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Grantees of Haymarket People's Fund and Hyams Foundation at a grassroots fundraising training with GIFT in Boston. Haymarket People's Fund strategically allocates grants through a volunteer grantmaking panel made up of organizers from across the region who are actively working for change in their own communities and know where resources are needed most.

Time to Reclaim Your Power in Funder Relationships

By Dalya F. Massachi

GRANT FUNDING HAS A LOT TO DO WITH POWER. Who has the money, who gets the money, and what are the dynamics between the two groups?

At first glance, it can definitely appear that foundations and other funders hold all the cards when it comes to their relationships with grantseekers. After all, grantmakers control the funds and seem to have complete discretion over how the money is doled out.

As a grantseeker, you may feel like you're begging with a virtual tin cup. By accepting this position of powerlessness, you may hope funders take pity on you. Or maybe you will learn to answer their questions with the answers they want to hear. If they visit your organization, you often find yourself bending over backwards to please them. You would never think of biting (or even challenging) the hand that may feed you.

After all, beggars can't be choosers, right?

If you are somehow successful in winning the grant, your eternally grateful (and dependent) stance will continue: one that looks up to the grantmaker as the one calling all the shots.

I have seen this attitude run rampant throughout the many years I have been conducting grantseeking trainings. Participants are eager to learn how to "play the grant game" with their mysterious opponents. Students often get nervous when practicing one-on-one conversations with funders because it feels like one wrong move can seal a decision to deny funding.

But do we have to stay locked in this traditional power arrangement, or can we move toward a more equal relationship? Let's examine the situation more closely.

Who They Are

First of all, it is important to realize that many foundation program officers used to be grantseekers. They often come from the nonprofit sector themselves, and have histories as executive directors, board members, or other nonprofit managers. So they can often empathize with your sweaty palms.

But no matter what their background (and you should research that as much as possible before speaking with them), grantmakers know the inherent inequity of the current setup. They know that there are many more nonprofit grantseekers out there (approximately 1.5 million) than grantmakers (around 86,000). They understand that their relatively tiny supply of dollars is in extremely high demand. They occupy an enviable position that encourages them to pick and choose only a few grant winners.

Faced with this reality, you may be one of those nonprofit leaders who believe this lopsided situation automatically produces a

necessary evil—just another challenging part of doing the work you need to do in your community. But it doesn't have to be that way.

As a nonprofit leader, you are an empowered, courageous, effective force in your community. Why shouldn't you bring that passion and confidence into the grantseeking arena?

Funders Need Nonprofits to Stay on the Right Side of the Law

The simple fact is that private foundations are required by law to annually make "charitable" expenditures of at least five percent of the value of their endowments (based on multi-year averages). While all of those expenditures don't technically have to be grants (they can be for other related expenses), this requirement means that they actually need to be charitable if they want to avoid an IRS penalty and continue to receive preferential tax treatment.

THE OVER-ABUNDANCE OF CHARITABLE OPPORTUNITIES LEAVES US SEEKING OTHER REASONS TO FEEL EMBOLDENED AND ABLE TO CHALLENGE THE TRADITIONAL POWER DYNAMICS.

According to the National Committee for Responsive Philanthropy (NCRP), that preferential treatment means that U.S. taxpayers are foregoing vast amounts of money that could otherwise be spent on the public good. In exchange, foundations are expected to contribute to our society through support for nonprofits. Thus, NCRP argues, philanthropic assets should be considered partially public, partially private dollars (and thus, accountable to all of us).

But tax matters aside, the over-abundance of charitable opportunities leaves us seeking other reasons to feel emboldened and able to challenge the traditional power dynamics. Luckily, those reasons are not hard to find.

Funders Need Nonprofits to Turn Dollars into Community Change

Just like grantseekers, virtually all grantmakers are dedicated to making our communities better places to live. They really want to contribute—especially in hard times. They look to the nonprofit sector for the tools and know-how that will help them make the biggest difference they can.

While they are great at providing resources, grantmakers need

organizations like yours to turn their dollars into real changes in our communities. They simply cannot do so without your help. In a nutshell, you do great work. They want great work done. That should be the basis for a truly collaborative partnership.

As a grantseeker, your job is to show that working with you will offer the opportunity to make an effective contribution. Remember that only those organizations that can help funders accomplish their community missions will get funded. It's incumbent upon you to show that supporting you will be that wise investment.

Funders Need Nonprofits to Learn What Works (and Doesn't Work)

You may think that to interest a grantmaker in your work requires you to present your organization as one that has all the answers. That is, you need to know exactly how to turn their grant money into stellar community results.

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Actually, maybe you do hold the magic bullet they have been looking for. If so, by all means explain how you can forge a partnership with them along those lines. But you don't actually have to be 100 percent successful 100 percent of the time to be of great value to grantmakers.

Yes, we all want to succeed. But sometimes what we learn from "mistakes" can be even more valuable. Sometimes the results we end up with can teach us much more than the results we initially sought.

Funders know that. And they are interested in organizations that are constantly learning. They rely on nonprofits to show them what works and what doesn't work. They especially like to fund organizations that are actively addressing their weaknesses and finding new and better pathways to success. Indeed, an important role funders play is seeking out those lessons and sharing them across the sector.

Grantmakers are Changing...Slowly

Not all grantmakers are created equal. Some are looking for ways to moderate the crazy grant market and equalize the power dynamics. In fact, Grantmakers for Effective Organizations (GEO)—a national organization with a mission to "reshape the way philanthropy operates"—is highlighting the power discrepancy and supporting grantmakers to do things differently.

GEO President Kathleen Enright urges foundations to start by tweaking their basic practices in small but significant ways to try to tip the balance and start to develop relationships of mutual trust. Examples include:

- Providing more flexible grants
- Being accessible
- Making the grant-making process clearer so grantees aren't left wondering what has happened to their requests
- Not punishing grantees when they provide tough feedback or are vulnerable about their challenges

In fact, GEO members Blue Cross and Blue Shield of North Carolina Foundation, Episcopal Health Foundation, The Heinz Endowments, and The Winthrop Rockefeller Foundation are all participating in GEO's inaugural cohort of its Change Incubator. The group focuses on strengthening the grantor-grantee relationship because as GEO puts it, "authentic partner engagement leads to better results."

That is, some funders are realizing that they can be more effective if they build relationships with their grantees that are based on trust. It's becoming very clear that they can learn a great deal from listening to the needs and perspectives of the nonprofits they support.

A growing number of funders are also interested in strengthening the nonprofit sector as a whole. They know that without the internal capacity to carry out their best work, nonprofits struggle to make the most of short-term or project-based grants.

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These foundations really want to be good partners. They want to talk strategy with you, and discuss how their broader work can have the most impact over the long term.

A good example is the Weingart Foundation in Southern California. In the introduction to their 2017 Program Plan, the foundation's CEO (Fred Ali) and chair of the board (Monica C. Lozano), wrote this refreshingly honest message:

"To advance equity requires an examination of privilege, including the power dynamics between funders and nonprofits. Our full commitment to equity will also require the Foundation to constantly examine our own internal policies, practices, and culture with regard to equity and inclusion. This is

complex work, and the Weingart Foundation does not have all the answers. Nor are these issues going to be solved overnight. But we have a plan for how to begin and are committed to learning from, and partnering with, nonprofits and the people who experience inequity first-hand. We are also committed to challenging ourselves to work with a sense of urgency and to take risks.”

Other organizations involved in this movement to shift the traditional power dynamics of the grantmaker-grantseeker relationship include the Center for Effective Philanthropy (with a 2014 report entitled *Hearing from Those We Seek to Help: Nonprofit Practices and Perspectives in Beneficiary Feedback*) and Emerging Practitioners in Philanthropy (the next generation of grantmakers).

Don't Forget Grassroots Funders

In addition to the larger and/or more traditional foundations getting interested in this work, several grassroots funders have also been working for some time to break the old dynamic. Many of them were members of The Funding Exchange, a now-defunct national network (the list of former members is still accessible on the web). By virtue of their work on the ground, these foundations understand what local communities need and how they are most effectively creating social change. These funders include grassroots activists in their grant-making decisions; several others around the country also follow this model.

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Nonprofit Leaders' Responsibilities

Just as grantmakers begin to change the way they interact with nonprofits, nonprofit leaders need to be ready to meet them halfway. Your attitude about the grantmaker-grantseeker relationship really matters. You can help challenge traditional funding dynamics in the way you relate to funders. For example:

- Are you honest and realistic with funders about the outcomes and impacts you can achieve with the grant size you are requesting? Or are you trying to impress them with unsustainable promises?
- Are you showing all of the true costs of a program and ask-

ing grantmakers to cover them? Or are you trying to show how thrifty you are by undercharging for your valuable work?

- Are you claiming your power by clearly and professionally explaining any situation where you feel you are being mistreated by a foundation? Or are you simply accepting the behavior as non-negotiable?
- Are you diversifying your funding base enough that you can walk away from a grant offer that does more harm than good to your organization (and being clear about that with the funder)?
- Are you open to discussing best practices for accomplishing the goals you share with the grantmaker? (NCRP has published its *Criteria for Philanthropy at its Best*, which you can share with grantmakers).

Nichole Maher, former executive director of the Native American Youth and Family Center, summed it up in an article about her community's unsuccessful experience with a funder: “The sharing of authority and ownership is paramount to successful community empowerment. For those experiencing historical trauma or the poverty mind-set, the reluctance to question authority is at times a pre-existing condition, especially where money is involved.”

According to Enright of GEO, “Nonprofits that recognize their own power fare better and have the ability to mitigate the power imbalance.”

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Gutsy Grant Seeking for Grassroots Organizations by Dana Textoris & Matt Carter, March-April 2016, v35, n2

Writing Stronger & Smarter Proposals by Randall Quan, March-April 2015, v34, n2

Building Relationships with Grantmakers by Sheryl Kaplan, Jan-Feb 2015, v34, n3

Grant Proposal Makeover: Can This Proposal Be Saved? By Cheryl A. Clarke & Susan P. Fox, March-April 2007, v26, n2.

Unfortunately, a lot of nonprofit folks feel that their organizations must be in extremely strong financial health to be able to operate from a place of power. They may see a need to compromise their autonomy because they think they are in no position to negotiate. But as a changemaker in your community, you have a responsibility to step up.

My point? Don't give away your power. Funders are there to support your ideas. But without strong organizations to implement those ideas most effectively, nothing changes.

Ultimately, if foundations and nonprofits improve their relationships, society as a whole benefits. Grantmakers and grantseekers are on the same team; all of the players should recognize that.

You both need each other. Start acting that way. ■

Dalya F. Massachi empowers nonprofits of all sizes to craft strategy and tactics for successful grantseeking. She has raised millions of grant dollars on a wide range of social and environmental issues, and is the author of "Writing to Make a Difference: 25 Powerful Techniques to Boost Your Community Impact." She is the creator of the Grantwriter's FastTrack Coaching Program, which builds the capacity of grantseeking teams via an online, customized multi-week course.

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