

Nonprofit and Funder Conversations—Finding Better Ways to Work Together

Presenters

Sue Pyke, Associate Director, Rancho Santa Fe Foundation
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Topics Discussed

Building Trust and Strengthening Relationships Between Funders and Nonprofits

Greg and Sue opened the session acknowledging the tension often experienced between nonprofits and funders, frequently marked by a lack of trust and understanding on both sides. They discussed the importance of strengthening these relationships and building trust in order to move from talking about the tension to taking action and changing behavior. They shared collective wisdom gathered from past roundtable discussions with funders and nonprofit leaders hosted by the North County Philanthropy Council, as well as their own experiences working together. Finally, most of the session was devoted to allowing participants (nonprofits and funders were both represented) to connect with each other, draw from their own experiences, and share their collective wisdom as to how to build trust and strengthen relationships between funders and nonprofits.

Key Questions and Concerns

1. How can we build trust and strengthen relationships between funders and nonprofits?
2. What can be done to promote collaboration between nonprofits and funders?

Key Takeaways

To kick off the discussion, Sue shared the following insight about collaboration between nonprofits and funders that had been shared with her by Pete Ellworth, President of the Legler Benbough Foundation.

Necessary Elements to Successful Nonprofit and Funder Collaboration

Collaborative Belief – Both groups must believe in a shared mission and have shared values.

Specific Project – The nonprofit and funder must have a specific project with shared goals they can achieve together.

Shared Virtues – Patience, humility, and perseverance are the necessary virtues for a successful relationship between a nonprofit and funder.

Potential Results from Successful Collaboration

Potential for More and Bigger Funding – Collaboration can attract funders who may be interested in funding a collaboration over a single-site project. For example, funding a collaboration of museums rather than a single museum may attract more funding options.

Success Leads to More Collaboration – Success often breeds further and related collaboration.

Participants met in groups during the Town Hall and shared their strategies for successful collaboration. Several themes emerged as keys to successful nonprofit and funder collaboration.

Keys to Successful Nonprofit and Funder Collaboration

Changing Mental Models: Participants discussed the power of labels in the nonprofit sector, and the tendency to first identify as ‘funder’ or ‘nonprofit,’ which can reinforce some of the power dynamics and tensions between these two groups. Additionally, participants also noted that organizations sometimes collaborate based on name recognition or ‘who knows who,’ which may limit the full expression of a successful collaboration. A participant suggested that greater collaboration and innovation may be possible if nonprofits and funders came together not based on labels, but instead based on the question: What problem are we here to solve?

Expanding the Definition of Collaboration: Many participants described their respective collaborative experiences differently from one another and noted that collaboration is often misunderstood as a short-term, one-time effort. They suggested that both nonprofits’ and funders’ understanding of collaboration costs be expanded to include the time, staffing, and resources it takes to truly work together to successfully address complex social issues. Specifically, they noted that collaboration needs to be explicitly defined and understood in terms of stages, and that funding investments must be made at all stages of collaboration including early stages, which are traditionally underfunded.

Increasing Nonprofit Responsibility and Communication: Participants emphasized the importance of nonprofits acting proactively in seeking collaborative partners and approaching funders collectively. One participant described the nonprofit community as an ecosystem that needs to work together, as strength in numbers, to ensure the needs of the community are being advocated for and met. There was consensus from both nonprofits and funders that in addition to reporting metrics through required quarterly or annual funder reports, it is important that nonprofits regularly share impact stories with funders throughout the year. Some nonprofits suggested sending videos and pictures to local officers or regional officers, and others suggested that relationship-building takes time and can be built upon through service days, volunteer opportunities, and other non-funded collaborative activities.

Establishing Shared Understanding: There was an overall sense that nonprofits and funders may enter collaborative relationships with implicit expectations of each other, but often do not make them explicit. One group suggested that funders and nonprofits adopt a “culture of learning” to guide their relationship, one where reflection, deep listening, honesty, and improving from experience is encouraged and practiced by both nonprofits and funders. Another group suggested developing “dating rules,” and co-creating guidelines and tools in a shared language to guide collaboration. These may include clear outcomes, shared objectives, commitment agreements from key leadership, regularly scheduled meetings, and a pledge to regular and frequent communications.

Summarized by:

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