



## Do Your Homework to Increase Grantmaking Success

### 6 “must-take” steps for launching your next funding initiative

Many foundations pour money down the drain by launching new funding guidelines and grant programs without first doing their homework. When funders develop new grantmaking strategies, they should dedicate time and resources to understanding the needs of the issue or population they want to help, identifying best practices and models that are already demonstrating success, and finding the right partners to help them succeed. Here are the minimum six things you should learn:

- 1. Understand current needs and challenges.** You need to understand the scope and scale of the problem, whether it's gang violence, access to health care, poor-quality after-school programs, or inadequate workforce development. How many and what types of people are affected? What impact is this having right now on families, communities, health care centers, or the local economy? Where, geographically, is this problem the greatest?

For example, the Cleveland Foundation wanted to build on the success of its early childhood initiative and support development among older youth. It explored the local community's knowledge about the needs of young people ages 6 to 24. The foundation also pulled data from local universities, public agencies, school districts, and nonprofits to examine the numbers around specific problems such as teen pregnancy, gang involvement, youth unemployment, and high school dropout rates. It used that data to identify cities and neighborhoods that had the greatest needs, then talked with leaders at various levels to better understand problems related to systems coordination, policy barriers, program quality, and nonprofit capacity. Armed with this data, it engaged hundreds of community stakeholders in conversations to analyze the information and prioritize needs. As a result, the foundation launched a clearly targeted youth development initiative that leveraged more than \$15 million in additional philanthropic, city, county, and federal funding in its first five years.

- 2. Anticipate future needs.** You also need to look ahead and anticipate what is likely to happen if the problem continues unchecked. What will it mean for your city's workforce ten years from now if high school graduation rates continue to hover at 60%? What will happen to the local arts community — an important source of tourism and revenue — if there is a dearth of leadership in the arts? For example, Northern California Grantmakers realized that the nonprofit and philanthropic sector in the San Francisco Bay Area was not adequately prepared to continue operations and respond in the event of a major disaster, such as a large earthquake. It responded by convening a Disaster Planning Task Force of member foundations, and with the help of a consultant conducted a needs assessment and developed a strategic plan to educate and organize foundations to prepare for, respond to, and recover from a major local disaster.

- 3. Build on strengths.** A mistake most funders make is to focus only on problems. You also need to understand what's working in your community. What are the strengths you can build upon? In the field of social work, this referred to as a “strengths perspective” rather than a “deficit approach.” Your strategies should help strengthen and expand what's working well and build on your community's assets. Strengths and opportunities could exist in any area you're working on: a recent change in city government that opens the door for new partnerships; neighborhood leaders who are making a difference largely “under the radar” of foundations, nonprofits, and government agencies; certain organizations whose success rates are off the charts; existing networks of nonprofit leaders; etc.



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### *Do your homework to increase grantmaking success, continued*

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- 4. Determine your focus.** After you investigate current needs, challenges, and strengths, you will likely have an overwhelming number of options that your foundation could pursue. At this stage it's important to begin pruning these down to the one, two, or three ideas that are the most compelling, most in alignment with your foundation's mission and culture, and most manageable to implement. When the Charles and Helen Schwab Foundation explored opportunities to increase economic development and reduce poverty, it examined a range of strategies including savings and asset building, micro-enterprise development, employment, and workforce development, as well as strategies focused specifically on reducing poverty among women and girls. Ultimately it chose asset development and employment and support for working families as the areas in which it could create the greatest impact.
- 5. Identify best practices and darned good ideas.** You don't want to reinvent the wheel. You do want to learn from others' success and see if there are strategies you can effectively replicate. Yes, they will need to be adapted to meet the needs of your community, but that's a lot easier than creating the whole thing from scratch. You can identify "best practices" (which have been thoroughly evaluated and determined to be effective), "promising practices" (evaluation is underway and the early results appear to demonstrate success) and "darned good ideas" (ideas that seem fabulous and worth trying, even if they're untested). In the case of the Cleveland Foundation's youth development initiative, the foundation examined national best practices such as engaging youth voice and leadership in designing and implementing the initiative, incorporating nationally accepted youth development principles, and using nationally tested program quality assessment tools and outcomes tracking software.
- 6. Find resources and partners.** With any issue, in any community, and at any scale, there are people, organizations, and other resources (e.g., money, data, materials) that can help you succeed. Ask yourself: What experts can join our advisory group? What data are already being collected? What organizations (schools, universities, corporations, government agencies, other foundations, etc.) would make good partners? What nonprofits are leading in this area? What other foundations are supporting this issue?

These six steps may sound like a lot of work. They can be — and, honestly, they should be. The "homework" you complete up front can save you from heartburn (and potential heartbreak) down the road. You'll save yourself and everyone else involved hours of wasted time and energy. Best of all, these steps cost virtually nothing — just time spent reading, questioning, talking, and listening — and will steer your foundation's precious philanthropic resources toward the most effective uses.

To get started, review these steps with fellow staff members and consultants. Generate conversations about what they could mean for your next project. Then create a plan for incorporating them into your next grantmaking initiative, and watch as your effectiveness grows!

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