- [iii] Katie Smith Milway, “Funding Feedback,” *Stanford Social Innovation Review*, Fall 2018.
- [iv] Taz Hussein, Matt Plummer, and Bill Breen, “How Field Catalysts Galvanize Change,” *Stanford Social Innovation Review*, Winter 2018.
- [v] As with D5 and the Giving Pledge, the Full Cost Project struggled to make their second wave of participants feel fully included. They sought input from nonprofits in year one but didn’t draw them into full-cost dialogue with funders until year three.
- [vi] Vu Le, “Funders, Your ‘Wait and See’ Approach Is Killing Nonprofits,” April 23, 2018, Nonprofitaf.com.
- [vii] LINC, Peace Direct, Foundation Center, and USAID, *Facilitating Financial Sustainability* (May 30, 2018), <https://www.issuelab.org/resources/30586/30586.pdf>.
- [viii] Rockefeller Philanthropy Advisors, *Scaling Solutions toward Shifting Systems* (2018, 2017), <https://www.rockpa.org/project/scaling-solutions/>.
- [ix] The five international funders that formed the True Cost Collaborative announced on September 4, 2019, that they will each develop a method to make their grants better cover project costs, but will not adopt a common norm. (<https://www.philanthropy.com/article/5-CEOs-of-Big-Foundations/247063>). In addition, the original five foundations in True Cost collaborative are banding with a broader coalition of 12 funders committed to learning and sharing ways that their organizations can do better in covering indirect costs.