



Sherry* Consulting

**PHILANTHROPIC
ISSUE FUNDS:
Impact Opportunities for
Donors and Non-Profits**

Letter from the Raikes Foundation

In 2017, the Raikes Foundation launched an initiative focused on increasing the impact of giving by individual donors, who are by far the largest segment of giving in this country—over 70% of giving is directed by individual donors. We posit that the philanthropy sector as a whole has developed infrastructure to support institutional philanthropy (large foundations with professional staff) through organizations such as Grantmakers for Effective Organizations, or the Council on Foundations, or the Center for Effective Philanthropy. But we have not paid enough attention to supporting the effectiveness of the largest segment of giving: individual donors.

We began our work by engaging a set of partners to launch a web-based platform (www.givingcompass.org) to aggregate and organize the rich information that does exist for this audience, and to begin to orient donors to the ways they can learn, connect, and take action. We also learned from our market research that donors are hungry for information on where to give with impact.

We believe that issue funds are one way to make it easier for donors to give with outsized impact. They offer unique ways for donors to learn about and support an issue or cause through a portfolio approach, rather than giving to an individual organization. They can also be an effective way for larger foundations with issue expertise to leverage additional investments toward impact. Finally, issue funds have the added advantage of aggregating flexible capital for high-performing nonprofit organizations.

For these reasons, we set out to learn more about the landscape of philanthropic issue funds, the different types of offerings, the key players, and the operating models. We wanted to begin to build a dataset of issue funds to offer on Giving Compass, and also to understand the current state of this marketplace. This research, in partnership with Christine Sherry and her team at Sherry Consulting, was done quickly and at a high level, with the understanding that we are sampling, not trying to chronicle all the funds that exist. We would like to acknowledge Blue Meridian Partners as a co-Funder of the initial research. Blue Meridian's objective was to develop its own understanding of online platforms for dissemination of philanthropic investment opportunities.

We hope this paper is useful as a portrait of the current state of these offerings for donors and as a teaser for the opportunities that exist for philanthropy in this arena, and we share our research with that in mind. To learn more, visit Giving Compass!

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OVERVIEW

Philanthropic issue funds are philanthropy products that package together nonprofit organizations in “funds” that donors can give to as a portfolio. These types of products have long existed in the financial services market for managing investments (e.g., mutual funds), but are now also emerging in the philanthropy market space. In April 2017, the Raikes Foundation asked Sherry Consulting to conduct research on the landscape of philanthropic issue funds. Our goals were to see what exists, and develop a typology for organizing the myriad offerings.

Questions that the Raikes Foundation wanted to understand included:

- **What types of entities** are hosting issue funds?
- **What types of issue funds** are there?
- **What has been learned** to-date about the challenges and opportunities related to issue funds for host organizations? For donors?
- **Is there evidence of demand** for issue funds from donors? If yes, at what levels?
- **Is there room for new products or offerings?**

Our research was intended to capture a sample of what exists in the landscape, and we investigated 40 issue funds or host entities. We created a typology to organize the many issue funds we found, and also mapped the funds we researched along a number of different axes to identify gaps and opportunities that may exist for new product offerings. Finally, we conducted phone interviews with fund providers to capture lessons from current and prior efforts to aggregate donor dollars through such funds.

SUMMARY OF KEY FINDINGS

Our research revealed a wide variety of fund types, ranging from nascent initiatives like Benefunder, CoolEffect, and Epic Foundation—some only a year or two old—to longstanding nonprofits like Draper Richards Kaplan and Acumen Fund, and well-known intermediaries like Global Fund for Women. What follows is a broad overview of our key findings from the funds we profiled:

- **There is a growing interest in pooled funds** over the past 15 years and some emerging models developed only in the past few years, particularly online platforms designed to attract newer, often smaller and younger donors through pre-curated funds like Bright Funds Inc.
- **A considerable majority of funds**, like Draper Richards Kaplan and the END Fund, offer investment portfolios where the grantees are not predetermined. The number of fully predetermined funds is strikingly small and still untested in terms of their capacity to attract large numbers of donors and larger donations.
- **Most funds we profiled offer** donors some degree of control over the grantmaking process, which also can vary given the size of donation made.
- **Most funds we profiled allow** unrestricted public access to their funding vehicles, versus semi-public access or private invitation or membership. Examples of public access funds range from more established funds like Acumen to newer online models like CoolEffect.
- **Most funds and funder collaboratives**, such as Robin Hood and Oceans 5, offer extensive, formally articulated grantee-selection protocols; professional due diligence; and focus-on-outcomes metrics. Other funds include broader investment criteria and are designed more to emphasize the donor experience.
- **From a geographic perspective, we saw a roughly even split** between domestically and internationally focused funds.
- **While we examined funds targeting a range of issue areas**, the greatest concentration of funds is in the areas of education and poverty, with another sizeable number focusing on health issues.

We offer here a summary of the typologies we created, observations about the growth of online platforms and new models of funds, some insights into the unique role of community foundations in this space, and a synthesis of trends and observations about this rapidly growing field.

TYPOLGY AND AXES

Over the course of eight weeks, we investigated 40 host entities, 64 issue funds within such entities, and six non-funding organizations. We also conducted in-depth profiles of 31 host entities, 26 issue funds, and four other organizations. Based on that research and informational interviews, we created a typology of host entities, which can be grouped into seven over-arching categories:

- **Fund Curators:** nonprofit and for-profit organizations that curate a range of issue-focused subfunds open to investment by the general public. Examples include Bright Funds Inc. and The Center for Effective Altruism.
- **Single-Issue Funds:** public and private charities that focus on specific issues and retain control over grantee curation and distribution of grants. Examples include the Epic Foundation Fund, Blue Meridian Partners and the Global Fund for Women.
- **Venture Funds:** organizations that bring a venture-style approach to curation, whereby donors and investors provide seed funding to social enterprises with the expectation of social, environmental, and financial returns. Examples include Draper Richards Kaplan Foundation and Acumen Fund.
- **Community Foundations:** regionally focused foundations that offer donors a choice of allocating funding independently or contributing to collaborative, issue-focused pools. Many offer issue funds focused on specific community issues.
- **Donor Collaboratives:** grantmaking collectives, membership networks of donors, or groups that share information and approaches but do not co-fund per se. Examples include Oceans 5 and Social Impact Exchange.
- **Donor Support Organizations:** organizations that provide products or services to donors and funds. These include research organizations like GiveWell and philanthropic advisors like Geneva Global that educate donors about high-impact charities and help them manage funds. Some also offer donors the opportunity to invest in a curated set of organizations.

- **Online Platforms:** web-based philanthropic resources, products, or services for donors and funds. These include giving platforms like Effective Altruism and Social Impact Exchange, monitoring and reporting platforms like Epic Foundation (which share grantees' progress and impact reports with donors), and research platforms like Sphaera (which aggregate information for improved knowledge-sharing between practitioners and funders).

The following chart describes the typology of host entities we identified, with some examples within each category.

TYOLOGY OF HOST ENTITIES



We also sought to create a second typology to organize issue funds within various host organizations by their core characteristics. In some cases, issue funds are productized for the general public with the goal of leveraging additional resources toward grantees. Examples include the Bright Funds Improve Education Fund and the Groundswell Catalyst Fund. In others, issue funds are donor-led, specifically financed and managed by a small group of donors. Some examples are the Robin Hood Learning+Tech Fund and the New York Community Trust Workforce Development Fund. Still others are not truly stand-alone funds, but rather grantmaking focus areas within the host organization, such as the New Profit Earn to Learn Fund. We have also identified some single-issue subfunds, which pool resources toward one issue, such as the New Schools Innovative Schools Fund.

ISSUE FUND TYPES: OVERVIEW OF OFFERINGS

PRODUCTIZED FUNDS

- Offer predetermined portfolio or transparent grantmaking criteria
- Accept donations from the general public
- Curated by host organizations or external experts

Examples: Bright Funds Foundation’s subfunds, Groundswell Fund subfunds, Rockflower subfunds

GRANTMAKING FOCUS AREAS

- Internal funds that guide organizations’ grantmaking
- Donors give to general fund, not specific focus areas
- Curated by host organizations

Examples: New Profit subfunds, New Schools Venture Fund subfunds

SINGLE-ISSUE SUBFUNDS

- Internal funds that guide organizations’ grantmaking
- Donors can direct gifts towards specific subfunds
- Curated by host organizations

Examples: Robin Hood Foundation Hurricane Sandy Relief Fund, Boston Foundation Haiti Fund

DONOR-LED FUNDS

- Developed, financed, and managed by donors
- Rarely accept donations from the public
- Donors have substantial control over grantmaking

Examples: Some New York Community Trust subfunds, Oceans 5 subfunds, Blue Meridian Partners

We also examined an array of funds along several axes. These included the degree to which their grantee portfolio is predetermined, the level of control donors have over the grantmaking process, the degree to which the funds are open to the general public, and the nature of their selection criteria for potential grantees. These axes examined the various facets of the grant-making decision process. The funds had varying degrees of donor involvement in grantmaking decisions, with funds like Oceans 5 being fully donor-controlled, and others like the END Fund offering donors limited decision-making power.

The types of funds we analyzed ranged from fully predetermined portfolios built by the host entity, such as Bright Funds Foundation, to not-predetermined portfolios managed by issue experts, such as the Effective Altruism Funds. One of our research questions, for example, was how many funds offered fully fixed, predetermined portfolios of specific grantee entities. We found relatively few such entities, most of which were early stage or emergent.

ONLINE PLATFORMS AND GIVING OPPORTUNITIES

Our research confirmed a growing interest in online vehicles such as donation platforms, publicly accessible data, and online reporting within private and semi-private settings.

Currently, much of the innovation we see around the donation experience is happening at funds that focus on smaller-scale donations. Firms like GiveWell, Effective Altruism, Bright Funds Inc., CoolEffect, and Hispanics in Philanthropy are at the vanguard of developing easy-to-use online donation pages. Unlike the simple “donate now” button hosted by traditional grantmaking nonprofits, these pages offer sophisticated, interactive donation interfaces that let users choose which portfolio or organization to support. However, since they require no minimum buy-in, “over the transom” online contributions to pooled funds tend to come in very small amounts, and the overall scale of donations to these platforms is yet evolving.

Many of these funds specifically target millennial donors, who are often interested in giving to causes rather than individual organizations, and who embrace an outcomes-focused philanthropy that tracks the impact of their grants. The factors that draw smaller donors to these online funds include the ease of donating and the thoughtfulness and rigor underlying portfolio curation. However, it appears that few online donation platforms attract very large donations. Larger donations continue to be correlated with high-touch initiatives and personal cultivation. Moreover, the Greater Houston Community Foundation and Robin Hood both reported that most of their donors, including millennials, do prefer to meet in person, conduct site visits, and work with a local network of collaborators.

We identified one organization that manages an online donation platform aimed at high-net-worth donors. The Social Impact Exchange, a membership network of individual and institutional large donors, developed a custom online platform called The Scaling Marketplace, which allows groups to collectively fund specific grantees.

FUND SPOTLIGHT

BRIGHT FUNDS INC.

Bright Funds Inc. was established in November 2012 as a for-profit, “venture-for-good” company with the goal of helping everyday donors make strategic and impactful gifts. As described in a Consulting for Good report, founders sought to reframe giving as interactive and experience-based. Bright Funds Inc. reaches potential donors through companies with workplace giving programs, and it also offers a full online platform. Users can make donations to six flagship funds, each with a predetermined portfolio of grantees; find volunteer opportunities; and access reporting and impact stories online. By default, donations are split evenly across the organizations in a selected fund.

Donations to Bright Funds Inc.’s funds range from \$1 to upwards of \$10,000, with an average of approximately \$250. Bright Funds Inc. does not have a minimum donation requirement, but staff are interested in cultivating recurring donations, and continue to employ a human-centered design approach to encourage more intentional, informed giving. Through its workplace giving platform, Bright Funds has partnered with leading companies to facilitate employee giving, matching, and volunteerism programs, in which each employee at a company offering Bright Funds receives a personal Bright Funds account. One example of a successful workplace giving partnership is with tech company VMware, which encouraged donations by giving employees “seed money” in their Bright Funds accounts (“credit grants”). Other corporate partners of Bright Funds use this “credit grants” feature by encouraging different departments to offer credit grants as an alternative to a traditional bonus or reward. Moreover, Bright Funds Inc. is intentionally targeting both younger and earlier-stage givers as well as company leadership, and has worked with its company partners to create company-branded funds that align with a company’s specific philanthropic focus (e.g., STEM, climate, food security).

TRACKING METRICS

Grantmaking organizations and philanthropic advisors emphasized the importance of tracking and reporting programmatic data and financial metrics, and described how this supports donor engagement and advocacy. Some donors request frequent, high-touch reporting, while others are satisfied with annual reports and lighter-touch updates. The 13 donor members of Oceans 5, for example, receive updates on their grant portfolio during their biannual board meeting—a strategy that keeps the costs of monitoring grants low while providing sufficient information for many donors.

Additionally, some funds utilize their website or customized online tools as a vehicle for sharing impact and updating donors. GiveWell and Effective Altruism consistently upload narrative blog posts that highlight their grantees' work. Other organizations have developed private websites or apps that allow donors to access reporting and qualitative impact stories online.

FUND SPOTLIGHT

EPIC FOUNDATION

Epic Foundation leverages impact and giving solutions for individuals and corporations to support high-impact social organizations tackling youth and children issues globally. Within their impact solutions, Epic Foundation developed an online member platform to inform donors of the impact of their philanthropy. Through this “impact app,” donors can receive performance monitoring reports about individual grantees as well as Epic’s overall portfolio. The monthly output data are compiled into an easy-to-read newsfeed, and supplemented with qualitative news about individual organizations. Beyond the impact app, Epic Foundation offers the possibility for donors to experience the output of their philanthropy by coordinating site visits to meet grantees. Donors can also speak with a member of Epic’s team, access additional educational opportunities, and, in the latest development, view virtual-reality videos that highlight grantees’ work.

Epic Foundation’s impact solutions are unique in that they innovate both the donor experience around tracking a fund portfolio and the grantee experience around monitoring and reporting. Acknowledging the heavy reporting burden that nonprofits often face, Epic developed their impact solutions in part to offer a light-touch, real-time technological solution that makes the reporting process more efficient for grantees while still providing donors with ample data on their grantees’ performance.

COMMUNITY FOUNDATION FINDINGS

The Council on Foundations estimates that as of 2014, there were 789 community foundations in the U.S., with total assets of \$82 billion, and \$6.3 billion in total giving, representing 9.5% of the sector's assets and 12.5% of total giving.¹

Like other entities, community foundations are increasing the use of issue- or event-driven subfunds to aggregate donor giving. Community foundations are often motivated to develop pooled funds by an urgent issue affecting a community in their region, or by an issue of great interest to one or more of their donors, who may offer significant funds to leverage other contributions. Examples include the San Francisco Foundation's Rapid Response Fund for Movement Building and its Hope SF public housing initiative, as well as the Boston Foundation's US-Nepal, Haiti, and Ebola-focused funds.²

Community foundations must strike a balance between leading and serving their donors, since a donor-centric approach is fundamental to their identity. Timing is critical in generating buy-in early in a pooled fund's existence, as is a donor champion willing to promote the fund, fundraise, and offer matching funds to encourage donations. Raising larger donations for pooled funds often remains a high-touch process.

FUND SPOTLIGHT

THE BOSTON FOUNDATION'S HAITI FUND

The Boston Foundation (TBF) created the Haiti Fund in the wake of the January 2010 earthquake. A Boston-based donor spearheaded the fund, making a \$1 million donation and proactively soliciting funds from other donors. The fund raised \$6 million, and quickly enlisted members of the Haitian diaspora community to serve on its committee. The fund's goal was to provide relief and reconstruction support to communities in Haiti and to Haitian-Americans in the Greater Boston area. Haiti Fund donors deferred to TBF staff and diaspora community members to determine grantees. Fund advisors decided to spend down over five years, allocating 25% of funds for immediate need and 75% for long-term development and rebuilding. To address the long-term redevelopment goals, the fund became the Haiti Development Institute and hired staff. Currently housed at TBF, the institute plans to move its offices to Haiti to provide long-term capacity building. The institute is highlighted on TBF's website as one of nine "co-investment opportunities" offered by the foundation.

TBF's experience underscores the importance of having a donor champion willing to support and promote a particular fund. It also illustrates how considerations of timing can come into play: the typically short-term nature of a pooled fund did not serve TBF's mission of providing long-term development and rebuilding support, so advisors eventually formed an institute.

Community foundations often lose money on administering pooled funds, whose costs are not covered by the typical management fee of 1% for donor-advised funds (DAFs).³ However, pooled funds can help community foundations perform various desirable functions, exercise community leadership, and support donor needs in spite of their financial demands, and several are exploring strategies to meet the added costs.⁴ Findings from CF Insights' latest Columbus Survey found that emerging and smaller community foundations rely more heavily on outside fundraising and distributions from their endowments to support operations.⁵

FUND SPOTLIGHT

THE SAN FRANCISCO FOUNDATION'S PROGRAM-RELATED INVESTMENT FUND (PRI)

In 2002, motivated by a desire to increase its local impact, The San Francisco Foundation (TSFF) began providing loans and guarantees to nonprofit organizations in the Bay Area. In 2009, TSFF's board allocated \$5 million from its endowment for PRIs. In 2013, the staff had a series of focus groups with select DAF holders to gauge donor interest and to guide program development. The donors considered the primary value of participating in the PRI program to be an increase in the impact of their DAFs, rather than an increased return on investment. In 2014, staff solicited contributions totaling \$5 million, which doubled the amount of the PRI. TSFF currently subsidizes the fund, both by investing staff time to administer it and by tolerating reduced returns on the \$5 million allocated from its endowment to the fund (target return is about 3%).

TSFF's experience illustrates the balance of financial and nonmonetary considerations at play in initiatives like these. Donors expressed to TSFF that they are not concerned about the reduced returns generated by the PRI Fund; they are participating in this fund to achieve greater impact with their philanthropic assets. TSFF is looking at how it will expand the PRI Fund to solicit contributions from existing donors that have DAFs with the foundation. The Fund will not take the form of a giving circle; rather, donors will be invited to buy into the pool.

EMERGING MODELS

Our research revealed three emergent models of collaborative giving pioneered by grant-making organizations interested in expanding the number of funding opportunities for donors.

The first model is the **independent single-issue fund**, established by funders looking to attract more donors to a particular cause. Examples include Blue Meridian Partners, as well as the END Fund, the Freedom Fund and the Luminos Fund which were all incubated by Geneva Global. The emergence of independent pooled philanthropic funds reflects a distinct trend toward more collaborative grantmaking. Our research suggests that new donors looking to invest in pooled philanthropic funds prefer to give to independent and neutral vehicles rather than to programs managed by existing organizations.

FUND SPOTLIGHT

GENEVA GLOBAL AND THE END FUND

Geneva Global is a philanthropic advisor that, as part of its suite of services, works with funders interested in recruiting other donors to create issue-focused philanthropic funds. The first fund that Geneva Global launched (in 2012) was the END Fund, focused on controlling and eliminating the five most prevalent neglected tropical diseases (NTDs) affecting over 1.5 billion people globally. At the time, Geneva Global had already managed two programs for its client, the Legatum Foundation, focused on NTDs in Burundi and Rwanda (starting in 2007) and together they explored models to unlock more philanthropic capital to expand the impact on this issue. Geneva Global supported the endeavor by providing various services to incubate and launch the END Fund, including registering the fund as a U.S. 501(c)3 and U.K. Registered Charity, putting in place financial administration and grant-making guidelines, supporting program implementation, securing several initial investors to launch the fund, and helping to hire its inaugural CEO.

In our interview with the END Fund's CEO, Ellen Agler, we learned that donors to the fund are driven by a desire to be part of a larger donor community, collectively creating greater impact, learning from each other and the results of the portfolio of investments, and serving as advocates and activists for the cause. Key investors to the END Fund have committed gifts ranging from \$25,000 to \$15 million (though thousands of smaller donations have also been received). They co-invest in grants made to Ministries of Health, local and international NGOs, academic partners, and multilateral health agencies to scale up NTD treatment and prevention programs globally. In its first five years, the END Fund raised over \$75 million, made grants and

provided technical assistance to partners in 29 countries, which in turn allowed for the delivery of over 330 million NTD treatments, the training of over 750,000 health workers, and the delivery of over 10,000 surgeries for people suffering from the advanced stages of NTDs.

One notable tool that emerged from Geneva Global's experience in launching pooled philanthropic funds was its fund incubation platform, Catalyst. The Catalyst platform is a “plug-and-play” tool that facilitates the mechanics of starting up a fund. Catalyst offers established services to streamline administrative and legal protocols, eliminating the need for set-up costs, separate IRS filings, and establishing an independent organization or foundation. Catalyst also offers fundraising and donor relations services, programmatic expertise, and monitoring support. Geneva Global does not currently market the platform to wider audiences, but Catalyst is instrumental in Geneva Global's efforts to launch new funds for clients.

The second model is **issue-focused subfunds** created in response to donors' interests in deepening engagement. Launching an issue-focused subfund has been central to certain organizations' growth strategies.

FUND SPOTLIGHT

OCEANS 5

Oceans 5 is an international funders' collaborative focused on supporting projects that protect the world's oceans. Founded by four Partners in 2011, the group has since expanded to ten Partners (donors who give more than \$1 million annually and actively participate in grantmaking) and three Members (donors who give between \$200,000 and \$500,000). Oceans 5 is currently at a crossroads, evaluating and testing different strategies for scaling its scope and impact.

Oceans 5 helped establish issue-specific collaboratives to combat plastic pollution and conserve sharks. These two new collaboratives were built upon the Oceans 5 model with the independent financial support of four Partners and five additional donors. Like Oceans 5, these new collaboratives offer both active and passive donors a trusted platform for strategic grantmaking to improve ocean health. Oceans 5 is weighing whether to establish yet another collaborative to support the creation of marine protected areas – an exciting new tool to protect fisheries and biodiversity.

In other cases, some organizations have created different issue-area subfunds that operate differently based on history and donor intent.

FUND SPOTLIGHT

ROBIN HOOD FOUNDATION

Robin Hood Foundation, in existence since 1988, has developed at least seven subfunds, starting with a post-9/11 fund. It currently maintains five active subfunds, almost all of them operating under different models. The Hurricane Sandy subfund was created along the lines of the 9/11 fund, with an actively engaged subset of its board meeting as frequently as every two weeks. The 9/11 subfund had reached 100,000 donors of all levels and funded 120 organizations; when Superstorm Sandy struck, that model was reactivated, and those funds are still being allocated (although most were allocated within the first 100 days of being received). The Sandy fund was the second-largest relief fund for that disaster after the American Red Cross, with 300,000 donors.

Two other funds, the American Dream Fund and the Fund for Early Learning (FUEL), were launched during Robin Hood's annual benefits in 2014 and 2016, respectively. Some grantees of the American Dream Fund, which focuses on immigrants, were already Robin Hood grantees; a smaller number were new. This fund was raised with commitments made by several lead donors and has now made 115 grants. FUEL, focusing on early learning, operates differently, with a group of members of the Robin Hood board working with three other family foundations to co-create this fund and jointly set strategy.

Yet another fund, Learning+Tech, is a partnership between Robin Hood and two other family foundations seeded with a major gift by an anonymous donor. It is operated jointly as a collaboration among a group of funders, has just finished the strategy stage, and has brought on a director to implement the strategy to award \$25 million over five years.

Finally, Robin Hood did have a veterans fund that has distributed its capital, and now has a prize fund, currently in its third year of a randomized controlled trial to test the effectiveness of its first intervention. Robin Hood has also had funds for capital projects for grantees, and buildings housing three high schools. It also has a housing advisory board.

The last model is the **“rapid response” fund**, aimed at supporting policies and populations jeopardized by the new administration. These have proliferated in recent years due largely to shifts in the political climate—specifically, the emergence of the Black Lives Matter movement and the election of Donald Trump. Examples of this model include TSFF's Rapid Response Fund, NY Community Trust Fund for New Citizens, and Groundswell's Liberation Fund. We have found fewer conservative-leaning funds whose practices are fully transparent.

FUND SPOTLIGHT

GROUNDSWELL LIBERATION FUND

Groundswell is a grantmaking and movement-building organization focused on reproductive justice and health, particularly for women of color, low-income women, and transgender people. Since its creation in 2003, Groundswell has directed over \$32 million into the field of reproductive justice. The Liberation Fund, created in response to Donald Trump's election, aims to support grassroots organizations led by women of color and transgender people across multiple social justice sectors. The Liberation Fund launched with an initial \$500,000, and awarded its first set of grants in summer 2017.

The fund's portfolio is curated by 15 prominent volunteer advisors, all women of color, representing a variety of sectors. The fund's reliance on grassroots volunteers supports its operation in two main ways. First, the fund taps into local expertise to identify the most effective and impactful initiatives currently supporting women of color; and second, it creates a lean business model, outsourcing grantee selection and vetting to volunteer experts and incurring minimal overhead costs.

We have also observed a continuing emergence of new funds and donor collaboratives. In November, a group of donors including Bill and Melinda Gates, Jeff Skoll, and the Rockefeller Foundation launched Co-Impact, an initiative which grew out of the Giving Pledge. The new partnership is intended to invest \$500 million in the areas of health, education and economic opportunity and will seek additional co-partners and co-investors from around the world to invest in specific initiatives. Moreover, on almost a daily basis we learned of new funds that range from addressing water to veteran's issues to the opioid crisis.

We are intrigued by the growth of **impact investment funds** and other innovative financial products that generate both social and financial returns. NPX Advisors has pioneered this space by developing a product called Impact Security, a type of social-impact bond that links philanthropic funding with proven impact, engaging donors, impact investors, and nonprofits. Similarly, we have noted the emergence of entities like the Rise Fund and Aligned Intermediary, which explicitly target institutional investors but maintain a roster of investors that include private donors and family foundations interested in the triple-bottom-line space.



SYNTHESIS OF TRENDS AND GENERAL OBSERVATIONS

Following are ten significant trends and takeaways that emerged from our research that we deemed integral to a thorough understanding of the pooled funding space.



A broad range of collaborative funding vehicles exists—reflecting the extensive spectrum of donor wishes, needs, experience levels, subject matter expertise, desired levels of engagement, and overall giving capacities.

Our research uncovered considerable diversity in the structure and focus of the many pooled funds, and an even wider range when we included emerging and contemplated pooled funds, whose numbers continue to rise. New funds are regularly considered and evaluated by many players, and a fund may require several years of incubation before it is launched or made public. Many funds that now operate independently were incubated under other organizations or fiscal sponsors, while a number were launched and then discontinued. Given the large number of intermediaries in the field, the proliferation of donor-led collaborations, heightened engagement by community foundations, and interest from established foundations in partnering with newer family foundations and individual donors (and vice versa), growth in capital aggregation models of all stripes has been significant.

We observed substantial differences in the structure and size of funds that are directed toward large donors versus those that target smaller-scale donations and are open to the general public. Many funds designed to attract “BMW donors” (individuals with newly created wealth, a net worth between \$3 million and \$1 billion, and the capacity to make donations exceeding \$100,000) cater to a small number of individual donors and do not use online donation vehicles. Though some such funds have expressed interest in developing a stronger online presence, any virtual platform they create might be membership-driven and closed to the public.

Additionally, we note that many funds with sophisticated online platforms do not exclusively target higher-level donors. Some entities, such as Bright Funds Inc., attract relatively small average donations, while others, such as the Epic Foundation, target a broader range of donations. On average, larger donations tend to correlate with organizations that have existed for a decade or longer and/or have made significant recruiting efforts targeting BMW donors.

Among funds aimed at the high-net-worth donor segment, we can further distinguish between those with a high minimum donation requisite and those that may include high-capacity donors but do not necessarily receive donations at a major gift level. We know that many donors who fit the BMW criteria can and do contribute to portfolios of organizations, and their gifts often range from relatively small amounts to more than \$100,000.

2

There is consensus that the demand for pooled funds is growing; however, the funds that succeed in attracting significant dollars require certain characteristics.

Our interviews with a number of community foundations, as well as Geneva Global, confirmed that many of the pooled funds successfully attracting high-level contributions from high-net-worth donors share certain basic characteristics. These include leadership by a core founder, at least two or three additional founding members, carefully designed governance structures and practices, a willingness to engage newer donors in decision-making, and openness to a variety of approaches and grantees. Successful donor collaboratives like Blue Meridian Partners often rely on a balance of strong governance structures, a critical mass of leading donors, room for engagement by newer donors, significant infrastructure support, and excellent communications and outreach. These observations, as well as other lessons learned by Geneva Global, are highlighted in an August 2016 blog published by Managing Director Jenna Mulhall-Brereton.⁶

3

Many funds that have been successful in attracting high-net-worth donors were launched by a few core donors and grew over time.

One high-level trend to emerge from our research was that larger, longer-established organizations with a minimal online presence are often more successful at raising large donations, in terms of gift size and total fundraising to date (from both lower- and higher-net-worth donors), than are newer funds or those with sophisticated online platforms. These longer-established organizations include the Acumen Fund, Draper Richards Kaplan, Robin Hood, Tipping Point, Oceans 5, and others. Many pooled funds begin as initiatives of an individual or a small group of donors who gradually attract new funders to their cause. The independent pooled philanthropic funds that spin out of donor-led initiatives often have the potential to recruit other donors with high giving capacity, and often are not open to investment by the general public.



Funds that have grown successfully often have their operating costs underwritten by an individual or by several core donors.

Many of the most successful funds currently raising substantial dollars from numerous high-net-worth donors were financially underwritten by one or more core donors who bore the significant launch and incubation costs. Several of Oceans 5's founding members helped finance the fund's early years of operations. A similar pattern applies to Tipping Point, Robin Hood, and entities like the Freedom Fund (which was born out of a desire by Humanity United, Legatum, and other funders in the anti-trafficking space to attract more donors to the field).



The costs of incubating funds can be considerable, and may preclude successful maintenance absent a threshold level of investment.

The costs of curating a fund via original research are often extremely high, particularly if the fund aims to identify and vet seed-stage investments and/or small, emerging grassroots organizations and nonprofit leaders.

The executive director of the Firelight Foundation and the senior leadership of the Draper Richards Kaplan Foundation emphasized that the costs of research, outreach, due diligence, mentoring, and providing institutional organizational development support—even excluding the eventual costs of monitoring and evaluation—make creating a fund from scratch highly expensive. According to Firelight, it costs close to \$500,000 for a customized fund to support a cluster of local community-based organizations in Africa, including grants, technical capacity support, learning, evaluation, and necessary overhead. Members of Oceans 5 were similarly aware of this heavy financial burden, and emphasized the need for strong leadership and a critical mass of donors to justify the launch of new subfunds.

Going forward, we expect more interesting questions about economics, including how to share the costs of the strategy and research required to build the funds and the costs of promoting the funds to the general public when funds are aggregated on platforms, and how to share the revenue (if fees are charged).



The needs and desires of millennial donors are likely to influence the growth of online platforms.

A number of interviewees spoke of growing interest in pooled funds among millennial donors. Page Brown of Foundation Source said that many of its older, more traditional donors showed little interest in collaborative funds, but that millennials were more open to this approach—an observation echoed in interviews with Geneva Global and with Julia Streuli of Bright Funds Inc., who emphasized that their corporate partners' younger employees often prefer giving to causes rather than to specific nonprofits. Streuli hypothesized that these donors will be drawn to prepackaged funds representing curation around a particular issue. Similarly, groups like the Epic Foundation are beginning to explore how their technology-platform reporting requirements, coupled with their detailed curation process, may appeal to technology companies seeking corporate-designated pooled funds. Brown also believes there may be a greater appetite for these funds on the West Coast and among tech donors.

Although millennials in particular seem drawn to online platforms, some foundation staff we interviewed did caution against carrying this assumption too far. Emary Aronson of Robin Hood sees online donation platforms succeeding through groups like Donors Choose that allow friction-free engagement between donor and recipient, but she believes that larger donations still require cultivation and sustained engagement in a very personal way, through events, newsletters, and connections with a major gift officer. Aronson also sees millennial donors as wanting in-person, high-touch learning opportunities—such as ways to volunteer.



Relatively fewer funds exist with predetermined portfolios. The demand for these may grow as millennial donors and corporate programs become more prevalent, but these trends remain very early-stage.

Most of the funds we profiled do not offer their donors a fully predetermined portfolio of grantees. Of the very few organizations that do, only one—Social Impact Exchange—appears to engage principally with high-net-worth donors. Others, including Bright Funds Inc. and Rockflower, seem to raise online donations from smaller funders, or at least in smaller amounts.

Reasons why funds are not predetermined vary. Institutions like Draper Richards Kaplan raise multiyear funds in which ideally all of the capital is committed upfront, such that they can make multiyear commitments to grantees. Donors drawn to this model are not motivated by a specific grantee or issue. Rather, they appreciate and trust the institution's philosophy and track record.

In contrast, truly collaborative funds, by definition, allow donors to help direct capital—making predetermined portfolios impractical and counterproductive. For the founders of Oceans 5 and other donor collaboratives, sharing experiences with like-minded philanthropists and jointly discovering and supporting projects of interest are what make pooled funding worthwhile—so predetermined portfolios are fundamentally less attractive. Geneva Global had similar observations.

Some donors who make consistent annual investments to long-standing funds may become familiar with their grantee organizations. While Tipping Point's portfolio grew and changed substantially in its first decade, now only a few groups are added each year. Because Tipping Point does not limit the duration of their funding, donors can expect to see many of the same organizations year over year. Still, Tipping Point occasionally removes grantees based on changes in performance or mission alignment, so their portfolio is not set in stone.



Many existing funds address education, health, and poverty domestically, while fewer target other issue areas. Many funds also address global giving, and the demand appears to be rising.

Among the organizations and funds we profiled, education in the United States emerged as the most popular issue focus, with large numbers in health and poverty alleviation as well. We see fewer pooled funds in issues like the environment. Of course, many community foundation funds necessarily target mostly locally relevant issues.

Though many currently active funds target domestic issues, our interviews suggest a growth of interest in globally focused initiatives. Leadership at TPI's Center for Global Philanthropy noted a growing interest in funds concerned with global causes due to various causes, including greater impact with their philanthropic dollars, the interconnectedness of international issues as well as increased international demographics of their clientele. Certainly, the success of organizations like GiveWell suggests significant interest in global giving. In our interview with Epic, staff emphasized the dearth of quality aggregated resources in Continental Europe and Asia, and reported successful fundraising not just in the United States, but also in France.



Timeliness of, and public attention to, certain issues may create significant growth opportunities for particular funds, but these factors also pose challenges to long-term sustainability.

Many interviewees spoke of a spike in interest in various funds due to either disasters or political movements. This is certainly true for the Hurricane Sandy Relief Fund and the Haiti Fund at The Boston Foundation, as well as the earlier 9/11 relief fund and the Sandy Relief Fund at Robin Hood.

In the past year, support toward issues gaining visibility in the wake of Trump-era policy changes has spiked. Pooled funds have an extraordinary ability to capitalize on the urgency of a particular political climate, as the growth of new progressive funds in the last year attests. However, we also observed in many cases the eventual challenges around maintaining a fund initially created to address a specific social or political moment.



The curatorial assumptions behind different funds deserve close examination in general, and specifically to ensure that grassroots and smaller, culturally responsive organizations are not left behind.

The institutional assumptions and biases underlying various funds are worth examining. GiveWell, for example, cites specific criteria reflecting the founders' roots in hedge fund analysis, such that their fund recommendations exclude many groups not aligned with their particular standards. Many of our interviewees acknowledged the range of priorities that may dictate curatorial decisions. Jason Bade of Bright Funds Foundation noted that the foundation's fund managers are expected to structure their decision-making in a probabilistic way (assessing the possible impact a strategy could have, adjusted for its cost and likeliness to succeed). He adds that while fund managers are expected to search out the highest-expected-impact giving opportunities regardless of the size or history of the nonprofit itself, a foundation's framework is likely to privilege nonprofits with a certain level of absorptive capacity.



Epic Foundation, by design, includes a broad range of criteria that deliberately allow for earlier-stage groups and service providers as well as more established organizations. Additionally, Epic uses a set of criteria intended to address cultural bias. Firelight Foundation seeks highly effective organizations that reflect community-driven solutions. The Groundswell Fund privileges the values of community leaders by including them on grantee-selection committees and giving them decision-making authority.

CONCLUSION

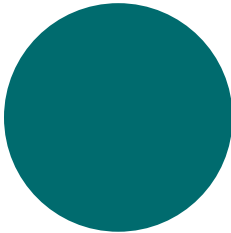
In sum, we see a significant increase in interest in pooled funds and a variety of new models on the market, many of which have relied on longstanding funds in the field. We expect to see increased experimentation with online funds offering structured sets of organizations, but there is very little track record to date to predict the growth or success of these models.

Certainly there are notable successes in organizations that create multiple pooled funds, from Robin Hood to Oceans 5 and others. Organizations like the END Fund have been able to attract dollars at the million-dollar level and above but also at the \$50,000 and \$25,000 levels. In addition, Geneva Global has considerable expertise in launching pooled funds and using independent platforms to do so. Given the continued emergence of new donors into the field—many familiar with a variety of investment vehicles—and the growth of online donations in general, we expect the field of pooled funds and their online use to grow in the coming decades.

HOST ENTITIES: DEGREE OF PREDETERMINATION

FULLY PREDETERMINED

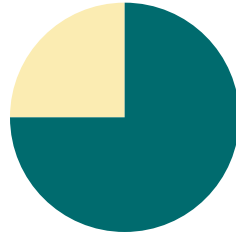
Donors know all grantees in portfolio before contributing.



- Benefunder
- Bright Funds Inc.
- CoolEffect
- GiveWell
- Rockflower
- Social Impact Exchange

LARGELY PREDETERMINED

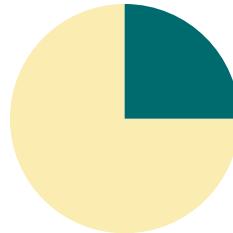
Donors know a majority of grantees in portfolio before contributing.



- Bright Funds Foundation
- Charter School Growth Fund
- Groundswell
- New Profit
- Tipping Point Community

PARTIALLY PREDETERMINED

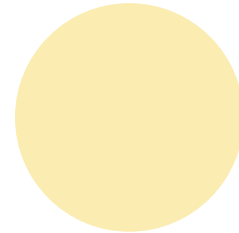
Donors know some core grantees before contributing.



- Acumen Fund
- Blue Meridian Partners
- ClimateWorks
- Epic Foundation
- NewSchools Venture Fund

NOT PREDETERMINED

Donors contribute before grantees are selected.

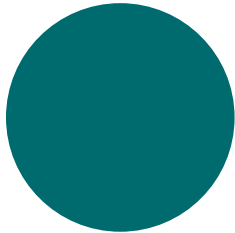


- Draper Richards Kaplan Foundation
- Effective Altruism Funds
- Emergent Fund
- END Fund
- Firelight Foundation
- Freedom Fund
- Fund for Global Human Rights
- Give2Asia
- Global Fund for Children
- Global Fund for Women
- Global Greengrants
- Luminos Fund
- New England Grassroots Environment Fund
- New York Community Trust
- Oceans 5
- Rise Fund
- Robin Hood Foundation
- Silicon Valley Community Foundation
- Social Venture Partners
- The Boston Foundation
- The Greater Houston Community Foundation
- The San Francisco Foundation
- Vermont Community Foundation
- Women Donors Network

ISSUE FUNDS: DEGREE OF PREDETERMINATION

FULLY PREDETERMINED

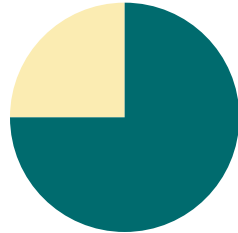
Donors know all grantees in portfolio before contributing.



- Benefunder*: Clean Energy Impact Fund; Veterans Impact Fund
- Bright Funds Inc: Alleviate Poverty & Promote Growth Fund; Improve Education Fund; Improve Global Health Fund; Protect the Environment Fund; Provide Clean Water, Sanitation, & Hygiene Fund; Uphold Human Rights Fund
- Firelight Foundation*: Child Safety Fund; Healthy Beginnings Fund; Her Village Venture Fund; Solar Challenge Fund
- Rockflower: Access to Food & Water; Education; Financial Independence; Maternal & Reproductive Health; Peace & Security
- Social Impact Exchange: Education Fund; Health Fund

LARGELY PREDETERMINED

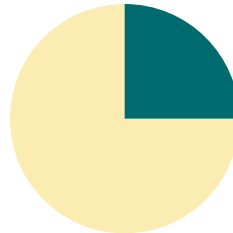
Donors know a majority of grantees in portfolio before contributing.



- Bright Funds Foundation*: Climate Fund; Conservation Fund; Disadvantaged Youth Fund; Global Poverty Fund; Global Public Health Fund; NYC Poverty Fund; SF Bay Area Poverty Fund; Sustainable Food & Agriculture Fund; U.S. Education Fund
- Groundswell Fund: Birth Justice Fund; Catalyst Fund; Liberation Fund; Rapid Response Fund
- New Profit: Early Learning Fund; Innovation Fund; Learn to Earn Fund; Pathways Fund; Reimagine Learning Fund; Reimagine School Systems Fund

PARTIALLY PREDETERMINED

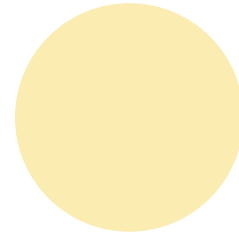
Donors know some core grantees before contributing.



- Blue Meridian Partners
- NewSchools Venture Fund: Innovative Schools Fund
- The Greater Houston Community Foundation: Strategic Education Fund
- Vermont Community Foundation: Giving Together

NOT PREDETERMINED

Donors contribute before grantees are selected.

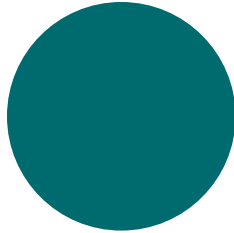


- Effective Altruism Funds: Animal Welfare Fund; Effective Altruism Community Fund; Global Health & Development Fund; Long-Term Future Fund
- NewSchools Venture Fund: Diverse Leaders Fund; Ignite Fund
- New York Community Trust: Cultural Agenda Fund; Donors' Education Fund; Fund for New Citizens; Hive Digital Media Fund; Workforce Development Fund
- Robin Hood Foundation: American Dream Fund, Fund for Early Learning, Hurricane Sandy Relief Fund, Learning+Tech Fund
- The Boston Foundation: Beyond Ebola Fund, Haiti Fund, U.S.-Nepal Fund
- The Greater Houston Community Foundation: Next Generation Giving Circle, Youth Homelessness Fund
- The San Francisco Foundation: Program-Related Investment Fund; Rapid Response Fund for Movement Building

HOST ENTITIES: LEVEL OF DONOR CONTROL

FULL CONTROL

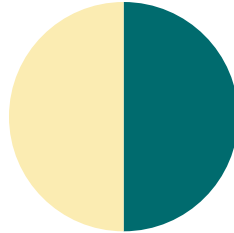
Donors control selection of grantees and amount given.



- Benefunder
- Big Bang
- Blue Meridian Partners
- Bright Funds Inc.
- Campaign for Grade Level Reading
- Give2Asia
- Maverick Collective
- New York Community Trust
- Oceans 5
- Silicon Valley Community Foundation
- The Boston Foundation
- The Greater Houston Community Foundation
- The San Francisco Foundation
- Vermont Community Foundation

PARTIAL CONTROL

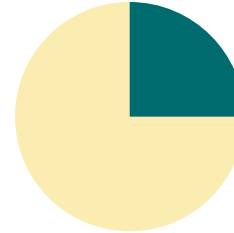
Donors can restrict funding to topic, geography, or grantee.



- Acumen Fund
- Bright Funds Foundation
- CoolEffect
- Effective Altruism Funds
- Epic Foundation
- GiveWell
- New England Grassroots Environment Fund
- NewSchools Venture Fund
- Rockflower
- Social Impact Exchange
- Women Donors Network

LIMITED CONTROL

Donors can give to a general fund.

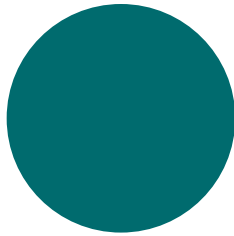


- Draper Richards Kaplan Foundation
- Emergent Fund
- END Fund
- Epic Foundation
- Firelight Foundation
- Freedom Fund
- Fund for Global Human Rights
- Global Fund for Children
- Global Fund for Women
- Global Greengrants Fund
- Luminos Fund
- Rise Fund
- Robin Hood Foundation
- Tipping Point Community

ISSUE FUNDS: LEVEL OF DONOR CONTROL

FULL CONTROL

Donors control selection of grantees and amount given.

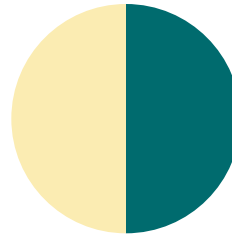


- Blue Meridian Partners
- New York Community Trust: Cultural Agenda Fund; Donors' Education Fund; Fund for New Citizens; Workforce Development Fund
- Robin Hood Foundation: Learning+Tech Fund
- The Boston Foundation: Beyond Ebola Fund
- The Greater Houston Community Foundation: Next Generation Giving Circle; Strategic Education Fund

Note: The Firelight Foundation subfunds are no longer operational. The Benefunder and Bright Funds Foundation subfunds have not yet launched.

PARTIAL CONTROL

Donors can restrict funding to topic, geography, or grantee

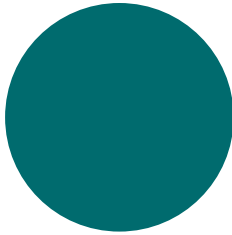


- Benefunder*: Clean Energy Impact Fund; Veterans Impact Fund
- Bright Funds Foundation*: Climate Fund; Conservation Fund; Disadvantaged Youth Fund; Global Poverty Fund; Global Public Health Fund; NYC Poverty Fund; SF Bay Area Poverty Fund; Sustainable Food & Agriculture Fund; U.S. Education Fund
- Bright Funds Inc: Alleviate Poverty & Promote Growth Fund; Improve Education Fund; Improve Global Health Fund; Protect the Environment Fund; Provide Clean Water, Sanitation, & Hygiene Fund; Uphold Human Rights Fund
- Effective Altruism Funds: Animal Welfare Fund; Effective Altruism Community Fund; Global Health & Development Fund; Long-Term Future Fund
- Firelight Foundation*: Child Safety Fund; Healthy Beginnings Fund; Her Village Venture Fund; Solar Challenge Fund
- Groundswell Fund: Birth Justice Fund; Catalyst Fund; Liberation Fund; Rapid Response Fund
- NewSchools Venture Fund: Innovative Schools Fund
- New York Community Trust: Hive Digital Media Fund
- Robin Hood Foundation: American Dream Fund, Fund for Early Learning, Hurricane Sandy Relief Fund
- Rockflower: Access to Food & Water; Education; Financial Independence; Maternal & Reproductive Health; Peace & Security
- Social Impact Exchange: Education Fund; Health Fund
- The Boston Foundation: Haiti Fund, U.S.-Nepal Fund
- The Greater Houston Community Foundation: Youth Homelessness Fund
- The San Francisco Foundation: Program-Related Investment Fund; Rapid Response Fund for Movement Building
- Vermont Community Foundation: Giving Together
- Women Doors Network: Hardisty Fund

HOST ENTITIES: DEGREE OF PUBLIC ACCESS

PUBLIC

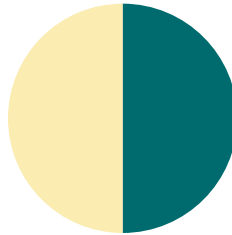
Anyone can donate online.



- Acumen Fund
- Bright Funds Foundation
- Bright Funds Inc.
- CoolEffect
- Effective Altruism Funds
- Emergent Fund
- END Fund
- Epic Foundation
- Firelight Foundation
- Freedom Fund
- Fund for Global Human Rights
- Give2Asia
- GiveWell
- Global Fund for Children
- Global Fund for Women
- Global Greengrants Fund
- Groundswell Fund
- New England Grassroots Environment Fund
- Robin Hood Foundation
- Silicon Valley Community Foundation
- The Boston Foundation
- The Greater Houston Community Foundation
- The San Francisco Foundation
- Tipping Point Community
- Vermont Community Foundation

SEMI-PUBLIC

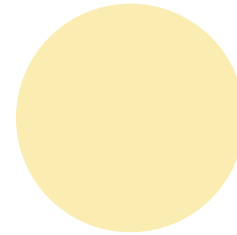
Donors must join organization, but membership is widely available.



- Benefunder
- New York Community Trust
- Social Venture Partners
- Women Donors Network

PRIVATE INVITATION OR MEMBERSHIP

Donors must be invited to contribute or participate.

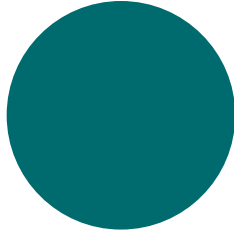


- Big Bang
- Blue Meridian Partners
- Campaign for Grade Level Reading
- ClimateWorks
- Draper Richards Kaplan Foundation
- Luminos Fund
- Maverick Collective
- Oceans 5
- Rise Fund
- Social Impact Exchange

ISSUE FUNDS: DEGREE OF PUBLIC ACCESS

PUBLIC

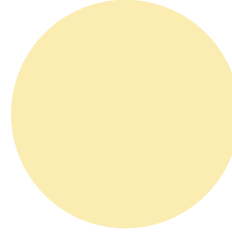
Anyone can donate online.



- Benefunder*: Clean Energy Impact Fund; Veterans Impact Fund
- Bright Funds Foundation*: Climate Fund; Conservation Fund; Disadvantaged Youth Fund; Global Poverty Fund; Global Public Health Fund; NYC Poverty Fund; SF Bay Area Poverty Fund; Sustainable Food & Agriculture Fund; U.S. Education Fund
- Bright Funds Inc: Alleviate Poverty & Promote Growth Fund; Improve Education Fund; Improve Global Health Fund; Protect the Environment Fund; Provide Clean Water, Sanitation, & Hygiene Fund; Uphold Human Rights Fund
- Effective Altruism Funds: Animal Welfare Fund; Effective Altruism Community Fund; Global Health & Development Fund; Long-Term Future Fund
- Firelight Foundation*: Child Safety Fund; Healthy Beginnings Fund; Her Village Venture Fund; Solar Challenge Fund
- Groundswell Fund: Birth Justice Fund; Catalyst Fund; Liberation Fund; Rapid Response Fund
- Robin Hood Foundation: Hurricane Sandy Relief Fund
- Rockflower: Access to Food & Water; Education; Financial Independence; Maternal & Reproductive Health; Peace & Security
- The Boston Foundation: Beyond Ebola Fund; Haiti Fund; U.S.-Nepal Fund
- The Greater Houston Community Foundation: Strategic Education Fund; Youth Homelessness Fund
- The San Francisco Foundation: Rapid Response Fund for Movement Building
- Vermont Community Foundation: Giving Together

PRIVATE INVITATION OR MEMBERSHIP

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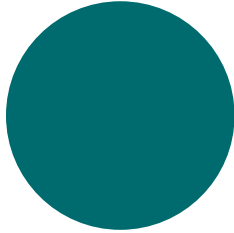
- Blue Meridian Partners
- Robin Hood Foundation: American Dream Fund; Fund for Early Learning; Learning+Tech Fund
- Social Impact Exchange: Education Fund; Health Fund
- The Greater Houston Community Foundation: Next Generation Giving
- The San Francisco Foundation: Program-Related Investment Fund

Note: The Firelight Foundation subfunds are no longer operational. The Benefunder and Bright Funds Foundation subfunds have not yet launched.

HOST ENTITIES: GRANTEE SELECTION CRITERIA

SPECIFIC INVESTMENT CRITERIA

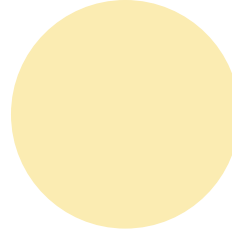
Selection criteria publicly available, professional due diligence, focus on outcomes metrics.



- Acumen Fund
- Benefunder
- Big Bang
- Blue Meridian Partners
- Bright Funds Foundation
- Campaign for Grade Level Reading
- Charter School Growth Fund
- CoolEffect
- Draper Richards Kaplan Foundation
- Effective Altruism Funds
- END Fund
- Epic Foundation
- Firelight Foundation
- Freedom Fund
- New Profit
- GiveWell
- Groundswell Fund
- New England Grassroots Environment Fund
- NewSchools Venture Fund
- Oceans 5
- Rise Fund
- Robin Hood Foundation
- Social Impact Exchange
- Tipping Point Community

BROAD INVESTMENT CRITERIA

Flexible selection process, donor or volunteer curation.

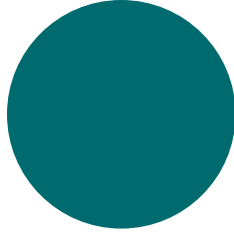


- Bright Funds Inc.
- Maverick Collective
- New York Community Trust
- Social Venture Partners
- The Boston Foundation
- The Greater Houston Community Foundation
- The San Francisco Foundation
- Vermont Community Foundation
- Women Donors Network

HOST ENTITIES: GRANTEE SELECTION CRITERIA

SPECIFIC INVESTMENT CRITERIA

Selection criteria publicly available, professional due diligence, focus on outcomes metrics.

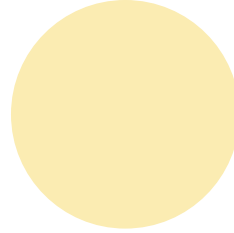


- Benefunder*: Clean Energy Impact Fund; Veterans Impact Fund
- Blue Meridian Partners
- Bright Funds Foundation*: Climate Fund; Conservation Fund; Disadvantaged Youth Fund; Global Poverty Fund; Global Public Health Fund; NYC Poverty Fund; SF Bay Area Poverty Fund; Sustainable Food & Agriculture Fund; U.S. Education Fund
- Bright Funds Inc: Alleviate Poverty & Promote Growth Fund; Improve Education Fund; Improve Global Health Fund; Protect the Environment Fund; Provide Clean Water, Sanitation, & Hygiene Fund; Uphold Human Rights Fund
- Effective Altruism Funds: Animal Welfare Fund; Effective Altruism Community Fund; Global Health & Development Fund; Long-Term Future Fund
- Firelight Foundation*: Child Safety Fund; Healthy Beginnings Fund; Her Village Venture Fund; Solar Challenge Fund
- New Profit: Early Learning Fund; Innovation Fund; Learn to Earn Fund; Pathways Fund; Reimagine Learning Fund; Reimagine School Systems Fund
- Groundswell Fund: Birth Justice Fund; Catalyst Fund; Liberation Fund; Rapid Response Fund
- Social Impact Exchange: Education Fund; Health Fund

Note: The Firelight Foundation subfunds are no longer operational. The Benefunder and Bright Funds Foundation subfunds have not yet launched.

BROAD INVESTMENT CRITERIA

Flexible selection process, donor or volunteer curation.



- Women Donors Network: Hardisty Fund

FOOTNOTES

- ¹ Wolcheck, D., et al. (2017) International Giving by U.S. Community Foundations: Local Communities with Global Reach. Retrieved from http://www.issuelab.org/resource/international_giving_by_u_s_community_foundations_local_communities_with_global_reach?_ga=2.229125148.1660013634.1504638145-1162900956.1442101541
- ² The Council on Foundations has noted “a growing trend in community foundations of all sizes and geographies asking about how to make international grants, often from donor or corporate advised funds.” (citation below) The Council attributes increased global giving through community foundation donor-advised funds (DAFs) to a growing interest in responding to natural global disasters as well as diaspora populations supporting initiatives in their countries of origin. Some key findings from a July 2017 report on international giving by U.S. community foundations are that in 2014, 85% of community foundations included in the analysis made at least one international grant (compared to 67% in 2002), the total amount and average size of international grants are increasing, and most global giving is through U.S. intermediaries (89%). (Wolcheck, 2017) Despite this trend in global giving, community foundations overall are still local, place-based philanthropies, allocating 94% of their grants to U.S organizations working domestically.
Citation: Ward, B. (2017) Place-Based Community Foundations – What Is the Extent of Our Reach? Retrieved from https://webcache.googleusercontent.com/search?q=cache:TMjdT_GO-p0J:https://www.cof.org/blogs/re-philanthropy/2017-08-18/place-based-community-foundations-what-extent-our-reach+&cd=1&hl=en&ct=clnk&gl=us&client=safari
- ³ Community foundations may require new business models in order to compete on price with commercial gift funds and to manage the changes in the local financial services field (such as the growth of online and mobile financial services, and the resulting loss of client referrals by local financial advisors). Reference: Murphy, K. (2017). Community Foundation Business Model Disruption in the 21st Century. Retrieved from <https://www.cof.org/sites/default/files/documents/files/Community-Foundation-Disruptions-21st-Century.pdf>
- ⁴ Because of the time and expense required to manage many small online donations, some community foundations outsource to platforms like CrowdRise or HIPGive to manage all background administration.
- ⁵ http://columbussurvey.cfinsights.org/?cpgn=Columbus_Dash?cpgn=Columbus_Dash?cpgn=Columbus_Dash
- ⁶ <http://www.genevaglobal.com/blog/build-will-comemaybeunless-wont>

ACKNOWLEDGEMENTS

Sherry Consulting is a boutique philanthropic advisory practice providing foundations, individual donors, and nonprofits customized strategic planning, landscape research, and due diligence services across a range of issue areas. Christine Sherry founded the firm with 30 years experience expertise in the sector as speaker, facilitator, lawyer, and founder of the Philanthropy Workshop West. Her team on this project included Agnes Cho, Bennett Fisher, Lauren Maher Patrick and Brian Perlmutter.