

Trust-Based Philanthropy: An Approach

Philanthropy has a power problem. Too often, foundations get in the way of nonprofits doing the work they know best. This can slow down progress, perpetuate inefficiency, and obstruct nonprofit growth and innovation. Trust-Based Philanthropy reimagines that dynamic. **Infused by core values of power-sharing, equity, humility, transparency, curiosity, and collaboration**, Trust-Based Philanthropy believes our work will be more successful and rewarding if we approach grantee relationships as an ongoing partnership rather than a one-time transaction. A trust-based approach relies on six interrelated principles which, when practiced together, can help alleviate power imbalances:

- 1 Provide Multi-Year, Unrestricted Funding
- 2 Do the Homework
- 3 Simplify & Streamline Paperwork
- 4 Be Transparent & Responsive
- 5 Solicit & Act on Feedback
- 6 Offer Support Beyond the Check

1 Provide Multi-Year, Unrestricted Funding

Unrestricted funding over time is essential for creating healthy, adaptive, effective organizations.

Steps You Can Take

- Make commitments for more than one year
- Trust that nonprofits know best how to spend grant money

The Difference It Will Make

- Supports the stability of grantee organizations and reduces stress on EDs
- Encourages risk taking, creativity, innovation, and emergent action instead of sticking to proposal outcomes that may become outdated
- Supports grantees' long-term planning by allowing them to project resources and make strategic investments to meet emerging needs

2 Do the Homework

It's the funder's responsibility to get to know prospective grantees, not the other way around.

Steps You Can Take

- Reduce pre-proposal requirements for grant applicants
- Be proactive in getting to know prospective grantees through research and asking for recommendations
- Use available public records to understand prospective grantees' purpose, programs, leadership, and financial standing
- Look beyond your usual circles to identify organizations that are aligned with your foundation's values and vision, but may be overlooked due to implicit bias

The Difference It Will Make

- Alleviates power imbalance by putting the onus of due diligence on the grantmaker
- Saves grantees from wasting time on unnecessary paperwork in early vetting stages
- Paves the way for more trusting and rewarding relationships in the long run

3 Simplify & Streamline Paperwork

Nonprofit staff spend an inordinate amount of time on funder-driven paperwork; they will be more effective if they are freed up to concentrate on mission.

Steps You Can Take

- Accept proposals and reports written for other funders
- Before inviting a full proposal, use a screening process (such as a short LOI) that can help determine whether funding is likely
- Consider taking a conversational approach to learning about grantees' work, via phone calls or in-person meetings

The Difference It Will Make

- Less time spent on paperwork, and more time for genuine learning and conversation with grantees
- Allows for deeper, more interactive relationships with grantees

4 Be Transparent & Responsive

Open, honest, and transparent communication minimizes power imbalances and helps move the work forward.

Steps You Can Take

- Be clear up front about what you do and don't fund, and let potential applicants know if meeting is not a good use of their time
- Give grantees ample notice if you are making any changes that will affect their funding
- Invite grantees to share their challenges
- Be open and honest about your own organizational struggles, questions, and thought processes
- Respond to emails and calls in a timely manner

The Difference It Will Make

- Creates conditions for a more honest funder-grantee relationship
- Acknowledges power dynamics with the intention of creating a more balanced relationship
- Fosters a better understanding of grantees, their work, and their challenges
- Offers insight that can help funders be more effective in supporting grantees

5 Solicit & Act on Feedback

Grantees provide valuable perspective that can help inform a funder's support and services.

Steps You Can Take

- Anonymously survey grantees (or find ways to ask them conversationally) about your practices as a funder
- Before making major changes or updates, glean grantee feedback to inform those changes
- Inform grantees on how their input was used (or not) to inform your decision(s), and why

The Difference It Will Make

- Offers insight that can help funders better serve grantees
- Encourages mutual trust and authenticity
- Improves funder practices and policies, with the potential to provide learning for the field of philanthropy

6 Offer Support Beyond the Check

Responsive, adaptive, non-monetary support helps foster healthier organizations by bolstering leadership and capacity.

Steps You Can Take

- Introduce grantees to other funders and like-minded organizations (especially important if grantees are cycling off of funding)
- Serve as a sounding board or provide counsel to grantee partners, as requested
- Highlight grantees' work in your newsletter, on your website, on webinars, and/or during conference presentations
- Provide spaces for reflection, learning, and connection
- Build and nurture peer learning networks
- Host restorative retreats geared toward inspiration and renewal

The Difference It Will Make

- Helps build the capacity and strength of leaders and organizations over time
- Fosters a deeper sense of connection to grantees and their work
- Offers funders a chance to learn more deeply about grantees' work and organizational context