

Regional Associations of Grantmakers



A case study of sub-national associations of grantmakers

I *Organizational Profile*¹

The philanthropic infrastructure in the United States is both deep and diverse. It includes more than 50,000 grantmaking organizations; six major, nationwide organizations serving philanthropy and the nonprofit sector; 28 formal, regional associations of grantmakers each serving a specific region of the country; and numerous other associations and networks of funders which link grantmakers around common interests. In addition, hundreds of individual consultants and consulting firms offer services to donors and established philanthropies.¹

Regional associations form a unique part of this philanthropic infrastructure. While the geographic scope and emphasis of their missions differ, regional associations all share at least three common bonds: a focus on a defined geographic area, whether that is a metropolitan region, statewide or multi-state area within the United States; outreach and service to all types of organized grantmakers; and a mission which seeks to promote and enhance philanthropy and its impact in the community.

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Regional associations are a response to, and reflection of, the great regional diversity and regional identification in the United States, and the predominately local nature of most U.S. grantmaking. While national-level organizations meet many needs and ably serve philanthropy at a high level, they cannot easily provide the kind of hands-on local networks, or region-specific information, training and leadership, that many U.S. grantmakers want and need to enhance their effectiveness.¹

¹See Lucy Bernholz, *Collective Wisdom: Regional Associations of Grantmakers in the Twenty-first Century (Washington, D.C.: Forum of Regional Associations of Grantmakers, 2001)* and *Organizational Assessment and Development Guide for Regional Associations*. Both are available from the Forum of Regional Associations of Grantmakers (www.givingforum.org).

The 28 formal regional associations work together across the country through a national association called the Forum of Regional Associations of Grantmakers. Individual associations themselves differ from many grantmaker associations in other countries in that they serve only a sub-region of this country. They do, however, share many similarities with their country-based counterparts around the world, as to mission, size, age and challenges faced. The following is a composite picture, drawing on the overall development and experience of regional associations of grantmakers in the United States.

The earliest regional association was formed in 1949, years before there was a national-level organization. The newest association to form was established in 1991. Currently, all of the 28 regional associations are separately incorporated as charitable, nonprofit, membership organizations and have at least one, part-time, dedicated staff person. Many of them, however, operated on an informal basis for a period of years before reaching this level.

As of 2002, the 28 U.S. regional associations serve a total of almost 5000 members including:

- 753 independent foundations;
- 465 community foundations;
- 875 corporate foundations or giving programs;
- 1,530 family foundations;
- 440 other philanthropic entities such as banks, financial advisors, and the like; and
- 683 charitable, grantseeking nonprofit organizations.

The smallest association serves 44 members, while the largest serves more than 400 members. The exact composition of the membership varies from association to association. In some cases, corporate donors predominate, while in others family or independent foundations are the majority.

Regional associations are governed by volunteer Boards, which range in size from 8 to 28 people. In most cases, Board members are elected by the grantmaking membership, rather than by self-appointment. Directors usually serve for a set term of office and, with a few exceptions, must be representatives of grantmaking organizations. In some associations, however, leadership also includes Board representation from the community “at large” or from nonprofit organizations that may form an affiliate part of the association.

In addition to the volunteer leadership, each of the 28 regional associations has some paid staff. The association with the smallest staff has two part-time staff persons, while the largest has 20 staff. To enhance staff capacity, most regional associations also enlist volunteers from the membership or community, who help to identify needs, design programs, review products and otherwise share in the work of the association.

Individual association budgets vary widely depending on their areas of emphasis and currently range from US\$27,000 to US\$12 million annually. Income is supplied by dues from members, special grants, in-kind services, fees for service and other earned revenue, such as the sale of publications. Dues as a percentage of the core budget range from 20 percent to 100 percent. While each regional association has a different dues schedule, dues are generally assessed on a sliding scale with the largest grantmakers paying the highest dues. Annual dues assessments among the regional associations range from US\$150 to US\$70,000, with most falling somewhere between US\$250 and US\$10,000.



The complement of services each regional association provides depends on the needs of its particular community and its stage of development. While no one association provides all of these programs and services, typical roles played by regional associations include the following:

- Safe meeting ground for grantmaking members to exchange information, seek advice and develop networks/partnerships;
- Professional development and growth opportunities for grantmakers, including education on specific issues and community needs, skills development training and publications, sessions to stimulate new ideas and opportunities for renewal and introspection;
- Targeted professional development, growth opportunities and products to serve the unique needs of various constituents such as family foundations, community foundations, corporate donors, foundation trustees, senior staff and the like;
- Promotion of the growth of all forms of philanthropy and the involvement of new donors in philanthropy;
- Leadership regarding ethical considerations and best practices through special initiatives, research, publications, education and communication;
- Forum for collaboration and joint problem solving, including both pooling of funds as well as joint research and action;
- Research and information dissemination about the size, scope and activities of philanthropy and its impact in the community;
- Information, training and technical assistance for grantseeking organizations, including seminars, directories, libraries, resource centers and online services;
- Advocacy for philanthropy with policy makers, media and the general public, including active lobbying for or against proposed legislation at the local, state and national levels which would have an impact on philanthropy;

- Neutral forum for convening grantmakers and other sectors of the community for problem solving, discussion of issues and coordination; and
- Connecting the network of local members to the national and international levels.

Whatever their complement of services, regional associations of grantmakers are on the front lines connecting donors, philanthropy and community needs; encouraging best practices and effectiveness; stimulating knowledge and the understanding of and participation in philanthropy; and building philanthropic leadership.

II Stages of Development of Regional Associations of Grantmakers

Each of the 28 U.S. regional associations has had a unique history of development, depending on how it defines its region (e.g., a metropolitan, statewide or multi-state area), the needs of that particular region, and the character, size and composition of its philanthropic community. Most were formed by a small core of existing grantmakers who:

- Recognized the limits of operating in isolation and wanted to develop a means to exchange information, learn from colleagues and form networks of common interest and concern to enhance effectiveness; or
- Identified the need to come together to address a particular challenge, such as an emerging community need, significant public policy change or a major community crisis such as a natural or economic disaster.

Many were established as a blend of the two and most have evolved over time as the interplay changed between members' direct needs and interests, and the demands, expectations and opportunities present in the external environment.

Given their diversity, no one example would reflect the development of regional associations of grantmakers in all regions. However, as part of a special capacity-building effort in the early 1990s, known as *The Regional Initiative*, the associations identified several stages of development in the life cycle of most regional associations of grantmakers. This is briefly summarized below:

- **Idea Stage**—Initial leadership tests the waters and builds interest; modest level of programming; usually volunteer-led and driven.
- **Start-up**—The beginnings of a more formal organization; expanded programming; development of more formal mission and vision; greater staff capacity whether paid or volunteer.
- **Growth**—Expanding membership; more complex programs and services; day-to-day operations move from board to staff.
- **Establishment**—Credible, recognized, well regarded by community; complex programming, communications, and leadership efforts; well functioning systems.
- **Renewal or Decline**—Can occur at any stage.

While this life cycle analysis is a generic representation of association development, differentiation between stages is not solid and an individual association's programming, finances, staff capacity, volunteer leadership and systems can be, and frequently are, at different stages of development at the same time.

Each stage of development has its own unique set of difficulties, tensions and constraints; however, among the critical and usually interrelated challenges regional associations face over time are the following:

- *Developing and sustaining leadership and buy-in to a common vision;*
- *Defining and refining the criteria for membership (or inclusion in association activities) and generating a critical mass of members for sustainability;*
- *Demonstrating the benefits or impact of the association and capitalizing on its unique value;*
- *Achieving the appropriate balance between community focus and member focus, leadership and direct service to members;*
- *Balancing traditionally limited financial and human resources with ever-expanding needs and demands;*
- *Juggling the needs of particular constituencies (e.g., family foundations, community foundations, members in outlying areas) with those of the organization and community as a whole;*
- *Identifying and responding to changing needs both within the membership and in the larger community; and*
- *Finding appropriate strategies for renewal and development.*



Regional associations have coped with these challenges in a variety of ways. In the early stages of development, the volunteer leaders played the critical roles. As staff are added, staff leadership and capacity become critical elements. At all stages, the buy-in and commitment of members to devote time as well as resources to the association are critical.

To put a little life to these theories, a few examples of association development are provided in the following paragraphs. These associations represent both evolution over time as well as specific strategies or opportunities which caused or aided the development of the association.²

III *Case Examples of Broad-Based, Regionally-Focused Associations*

Steady Evolution: A Study of the Council of New Jersey Grantmakers, Trenton, NJ (www.cnjg.org)

1975: A group of New Jersey grantmakers began meeting on an informal basis to discuss issues of importance to their state's philanthropic community.

1975-1989: Founding members recognized a value in regularly convening grantmakers to address a variety of common concerns. During this time, volunteer-driven programs focused on building skills, networking and sharing best practices.

1990-1996: In May of 1990, the Council of New Jersey Grantmakers became a project of the Community Foundation of New Jersey. With this project status, the Community Foundation of New Jersey provided part-time executive and administrative functions for Council activities. Programs were expanded to include joint sessions with neighboring associations of grantmakers such as the New York Association. A Steering Committee was formed to include representatives from foundations and giving programs; its advisory function included exploring a wider spectrum of programming topics.

1996-1997: In the spring and summer of 1996, the steering committee interviewed and/or surveyed existing members (more than 70) to measure their regard for and satisfaction with the Council as an organization. In response to the findings and overall broad support, the Steering Committee proposed the Council move into the next stage of its development—becoming a bona fide, independent, nonprofit. The 501(c)(3) filing (U.S. tax-exempt status for a non-governmental organization) process began in the fall of 1996; the Steering Committee converted into a Board of Trustees; a part-time Executive Director was hired; and offices were moved to a temporary location at The Hyde and Watson Foundation. A revision of the existing dues structure was conceived and implemented in anticipation of the growing organizational needs of the Council.

Coinciding with these developments, the Program Committee set an ambitious agenda of monthly meeting offerings for general membership, since program work is at the heart of Council activities. The Council also officially became a member of the Forum of Regional Associations of Grantmakers. The Board of Trustees reviewed the mission and rededicated its energies to Council efforts.

The Council was granted nonprofit status in the spring of 1997 and held its third annual meeting in June 1997. More than 80 attendees were present. In September, an office for the Council was obtained in East Orange, NJ, at Seton Hall University. The Council was considered an organization-in-residence in Seton Hall's new, academic building and co-located with the Graduate School for Public Service offices.

²*These examples were drawn from the Organizational Assessment and Development Guide for Regional Associations and Collective Wisdom; Regional Associations of Grantmakers in the Twenty-first Century, a special report based on the discussions at the Forum of Regional Associations of Grantmakers 2001 annual meeting, prepared by Lucy Bernholz.*

1998-2002: In July 1998, the Board of Trustees committed resources to staff the Council office with a full-time Executive Director and Administrative Assistant. In May 1999, the Council's offices were relocated to Trenton, NJ. The relocation was designed to give the Council more visibility and name recognition and expand the opportunity to recruit new members from central and southern New Jersey. Furthermore, the Council's new location, just one block from the New Jersey Capital Statehouse, provided access to political issues impacting philanthropies and nonprofit organizations in the state. Toward that end, it is noteworthy that the New Jersey Secretary of State keyed the June 1999 annual meeting of the Council.

As of August 2002, the Council of New Jersey Grantmakers had 101 members. The Council looks forward to continued growth in membership, programming and advocacy.

Building on Strength, Energizing Commitment, and Capitalizing on Unique Value: A Study of the Donors Forum of Chicago, Chicago, IL (www.donorsforum.org)

In 1991, after 18 years of operation, the Donors Forum of Chicago faced a seemingly comfortable future. No major crisis loomed, save the chronic issue of matching financial resources with growing demands and expectations. Rather than merely gliding along, the directors and staff decided to embark on a strategic planning process to assure that the organization remained relevant, effective and responsive to members.

The process the Donors Forum adopted built in a high level of member input, reaction and participation through focus groups, telephone interviews and a survey. Although member satisfaction and respect for the organization were high, the research also indicated members felt the organization could better represent them and serve their needs.

The result was a strategic plan called *Leadership for the 90s* that renewed staff and Board commitment to an 18-year-old organization and generated excitement both within and without. It put the Board and staff in closer touch with member interests and needs and systematically incorporated ways to maintain that communication. It also resulted in explicitly including service and information resources to nonprofit organizations in the Donors Forum's mission.

Continuing to build on its unique strengths, in 2000 the Donors Forum started a planning process to guide it toward becoming an "information organization" for its members and the larger community. As an association in a metropolitan area, the Donors Forum has long tried to serve both the grantmakers and grantseekers of greater Chicago. Nonprofit leaders are represented on the association's Board and the Donors Forum has a strong history as a clearinghouse of information for both donors and nonprofits. The Donors Forum recognized the strategic value of capitalizing on its knowledge-based assets and its established position as an information clearinghouse.

Presently, senior staff and consultants from IBM are leading this work and have begun a full-scale knowledge audit of the Donors Forum. Once the association's information assets are identified and catalogued, plans call for building new services for members that are based in the value of that knowledge, continuing to build the Donors Forum's library resources into a more comprehensive information resource and working with foundation members and Board leadership to determine how this intellectual capital can be shared to strengthen philanthropy in the region.



This last element will be particularly challenging as the Donors Forum must develop a model that recognizes and distinguishes between the association's own knowledge-based assets and those of its members. This undertaking also brings to light the many levels of work involved, as new staff responsibilities, Board support, technological infrastructure, communications and outreach, member services and library resources are all key elements in the planning.

**Responding to Changing Needs and Conditions:
A Study of the Ohio Grantmakers Forum, Columbus, OH
(www.ohiograntmakers.org)**

Although all regional associations take geography into consideration in their work, there are many answers to the question, "which regional boundaries make sense?" For the state of Ohio, two regional associations—one city-based in the primary metropolitan area of Cleveland and the other organized statewide in the public policy center of Columbus, the state capital—had been the answer for many years. In the last few years, new opportunities presented by communications and information technology, questions of cost-efficiency and Board overlap, a focus on service, growing interests in public policy and a growing, collaborative spirit all combined to shape a new answer to this question: one association, with offices strategically located to serve the entire state from two hub cities. An arduous, multi-year, dual-association strategic planning process accomplished this goal and the Ohio Grantmakers Forum (OGF) was born.

The planning process served to highlight the association's true value to the field as a provider of accessible programs and services to members and in its service as a single unified voice on Ohio philanthropy to state policymakers and the media.

As part of this work, the OGF has developed an impressive research and publications series, provides a robust set of educational programs for member organizations and is still able to reach and reflect the regional identities in Ohio.

**Adapting to New Donors and a Changing Philanthropic Environment: A Study of Philanthropy Northwest, Seattle, WA
(www.philanthropynw.org)**

In becoming home to the world's largest foundation (The Bill and Melinda Gates Foundation) almost overnight, the Seattle area and the greater Northwest have attracted a fair share of attention for their philanthropy. But the region is home to more than just new, large foundations. It is a creative birthplace for new strategies for individual donors, including giving circles and strategic social ventures. To meet the needs of these new philanthropists, Philanthropy Northwest decided to partner with The (Boston-based) Philanthropic Initiative (TPI) and provide consulting support to new and potential donors.

In taking on this partnership, officially launched as The Giving Practice, Philanthropy Northwest sought to develop a new suite of services for both existing and potential members. This decision required careful consideration of the association's existing membership services, its staffing structure and market research of the local consulting industry. Philanthropy Northwest and TPI then began the business planning necessary to launch this joint nonprofit venture. The work is just beginning and is designed to semi-segregate these new services from existing member services so that Philanthropy Northwest can maintain its existing core business while launching the new endeavor.

IV

Guidelines and Lessons Learned

No one development, governance or budgetary model fits every regional association of grantmakers. An association's path to development is not always a straight line; it can grow and plateau and grow again, or be catapulted to different levels by changing circumstances, new strategic leadership and vision or the timely addition of resources. Regardless of their individual paths of development, regional associations are constantly evolving. No association was born fully formed, nor is a successful association's evolution ever complete. Some of the lessons learned by the regional associations described in this case study are highlighted below:

Institutional Development

- The addition or expansion of staff at critical junctures can make all the difference in expanding a regional association and enhancing its service and value to members and the community. While volunteer leadership and volunteer involvement of the membership is critical to a regional association's success, there are always limits to how much time and energy these volunteers can devote to the association.
- As a regional association evolves over time, founding leaders and other senior grantmakers may become disengaged from the association. They have served their time and move on to other challenges. Finding ways such as strategic planning or targeted input from this group to keep these leaders involved can be critical to the association's overall development, the enthusiasm with which it is accepted by members and the community and its ability to generate needed resources.
- Capitalizing on a regional association's unique value is a critical element to success. For many regional associations of grantmakers, that unique value includes knowledge, informational resources about its region and its ability to develop and deploy local networks in order to maximize opportunities.

Public Policy and Government Relations

- Balancing the needs of members with those of the larger community and the philanthropic sector as a whole is a constant challenge. While some members view the association's potential leadership role as a direct service, others view it as a distraction or detraction from the association's primary responsibility to members. When members see and feel direct value in the association, it is easier for the association to provide leadership and address broader community needs.
- Regional associations need to adapt creative strategies such as segregating services as special endeavors paid for by those involved: building a culture where members accept that not everything the association does must meet the needs of everyone; and building leadership at the staff and Board levels that constantly assesses the changing environment to survive this challenge. This is important because regional associations serve the entire spectrum of grantmaking organizations. It is a challenge to balance the unique needs of certain members with those of the organization, the sector as a whole and the larger community.
- Regional associations of grantmakers are better able to provide hands-on support, including linkages with local networks, information on the specific region or locality, training and leadership.

