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A New Era for Community Foundations



Deborah Ellwood gave 'A New Era for Community Foundations' Conference in September 2019.

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In my family, at the start of each new year, we gather to reflect on what we have accomplished in the past year, express gratitude and relief for what is over and share our hopes and aspirations for the year to come. We've been doing this for about a decade. We don't have a lot of holiday traditions but we've all come to appreciate this one.

Upon reading what we've recorded over the years, I take in a diary of the ups and downs and progress of our family and get a sense of this 10-year history. There are the really big life events like my breast cancer diagnosis in December of 2012 and my husband's simple hope that I would survive the coming year, a desperate plea literally punctuated by 5 exclamation points. By the following year, when I had completed my surgeries and was deemed cancer-free, I cautiously moved my illness into the "glad it's over" category. Then there were college acceptances, my father-in-law's passing, and both my sons' hopes for grand success with scholastic athletics (always aspiring!). Not one to spend much time looking back, I find there is a satisfaction to all of this that I never anticipated. This year felt particularly poignant as my husband and I enter our first year as empty nesters. It's a new era for our family and we've been reflecting more deeply on our plans for a new future without children in the house.

For the same decade, I have been at CFLeads, the country's national network of community foundations leading change. I wish I had kept a similar diary for the organization and the field. We have achieved so much in 10 years. And learned a few things through some painful times. I believe we have a bright future ahead.

Similar to my family life, I feel we are ushering in a new era. We are at a pivotal moment. Community foundations across the country — large and small, urban and rural — are stepping up to lead positive change and we must seize this moment to accelerate that change. Because our communities need us. So I thought I'd take the time now to reflect on our accomplishments, struggles, and hopes, and to offer concrete plans for how we can be more effective in the future.

Successes

When I took the helm of CFLeads in December 2009, I joined a newly formed organization with a strong sense of mission. The board and staff had a passionate conviction that community foundations are unique institutions in the philanthropic ecosystem, and had set up an organization specifically dedicated to helping community foundations realize their potential as community leaders.

The adoption of the Community Leadership Framework

CFLeads had already produced the groundbreaking Framework for Community Leadership. Harnessing the vision and perspective of community foundations and other thought leaders, the Framework now serves as the foundational document on community leadership for the field. It defines community leadership and articulates key practices, and we've helped hundreds of community foundations use it to guide their work.

Powerful peer learning

Now, CFLeads is the only organization dedicated exclusively to helping community foundations lead positive community change. Through a peer learning approach, we give individual community foundations tools to rally the resources and build the relationships that drive change, and we empower the entire field to create the best possible outcomes for community residents. Today, there are hundreds of community foundations engaging with each other through our learning opportunities and resources. In 2018 alone, we worked with more than 650 community foundation leaders and their partners in the U.S. and Mexico. Momentum is building.

Changes in practice

Looking back at our work over the past decade, I'm grateful for the stalwarts of community leadership at community foundations, who've been walking the walk of this concept for some time and who have pioneered new approaches. I'm also heartened and excited by significant changes in practice among more and more community foundations each year. For example, we've seen shifts in board composition that position foundations to be more effective taking on roles beyond grantmaking, large

reallocations of resources toward community leadership activities, and organizational restructurings that build staff teams with the skills that help foundations lead more effectively.

Savvy Leadership

I've personally observed new energy, tenacity, courage, and compassion among community foundation leaders. They are recognizing that their organizations hold a unique and important position in society, as trust in other American institutions — from the government to religious institutions — is low. They're asking, "If not us, then who?"

Glad it's Over

As I reflect on how far we have come in the past decade, there are also several ideas I would put on my "Glad it's Over" list.

Asset size as the metric.

"What are your assets?" is far less frequently the first question community foundation leaders ask each other upon meeting. The conversation has changed. Hallelujah! We aspire to be measured by our roles in building stronger communities. CFLeads is working with the Foundation Center to create some new metrics that will measure our community leadership muscle, not just dollars under management. Impact needs to be our focus.

We're either community-centric or donor-centric.

The field has had pointed debates about this over the past 10-15 years and I still hear it referenced on occasion. But I think we are finally over this. We're both. Donor giving contributes to healthier, more secure, and more vibrant communities. Our distinctive partnerships with donors bring additional resources, new relationships and important experience to address community concerns. Period.

If you've seen one community foundation, you've seen one community foundation.

Every community must indeed reflect its local circumstances and meet the needs of its

residents. But community foundations are more alike than they are different. Most community foundations in the United States are locally focused, permanent, independent public charities with broad community betterment objectives. You will be hard-pressed to find any other institution in America with all of those attributes. So, although community foundations may have characteristics that are as distinctive as the towns and cities and states we serve, we can employ common strategies across the country to help solve some of society's biggest challenges.

Donors will leave the foundation if we take a stand on an issue or are too identified with one issue.

We have considerable evidence that many donors like to be affiliated with organizations that are tackling community problems. A 2014 Center for Effective Philanthropy report on donor satisfaction gives us the research to put this concern to rest. It documented that “the strongest predictors of donor satisfaction are donors’ sense of the foundation’s level of responsiveness when they need assistance and donors’ perceptions of the foundation’s impact on the community.” These findings are true even if the donor doesn’t focus his or her grantmaking on the same area of impact.

We have nothing to learn from community foundations that are: fill in the blank (e.g., smaller than us, more rural than us, more conservative than us, from wealthier communities than us).

Our experience is completely counter to this. We have found that when community foundations are discussing community leadership practice and strategy, they have common questions and concerns. Like in many disciplines, diversity in perspective is a good thing.

Hopes and Aspirations

My list of aspirations for community foundations has a few very specific hopes for the next five to ten years, based on the struggles and successes I’ve observed.

Align around mission.

For community foundations to be most effective at helping to solve important community problems, aligning all organizational resources and human capital around a community betterment mission is vital. This stepped-up cross-functional collaboration

means a new kind of relationship between Donor Services and Program and new roles from other departments, such as Finance, that may not perceive themselves to have a community leadership function in the organization. It means staff with different skills and keen management of organizational culture and messaging. Many community foundations are making huge strides in this area, but this type of change takes time.

Engage with the public sector.

We have come a long way in attitudes about the community foundation's role in influencing policy. What was once considered a huge risk is now appreciated, and even embraced, though sometimes misunderstood.

Government policy at all levels shapes the lives of everyone in our communities in significant ways. If community foundations want to make measurable improvements in outcomes for all people — of all races, incomes and from all zip codes — it will be necessary to influence public policy. This doesn't just mean testifying before a legislative body, as is sometimes assumed. It can mean working behind-the-scenes to influence small changes in municipal regulations, penning an op-ed to shape public opinion on a topic being addressed by a ballot initiative, or engaging in a long-term public-private partnership that gets results for the community by shaping the practices of all sectors.

The most sophisticated community foundations know how to navigate the “inside-outside” role, sometimes working in tandem with government leaders, even funding discrete public sector projects, and at times funding advocacy organizations or using their voice to directly critique or advance specific public policies and investments.

Be of, by and for the community.

Ultimately, communities must come together to solve their problems. While systems change depends on good data and policy expertise, the solutions must be informed by people most affected. To be successful at this, community foundations must cede their traditional power away from small group, top-down “expert” decision-making toward resident-based engagement, collaboration, and decision-making. Regularly including resident voices in the shaping of foundation activities and community problem-solving will lead to better outcomes and more effective, longer-lasting change. Including people of all races, ethnic backgrounds, genders, ages, sexual orientations, and parts of the

community on staff, advisory committees, and the foundation board is critical to success.

Address the business model.

Given the continued competition for charitable dollars, community foundations need to be very clear about the business they are in. Once they do that, it is important to align the business model around it, raising revenue to advance the core mission, pricing funds appropriately, and eliminating costly services that others may be able to provide more effectively. Developing a business that aligns with and advances a community leadership mission may require some tough choices, but there are good models.

These four hopes and recommendations are necessary but not by themselves sufficient. While community foundations are taking on new roles and putting new practices in place, we have made less progress on improving community-wide outcomes. We need clear indicators that these actions are making a difference. We need to be held accountable. We need to show that people's lives are getting better. This is going to require us to be much more than charitable banks and address the causes, not just the symptoms, of the problems we face. The challenges confronting our communities are not simple and technical and will not be solved by grants alone. They are long-standing, complex, and structural.

Furthermore, the environment in which community foundations operate is changing rapidly. In the philanthropic ecosystem, there are growing numbers of large individual donors, significant new donor collectives, fast-growing resources in commercial donor-advised funds, and new attention on corporate social investment funds. This may cause community foundations to examine their philanthropic role, particularly how they help marshal the range of resources for the long-term good. Meanwhile, in many parts of the country, the government is gridlocked due to political polarization and large cultural divides.

If community foundations are serious about making significant improvements in the lives of many in our communities, we will have to work across sectors, joining forces with government, business, faith leaders, not-for-profits, donors, and other philanthropic partners to deploy financial resources, human capital, and new ideas. We'll need to make use of data and research — because facts matter. We'll need to work at being good partners with residents who haven't been heard in the past but who want a seat at

the table and to shape their future. We'll need to bring all of this together into one coherent strategy. Thankfully, more community foundations seem willing to use all these approaches to tackle some of our toughest challenges.

I also observe a growing interest in working together to address the critical issues facing our communities. Community foundations of all sizes, from all across the country, have reached out to us to help them organize peer groups to work on issues together. They're looking to make positive change around equity, gun violence, early childhood education, immigrant integration, ensuring a fair and accurate census, and more. In response, CFLeads will continue to create networks that deepen community foundation effectiveness on specific topics, and we are exploring how to best support the growing interest in taking collective action on particular issues to make a bigger impact.

The Work Ahead

In 2005, *On the Brink of New Promise: the Future of US Community Foundations* was published by The Monitor Institute and served as a foundational document for the field. It recommended that community foundations make three critical shifts to stay relevant: 1) from institution to the community, 2) from financial assets to long-term leadership, and 3) from competitive independence to coordinated impact.

We at CFLeads believe now is the time to again thoroughly examine the field to get a full picture of the status of community foundations, and help us determine what we need to increase our effectiveness and be of even greater value to our communities. It is time to assess the field anew due to the size of the needs facing communities and new roles of government and other institutions. In the coming months, we will commission a research report — supported by the generosity of CFLeads' community foundation investors — that will:

- Document the community leadership activities of community foundations in the U.S. and evaluate their impact.
- Identify the most significant changes in our current political, economic and social climate that may shape the role of community foundations in the future.
- Examine some of the threats facing the field, from political scrutiny of donor-advised funds to the current destructive rejection of known facts to a general mistrust of the wealthy.

- Explore how we can bridge political divides, build shared prosperity and harness some of the good local energy that is emerging now.
- Highlight and assess innovative new models to accelerate the work.

This year’s family reflections in my home have been filled with the same ups and downs of years past – the successes, the “glad it’s over”s and the hopes for the future. As I think about the stories of our lives from the past decade, I’m struck by how what we’ve learned from the past has propelled us forward — sometimes bruised but always a bit stronger, braver and more confident than the year before. Now and then, we’ve had to stop, reflect and then pivot and change course more deliberately.

I’ve seen this same pattern at CFLeads and throughout the field. And I believe now is one of those times. Community foundations from coast to coast need to double down on structuring themselves to be vital, local institutions that are trusted by the broad community. Our upcoming report — which will be released at our Fall Forum in October — will give us a better sense of where community foundations are and offer some guidance on a path forward. Our communities need community foundations. As a national peer network of community foundations leading change, we look forward to working together to shape a new era of philanthropy — one that is driven by creating the best possible outcomes for our communities.

Did this piece resonate with you? Do you have any questions? Concerns? We want to hear from you! Let Deborah know what you think via email at dellwood@cflleads.org or via phone at 617.854.3542. Do you know a community foundation leader who might enjoy this piece? Share it!

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