

To help grantmakers think strategically about grantmaking, Stephanie Clohesy, a consultant in Cedar Falls, Iowa, developed a chart, *A Spectrum of Philanthropic Options: A Situational Approach for Choosing the Right Grantmaking Tool for the Issue or Need*. “The biggest challenge for beginners,” says Clohesy, “is to get in touch with who and where they are at this moment in time. The chart helps them identify which options best suit their board as well as the needs of the community or the potential grantee.” Clohesy identifies five grantmaking strategies:

1. **CHARITY:** provides immediate, altruistic assistance to someone in need
Examples: disaster relief, soup kitchens and food banks
Relationship: usually given to an organization serving immediate human needs
Timeframe: usually short term
2. **SYSTEMS OF SERVICE:** develops a system or network of services that comprehensively addresses continuous or repetitive needs shared by many people
Examples: a regional network of food banks, a health-care delivery system, a program for linking together organizations
Relationship: grantee links individual service providers that meet targeted need
Timeframe: usually multiple years but for a finite project
3. **EMPOWERMENT:** delivers needed services while positively changing the capacity of a person or group of people
Examples: youth recreation services aimed at leadership, civic, or personal development; economic development programs with a leadership development component
Relationship: grantee provides service or links multiple organizations to provide it
Timeframe: usually multiple years
4. **ADVOCACY/SOCIAL CHANGE:** enables groups of people to work together to change systems and/or public policies (sometimes in connection with providing services, education, information, and empowerment)
Examples: National Network of Neighborhood Associations, National Council of La Raza, Environmental Defense Fund
Relationship: usually the funder or group of funders and coalitions or associations of organizations or some other form of constituent affiliates
Timeframe: usually 3 to 5 years for a finite project model

5. **MARKET MODELS:** (Venture Philanthropy and Social Entrepreneurship); strategic assistance comprised of grants and/or investments for entrepreneurial endeavors that often bridge non-profit and for-profit structures. This approach combines innovative solutions with sustainability plans that go beyond a traditional charitable/philanthropic base of support (earned or enterprise income)
Examples: www.ShopforChange.com, Entrepreneurs Foundation, Women’s Technology Center
Relationship: usually an intensive, hands-on relationship in which funders and social entrepreneurs function as partners. Funders provide other support beyond financial capital
Timeframe: usually multiple years and through multiple stages: seed support, startup, operationalizing, mezzanine-level (second stage of development to stabilization), and long-term sustainability

Clohesy encourages new grantmakers to ask themselves: Which of these options reflect your beliefs and values? What is realistic given your personalities, backgrounds, and time schedules? How much time are you willing to invest in learning about the issues and working with the organizations? Is your preference to address immediate needs or to foster social change?

Because of the extensive media coverage of high-tech entrepreneurs, many new grantmakers are attracted to the venture philanthropy model. Clohesy cautions them to think carefully before jumping into it. “Venture philanthropy may be the right choice for a foundation that has a staff or volunteer services to form a partnership with grantees,” says Clohesy, “but it is too intensive a starting place for most beginners.”

The Spectrum of Options can also be used as an assessment tool at the end of your first year of grantmaking. “This is the time to step back and look at what you’ve done,” says Clohesy. “Given what you’ve learned, where do you want to go next?” The most effective grantmakers employ a variety of grantmaking options. In any one funding cycle, they may make some grants to meet immediate needs, others to foster empowerment, and still others to promote social change. You will probably start off favoring one or two strategies, but your emphasis is likely to shift over time as new trustees join the board bringing new knowledge and know-how, and in response to changing social and economic conditions.