

Engaged Philanthropy

Background

There is a growing desire among philanthropists to participate more actively in some way beyond providing financial support for their charitable causes. At the same time, these more engaged philanthropists understand that they must be careful how they interact with charitable organizations, for a variety of reasons. First, there are organizational concerns, including, for example, the risk of micro-managing activities or of diminishing the internal and external energy that created a successful organization in the first place. Second, there are legal concerns, such as the possibility that direct involvement with the charity may somehow violate one or more of the many tax and ethical rules that govern charitable organizations. Despite these concerns, a creative and committed philanthropist can break free from the traditional, somewhat passive grant making approach, and shift to a more active form of philanthropy that many find not only more rewarding personally, but also more successful for the charitable cause. We call this “engaged philanthropy.”

Defining Engaged Philanthropy

Engaged philanthropy can take many forms because it is ultimately specific to a funder’s philosophy, goals, and structure, as well as its financial and organizational capacity. This is true whether the funder is an individual, family, corporate donor, nonprofit organization, private foundation, or operating foundation. To engage more deeply with their grantees’ work, donors can adopt and apply a set of measures to help them evaluate changes they may wish to consider:

- Do their philanthropic efforts engender real excitement and commitment from the people within the charity?
- Are the mission of the charity and the donors’ personal values and objectives aligned?
- Do donors sufficiently understand the problem areas that give rise to the charitable causes they have chosen to support, so that they can really evaluate how best to help?
- When donors decide to support a charitable cause, are they selecting the best method of support, after full consideration of their skills, experience, or relationships they can offer and not just monetary support?
- Once donors have initiated a philanthropic relationship with an organization, are they developing the right lines of communication between donor and charity, to maximize the possibility of a meaningful and successful partnership?

- How can donors create a ‘safe’ and frank relationship with the charity, where both are open to honest dialogue and problem solving that are not unduly influenced by the donors’ financial contributions?

Moving to Engaged Philanthropy

Moving toward engaged philanthropy – whether through large steps or incrementally – requires planning. We work with individuals, family foundations, and large, well-established foundations. Tailoring our work to meet donors’ specific needs, we find that the following types of assistance are helpful:

- Assessing a philanthropic organization internally – based on interviews with the funder’s leaders who will help identify interests, obstacles and other key issues;
- Assessing a philanthropic organization externally – based on interviews with former, existing or prospective grantee charities – through which we will illuminate how grantees would like to work with the funder;
- Shaping a new or revised vision from the assessment findings into a more engaged philanthropic approach.
- Creating a decision-making process and communication strategy to carry out and support the new approach. Sometimes it helps to restructure the grantor/grantee relationship as the new approach is rolled out.
- For start-up philanthropies, providing legal support to identify organizational models compatible with the funder’s vision.
- Establishing attainable goals and translating them into specific action plans paced appropriately for the funder’s goals.

All of the foregoing is designed to ensure that funders meet their objectives, leverage resources to their greatest effect, and forge mutually beneficial partnerships with their grantees.