

1 The global community foundation movement

1.1 Introduction

The 2008 Community Foundation Global Status Report is the fifth in a series of reports on the development of community foundations around the world. It was commissioned and funded by Worldwide Initiatives for Grantmaker Support (WINGS).

WINGS-CF, a constituency group of WINGS, began tracking the international community foundation movement in 1999 in conjunction with International Programs of the Council on Foundations. The Global Status Report was one of the first projects WINGS-CF undertook as a newly-formed network devoted to providing support for organizations, associations and funders involved in community foundation development. At the time the first report was commissioned, it was becoming clear that the community foundation concept was spreading quickly beyond North America and the United Kingdom and was beginning to have worldwide scope and impact.

The progress reported in spreading the community foundation concept in the 8 years since the first report was published has been remarkable. The community foundation movement in continental Europe has gone from start-up phase to the point where it is well established and maturing in a number of countries. Community foundations globally are no longer being formed in relative isolation. They are receiving inspiration and motivation from an increasing number of sources. They are now part of a truly global movement and are increasingly interconnected – within countries, across regions and internationally.

The 2008 Community Foundation Global Status Report provides an overview of worldwide developments based on the most current information available from survey data. Other sources also have been consulted where available and relevant. Part I of the Report is a general Overview of what community foundations are; the trends in their development as viewed from a global perspective; and a review of community foundation developments by region.

Part II is a first look at the breakdown of community foundation assets worldwide. Part III consists of the Country Profiles, which are based on information collected from the surveys. In most cases these are submitted by the local organizations that support community foundation development – that is, from the people closest to community foundation activities in their own countries and regions. In areas where there are no organizations supporting community foundations, reports were solicited from the community foundations themselves. Part IV is a list of respondents for the country profiles.

1.2 The community foundation concept

What are the characteristics of community foundations that make them such a powerful force for community betterment and change?

Community foundations are grantmaking organizations that:

- seek to improve the quality of life for all people in a defined geographic area;
- are independent from control or influence by other organizations, governments or donors;
- are governed by a board of citizens broadly reflective of the communities they serve;
- make grants to other nonprofit groups to address a wide variety of emerging and changing needs in the community;

- seek to build a permanent resource for the community, most often through the creation of endowed funds from a wide range of donors, including local citizens, corporations, governments, and other foundations and non-profits;
- provide services to donors to help them achieve their philanthropic goals;
- engage in a broad range of community leadership and partnership activities, serving as catalysts, convenors, collaborators and facilitators to solve problems and develop solutions to important community issues;
- have open and transparent policies and practices concerning all aspects of their operations; and
- are accountable to the community by informing the general public about their purposes, activities, and financial status on a regular basis.

No two community foundations are exactly alike. They are shaped by their local traditions of charitable giving and the local resources available to meet the needs of their communities. Even in regions where they have been established for the longest periods of time, variations in structure and emphasis have developed. Community foundations display all of the attributes listed above to a greater or lesser degree. The adaptability of the concept makes it possible for each country and area to mold its community foundations to fit its unique circumstances.

Globally, the greatest variability in the ways community foundations operate are in the types of financial support they attract, especially the types and mix of donors, and the impact their gifts have on sustainability. In North America, especially in the US and Canada, the overwhelming support for community foundations comes from individual donors of moderate to wealthy means. In countries where community foundations are a newer form of community philanthropy, and especially in areas where the resources of individuals may be more limited, local businesses, and domestic and international foundations, may provide a greater proportion of the support. In some areas, national and local governments have played a larger role in providing funding, especially for grantmaking; they see community foundations as an effective way to identify and fund local organizations addressing local needs. Endowments are not easy to understand or market, especially in areas where local needs are great. As a result, in many countries donors – whether individuals, corporations, foundations, governments and government entities – want their donations to have immediate impact. Building endowed permanent funds to ensure sustainability remains for many developing community foundations a goal they aspire to rather than a near-term reality.

The variability in the types of gifts and funding community foundations attract is only one example of how community foundations have been successful in adapting the concept to meet local needs and circumstances. A number of other examples could be drawn from nearly all of the functional areas of community foundation operations, for example, differences in board composition. As long as community foundations remain true to the basic concept, there can be considerable flexibility in how they are constructed and carry out their mission.

The two most important attributes of community foundations are their adherence to open and transparent policies and practices, and their accountability to the general public. The most important factor in establishing a community foundation is trust – trust that the organization is independent of influence, that it is an honest broker and will do what it says it will do. Local donors will not give through an intermediary organization unless it has their trust, and they can see that their giving will be more effective and strategic than the ad hoc person-to-person charity to which they are accustomed. Through their openness and transparency community foundations have often led the way in creating cultures of philanthropy and providing a model for how other non-profit organizations should operate.

The creativity and ingenuity communities have displayed in developing variations on the community foundation concept are a testimony to the power of the idea and its effectiveness. As more and more community foundations are developed around the world, it is evident that every country, region, and community can find ways to take the concept and make it their own.

Discovering a passion for giving

Rio de Janeiro, Brazil: Instituto Rio. This story is rather significant and typical of Instituto Rio. It involves our former CEO, the publisher Geraldo Jordão Pereira, also our largest donor, who recently died. The more he donated and involved himself in Instituto Rio's work and activities, the more his conscience demanded of him. This reached a point where, in one of our last conversations, he said he felt he was collaborating and participating very little and should give more of himself to the organization. That is, the more donors give and get involved ..., the more they want to give and involve themselves in the organization's work.

Note: In 2005 a donation of US \$700,000 (\$1.5 million *reais*) from Geraldo Jordão Pereira made the long-awaited dream of an endowment fund a reality for Instituto Rio. His gift was unprecedented and made possible in part by his purchase of the Brazilian rights to the novel *The Da Vinci Code* before it became a worldwide best seller.

1.3 The globalization of support for community foundation development: 10 years on

The year 1998 marks the turning point in the globalization of the community foundation movement, with increased activity surrounding community foundation formation, and the creation of an infrastructure for the support of community foundations.

The idea for Worldwide Initiatives for Grantmaker Support (WINGS) can be traced back to a global meeting of organizations that support grantmakers held in Oaxaca, Mexico in February 1998. Following that, in October, a smaller meeting of a group of organizations focused on supporting community foundation development took place in Miami, Florida. Together these two meetings led to the development of WINGS, a global network of organizations that support grantmakers, and its constituency group for those supporting community foundations, WINGS-CF, which was formally established on 1 January 2000.

Prior to 1998 there were only a few attempts to connect those interested in community foundation development globally. There are a number of reasons why the formation of a global network at that time seemed a reasonable next step. There was an awareness that community foundations were being formed in countries outside of North America, and the rate of formation was increasing. Following the fall of communism in 1991 international funders undertook massive efforts to help transform and realign the countries in Central and Eastern Europe (CEE) into the political, economic, and civic structures of the West. They first focused on the basic components necessary for integration, by supporting activities such as democracy training and the creation of economic institutions. In the second phase funders sought ways to consolidate their efforts by helping to develop civil society and the third sector. The successful transfer of community foundations to the UK in the 1980s and 1990s was a major factor in funders' belief that community foundations could play a key part in their local strategies to build civil society and provide sustainable support for the nonprofit sector. Local individuals, as well as funders, were attracted to this

type of community philanthropy organization, which was based on local control and local decision making. Community foundations also were seen as laboratories for demonstrating the power of citizen action and a way to build a culture of individual responsibility. Their open and transparent operations helped build trust in societies, where individual philanthropy was either unknown or had been forcibly suppressed. As funders began supporting the promotion and development of community foundations in CEE and other parts of the developing world, it became apparent there was a real need to connect the various development efforts, so that knowledge and resources could be shared and duplication of effort could be minimized.

It is no coincidence that the formation of WINGS and WINGS-CF came less than six years after the formation of the Healthy City Community Foundation of Banská Bystrica in what is now the Slovak Republic, the first community foundation formed in Europe after the collapse of communism in 1991. Efforts to develop community foundations in the 1990s were beginning to bear fruit, in CEE and also in Western Europe, as Germany, Ireland and other countries saw the benefits of individual philanthropy and citizen action in helping to meet local needs. There were signs that globalization was beginning to be evident not just in the economic sphere, but in civil society as well.

Building a global network to support community foundation development would not have been possible without advances in communications and technology that allowed local community foundations to present themselves in new ways to the public both at home and abroad, and also to reach across boundaries in real time to share knowledge and lessons learned. Technology had the effect of increasing the rate at which knowledge about the community foundation concept was transmitted; it provided a means to share rapidly the impact community foundations had in their own communities; and it brought community foundations and the funders and organizations that supported their development closer together.

As the global timeline of community foundation developments below demonstrates, a number of factors and new activities came together in 1998 to increase the focus on community foundation development. After 1998 the pace of formation speeded up dramatically. The establishment of the WINGS-CF global network, and other in-country support organizations, were major contributors to the dynamic growth in the numbers of community foundations that occurred at the end of one century and the beginning of the next.

Community Foundations Global Timeline

Early developments:

- 1914 The Cleveland Foundation – first modern community foundation established in the US
- 1921 Winnipeg Foundation – first community foundation in Canada
- 1949 US community foundations form the National Committee on Foundations and Trusts for Community Welfare – first national support organization for community foundations, established “to promote responsible and effective philanthropy.” It later opens its membership and evolves into the Council on Foundations (COF).
- 1969 US community foundations receive the preferred tax status of “public charities” under the Tax Reform Act of 1969, which sets the stage for major growth in the US

Beginnings of globalization – moving outside North America:

- 1979 Community Foundation for Northern Ireland (formerly Northern Ireland Voluntary Trust) formed with support from the UK government and other local funders
- 1983 Victorian Community Foundation – first community foundation in Australia; a bank trust
- 1985 Puerto Rico Community Foundation – first community foundation in the Caribbean, formed with support from the Ford Foundation and other funders
- 1991 Community Foundation Network (formerly ACTAF) – first national membership organization for community foundations in Europe
- 1991 Bombay Community Public Trust – first community foundation in India, aided by Centre for the Advancement of Philanthropy in Mumbai
- 1991 Osaka Community Foundation – first community foundation in Japan
- 1992 Community Foundations of Canada (CFC) established
- 1994 Healthy City Community Foundation of Banská Bystrica, Slovakia – first community foundation in continental Europe after the fall of communism
- 1994 Charities Aid Foundation-Russia begins promoting the community foundation concept in Russia
- 1996 Stadt Stiftung Gütersloh Foundation – first German community foundation, formed in the hometown of the Bertelsmann Foundation
- 1997 First community foundations in Africa established – Kenya Community Development Foundation and the Community Foundation for the Western Region of Zimbabwe.

1998 – The turning point for the global movement:

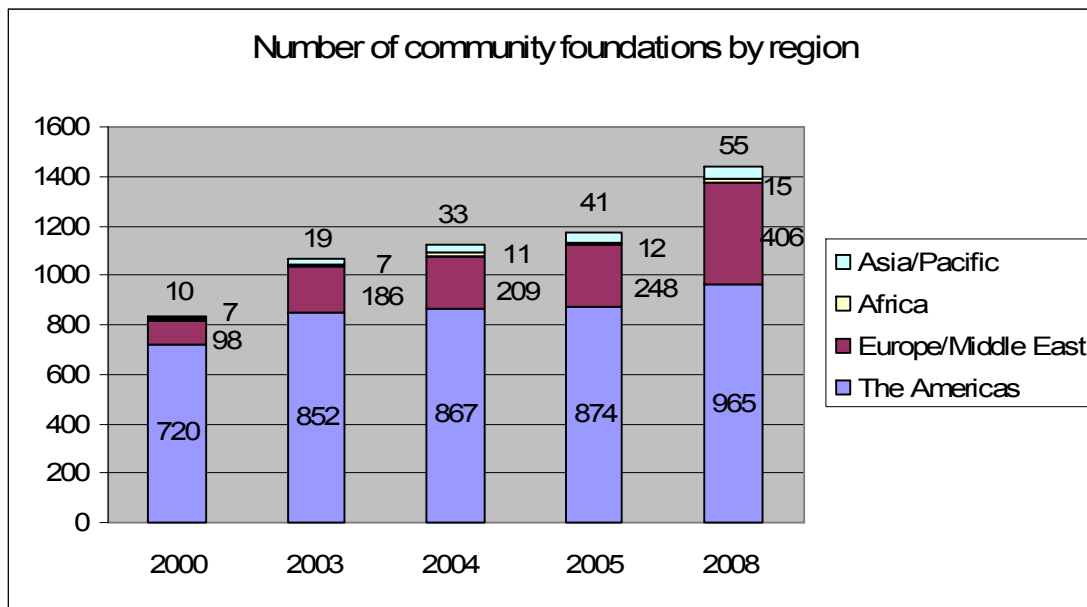
- International Meeting of Associations of Grantmakers (IMAG) – first global meeting of organizations that support the development of philanthropy in Oaxaca, Mexico; precursor of WINGS
- Academy for the Development of Philanthropy in Poland (ADPP) begins promoting the community foundation concept in Poland
- First community foundations formed in Czech Republic, Poland, Russia, South Africa
- Centro Mexicano para la Filantropía (CEMEFI) launches a project to promote the community foundation concept to Mexico
- European Foundation Centre’s Community Philanthropy Initiative established
- Baltic American Partnership Fund (BAPF) formed with support from USAID and the Open Society Institute (Soros Foundation); promotes the community foundation concept in Estonia, Latvia and Lithuania.
- King Baudouin Foundation begins working with corporate donors to establish community foundations in Belgium
- A meeting of organizations that support the development of community foundations convenes in Miami; the precursor of WINGS-CF
- International Programs of COF decides to track the development of community foundations around the world

Post-1998 – Era of continued expansion and consolidation:

- 1999 Community Foundations of Canada (CFC) manages the precursor to WINGS-CF
- 1999 International Programs of COF and WINGS-CF join together to fund research on global community foundation developments
- 1999 Transatlantic Community Foundation Network is established – a project of the Bertelsmann Foundation with support from the Charles Stewart Mott Foundation
- 2000 WINGS formally begins operating on 1 January 2000; COF hosts the WINGS Secretariat; CFC continues to host the WINGS-CF constituency group

- 2000 The first Global Status Report is published jointly by WINGS-CF and COF
- 2000 Transatlantic Community Foundation Fellowship program – a joint project of the King Baudouin Foundation and the German Marshall Fund of the US – selects its first class of fellows and host foundations
- 2003 WINGS and WINGS-CF combine when the WINGS Secretariat rotates to the European Foundation Centre
- 2004 *Community foundations: Symposium on a global movement*, organized by WINGS-CF –first global meeting of community foundation practitioners and researchers in Berlin, December 2004
- 2006 WINGS establishes the Global Fund for Community Foundations with a landmark grant from the World Bank and support from other major funders
- 2007 The WINGS Secretariat rotates to Manila, hosted by the Asia-Pacific Philanthropy Consortium; the first time it is based in the global South.

1.4 Highlights of global community foundation developments since 2005



Yearly totals: 2000 – 835; 2003 – 1064; 2004 – 1120; 2005 – 1175; 2008 – 1441

- 1441 community foundations have been identified in 51 countries; 4 additional countries have active initiatives; 16 new countries either have or are developing community foundations
- The number of community foundations has grown by 21% in 3 years; the number of countries has increased by 9 (net)
- The number of community foundations outside the US continues to grow -- 46% of community foundations globally now exist outside the US, up from 40% in 2005, and 37.5% the previous year
- The number of community foundations in the UK and Canada continues to decrease on a percentage basis; now only 33% of the community foundations formed outside the US, down from 42% in 2005 and 47.5% in 2004
- The number of community foundations outside of Canada, the UK and the US is 447, which represents a 56% increase since 2005

- Germany has surpassed Canada to have the second largest number of community foundations after the US: 190; Germany now represents 28.5% of the community foundations outside of the US; it has a three-year growth rate of 126%.
- The United Kingdom is in a steady state with 95% coverage of both territory and population
- Formation activity has been especially strong in southeastern Europe and the Balkans, as funders have moved their efforts farther south and east
- In addition to southeastern Europe and the Balkans, new activity is notable in the Middle East, Central Asia, South America, Africa, India and Thailand
- Understanding of the community foundation concept is becoming more widespread, as the numbers of community foundations grow; the World Bank Community Foundation Initiative has contributed significantly to raising the profile of community foundations and their role in community-driven development
- A new initiative, the WINGS Global Fund for Community Foundations, is established in 2006 to provide strategic funding to emerging community foundations and development efforts in the global South and other disadvantaged areas
- As the numbers of community foundations grow within countries, and experiences are shared through in-country networks and across borders, more cohesiveness in community foundation models is being demonstrated
- There is more organic growth – from the bottom up – with initiatives being driven by individuals, especially in countries or regions, such as the Middle East and South America, where there are no organizations to support the development of community foundations
- Academic research programs on philanthropy and philanthropy networks are beginning to have a demonstrable impact on the formation of community foundations
- Due to increased cross border networking and information sharing, community foundations have gone from being merely actors in global civil society to being creators of global civil society