



Beyond Grantmaking: Leveraging All of Your "Assets" Feature Article, August 2007 *Family Giving News*

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In a 1989 monograph *Small Can Be Effective*, the late family foundation trustee Paul Ylvisaker outlined 20 functions of philanthropic foundations and funds. Surprisingly, only a few of these functions necessarily involved money changing hands.

"Foundations do not need a lot of money to be effective," Ylvisaker declared. "If, indeed, they were to exploit only a fraction of the strategies available to them, their individual and collective impact on American life would be vastly and beneficially expanded."

Charles W. Collier, senior philanthropic adviser at Harvard University, agrees.

"There is more to family wealth than the financial dimension," Collier contends in his book *Wealth in Families*, pointing to the tremendous human, intellectual, and social capital that most families overlook when contemplating the real wealth they have to give.

While grantmaking is an indispensable and significant part of philanthropy, many foundations combine all their assets to increase their giving potential. This month's *Family Giving News* reviews the myriad ways family funds are supplementing their grantmaking with creative investments of their own time, talent, resources and expertise.

Leveraging All Your "Assets"

To uncover all the tools in your philanthropic toolbox, it might help to consider strategies used by corporate grantmakers.

"There are a variety of ways in which a company can contribute to community need through social investment," David Grayson and Adrian Hodges assert in their 2002 book *Everybody's Business: Managing risks and opportunities in today's global society*. "Cash contributions can be important but a company has access to many more resources."

To broaden corporate thinking, Grayson and Hodges developed the “Seven P’s of Corporate Contribution” a model which can be adapted by family funds. Their seven P’s are: People, Premises, Product, Promotion, Purchasing, Power, and Profit. Let’s look at examples of each:

- *People.* Perhaps your family’s greatest asset is its members. Those with certain types of expertise can offer pro-bono advice and guidance on such things as strategic planning, development, accounting and technology. Volunteering is also a way that younger members of your family who aren’t yet involved in the grantmaking decisions can still participate in helping your grantees. A computer saavy teen or young adult could volunteer graphic design or website creation expertise. Also, you can help grantees by recommending professionals and consultants with whom you’ve worked. And you can provide training. Consider convening nonprofits and engaging an expert to teach evaluation strategies, for example. You can volunteer for a committee or an advisory group of a nonprofit. And although opinions differ on whether board members of foundations should serve on the boards of nonprofits who are existing or potential grant recipients, many families consider this an important way to contribute to the work. In small communities, it’s almost inevitable.
- *Premises.* Families can share permanent office space or provide free or low-cost meeting space to nonprofits. The Charles A. Frueauff Foundation just moved its office in Little Rock to a large space with room to provide low cost rents to four nonprofits. On a larger scale, the Sobrato family of Milpitas, California, donated one of the family’s business office parks and created the Sobrato Center for Nonprofits. Thirty Northern California nonprofits are co-located on the Sobrato Family Foundation’s 75,000-square-foot, rent-free campus. Be open to opportunities you hadn’t considered initially. What began as a search for new office space in downtown Dallas for the Meadows Foundation ended with the resurrection of the historic Wilson District, a neighborhood of turn-of-the-century Victorian homes destined for redevelopment before being reborn as a 22-acre, rent-free home for 27 Dallas nonprofits.
- *Product.* Foundations and funds can make in-kind gifts of equipment, furniture, office products, computers, and more. Angel Braestrup, Executive Director of the Curtis and Edith Munson Foundation in Washington, DC, routinely purchases extra copies of worthwhile books on non-profit management and other topics and shares them with grantees.
- *Promotion.* Talk up the successes of your grantees. The Frieda C. Fox Family Foundation in Los Angeles produces short multimedia presentations about projects they have funded. Board members of the nonprofits can download the videos to iPods in order to share their projects with others. The Helen Bader Foundation of Milwaukee helps its grantees’ publicity efforts by providing sample press releases and media lists with its grants and also commissioning professional photographers and sometimes videographers to record projects for even greater visibility. The Harman Family Foundation of Washington, DC, this month’s Profile in Family Philanthropy, goes one step further. It researches and publishes the Catalogue for Philanthropy, a yearly showcase of dozens of innovative and effective Washington-area nonprofits.
- *Purchasing.* When choosing vendors for supplies or services, consider how you can have a positive impact on your community. For example, families in Washington DC employ the catering services of Fresh Start, an employment training program for the homeless run by the D.C. Central Kitchen. To help the environment, consider your purchases in light of recycling, reusing and energy saving in your offices. More families also are considering their missions in deciding which stocks to buy. Increasingly, families that fund environmental protection, for example, are avoiding investing in companies with poor environmental track records. Foundations such as the Jessie Smith Noyes Foundation, the F. B. Heron Foundation, and the

Nathan Cummings Foundation in New York are well-known for their efforts to align their investments with their charitable goals. Screening investments, launching shareholder initiatives, and voting your proxies are all ways of advancing your charitable mission.

- *Power.* Lending your family's name, reputation, and influence to the causes you support can be a tremendous lever for change. You can write letters to the editor, commission new research, and host a public forum on important issues of interest. In the 1990s, the William Caspar Graustein Memorial Fund commissioned a study on childhood education in Connecticut, generating newspaper coverage nationwide. The Fund hosted community conversations and meetings to discuss school readiness. Due largely to the Fund's awareness efforts about children's needs, the state passed legislation addressing the issue.
- *Profit.* Although this last "P" isn't directly parallel to grantmakers, it does suggest there are many creative ways to give money other than just program grants. Consider matching grants, challenge grants, capital grants, seed grants, endowment grants, scholarships, fellowships and emergency grants. General operating support grants may be the most critical need for your nonprofits when so many funders restrict money to programs.

Identifying What You Have to Offer

An interesting exercise might be to ask Ylvisaker's "provocative, if somewhat mischievous question: 'Who would come to see you if you didn't have any (or much) money?'"

More families are asking themselves these questions because:

- Donors are giving earlier in life and bringing with them an energy and a passion for engaged, hands-on grantmaking.
- Donors are concerned about effectiveness and utilizing all of their organization's assets to advance their goals.
- Donors can pursue non-grant strategies regardless of investment performance.
- Donors are looking to involve family members and/or a new generation and may not be able to involve them in the grantmaking just yet.
- Donors find non-grant strategies incredibly rewarding

So explore Ylvisaker's question. If your foundation or fund wanted to help a grantee meet some need and couldn't use any (or much) money, what would it do? Would you refer the grantee to others? Make in-kind gifts? Share your Rolodex? Collaborate with other funders? Volunteer? Which of these activities could you be doing right now? Begin without grants before adding your financial power, and you might be surprised at where your journey leads.