



# Population-Focused Funds: Positioning for the Future

January 29, 2015  
Center for Community Cooperation  
Dallas, TX

# Imagine philanthropy...

- **achieves lasting impact** by drawing on the power of diverse staffs and boards
- **forges genuine partnerships** with diverse communities
- **increases access** to opportunities and resources

**for all people.**

# Background on D5: Four Big Goals in 5 Years



Recruit diverse **leaders**



Increase **funding** for diverse communities



Improve **data** collection and transparency



Motivate voluntary **action**

# D5 Funders & Leadership Team

## Funders

The California Endowment  
Annie E. Casey Foundation  
Marguerite Casey Foundation  
Lloyd A. Fry Foundation  
Evelyn and Walter Haas, Jr. Fund  
Robert Wood Johnson Foundation  
W.K. Kellogg Foundation  
Jessie Smith Noyes Foundation  
David and Lucile Packard Foundation  
The Prudential Foundation  
Rockefeller Brothers Fund  
The Rockefeller Foundation  
Rosenberg Foundation

## Leadership Team

**Maricela Espinoza-Garcia**, AriGoio Communications

**Carly Hare**, Native Americans in Philanthropy

**Mae Hong**, Rockefeller Philanthropy Advisors

**Mary O'Neill**, Forum of Regional Associations of Grantmakers

**Lawrence McGill**, Foundation Center

**Ericka Plater-Turner**, Council on Foundations

**Kristopher Smith**, Funders' Network for Smart Growth and Livable Communities

**Sylvia Zaldivar**, Maestro Cares Foundation

**And Growing...**

# Context and rationale for research

- Over the last few decades, there has been **growth in number of population-focused funds (PFFs)** - growing from ~50 funds in 1970's to over 400 today
- Despite growth in overall number, **the rate of growth of new PFFs as well as the total investment in PFFs has been declining**, particularly investments by major foundations that have been important to many of these funds' financial viability
- However, there are also some **promising trends** which speak to the potential of PFFs, particularly if they can **harness the power of individual donors**
- To this end, **D5 commissioned a research project** to shed light on factors that could lead to greater relevance, viability, and impact of population-focused funds
- The goal of the project was to **highlight models of success** and **identify useful strategies** that could enable more PFFs to realize their full potential

# Why did we do this research?



## Build shared understanding

*The powerful role(s) PFFs can play*

*Strategies to increase sustainability and impact*



## Get ahead of known trends

*Decline in foundation funding for PFFs*

*Increased giving potential of individual donors*

# Research questions



- What is the **current state** of population-focused funds?



- Which funds have been most successful in terms of **sustainability and growth**?



- What **measures** can funds use to provide evidence of impact?



- What **models and practices** can strengthen sustainability and impact?

# Defining successful models and practices



## **ECONOMIC SUSTAINABILITY AND GROWTH**

---

- Maintained or grown overall revenue
- Success in shifting to a new revenue source (e.g., individual donors)



## **IMPACT AND INFLUENCE**

---

- Respect from peers
- Success in leveraging resources and building partnerships
- Policy influence



## Research Approach (pp. 62-63)

- Analysis of demographics, revenue, and expense data
- Expert interviews and focus groups
- Field survey
- Engagement of research advisors

## Finding: Role of PFFs (pp. 13-15)

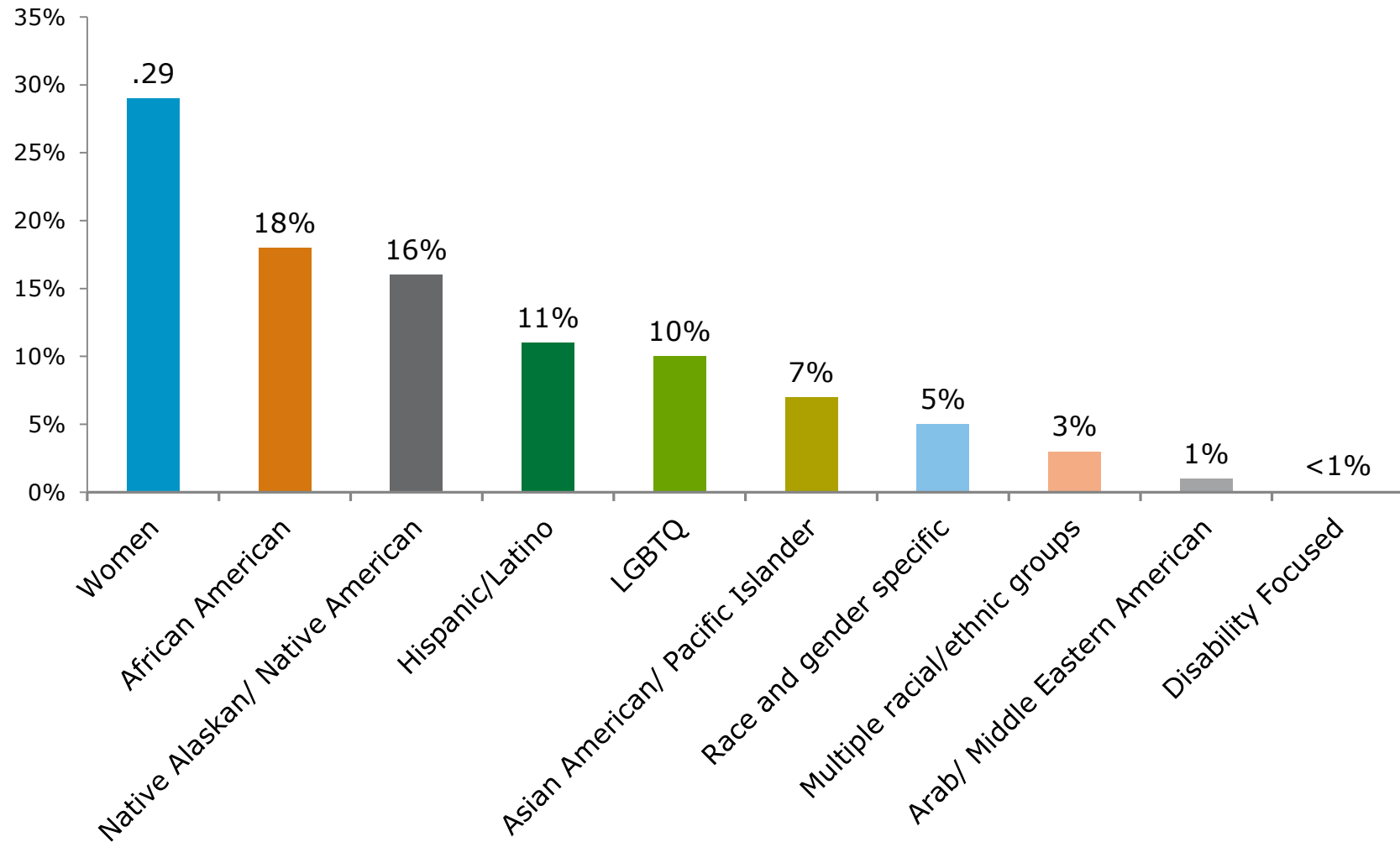
- Cultivating traditions of giving and increasing the flow of resources to their communities
- Advocating on behalf of the communities they serve
- Supporting organizations and leaders within their communities that might otherwise be overlooked

## Finding: Overview of the Field (pp. 16-20)

- More than 400 PFFs in the U.S.
- Lots of variation in terms of identity focus, revenue, organizational structure, geographic location, revenue sources

# Figure 1: Percentage breakdown of PFFs, by identity

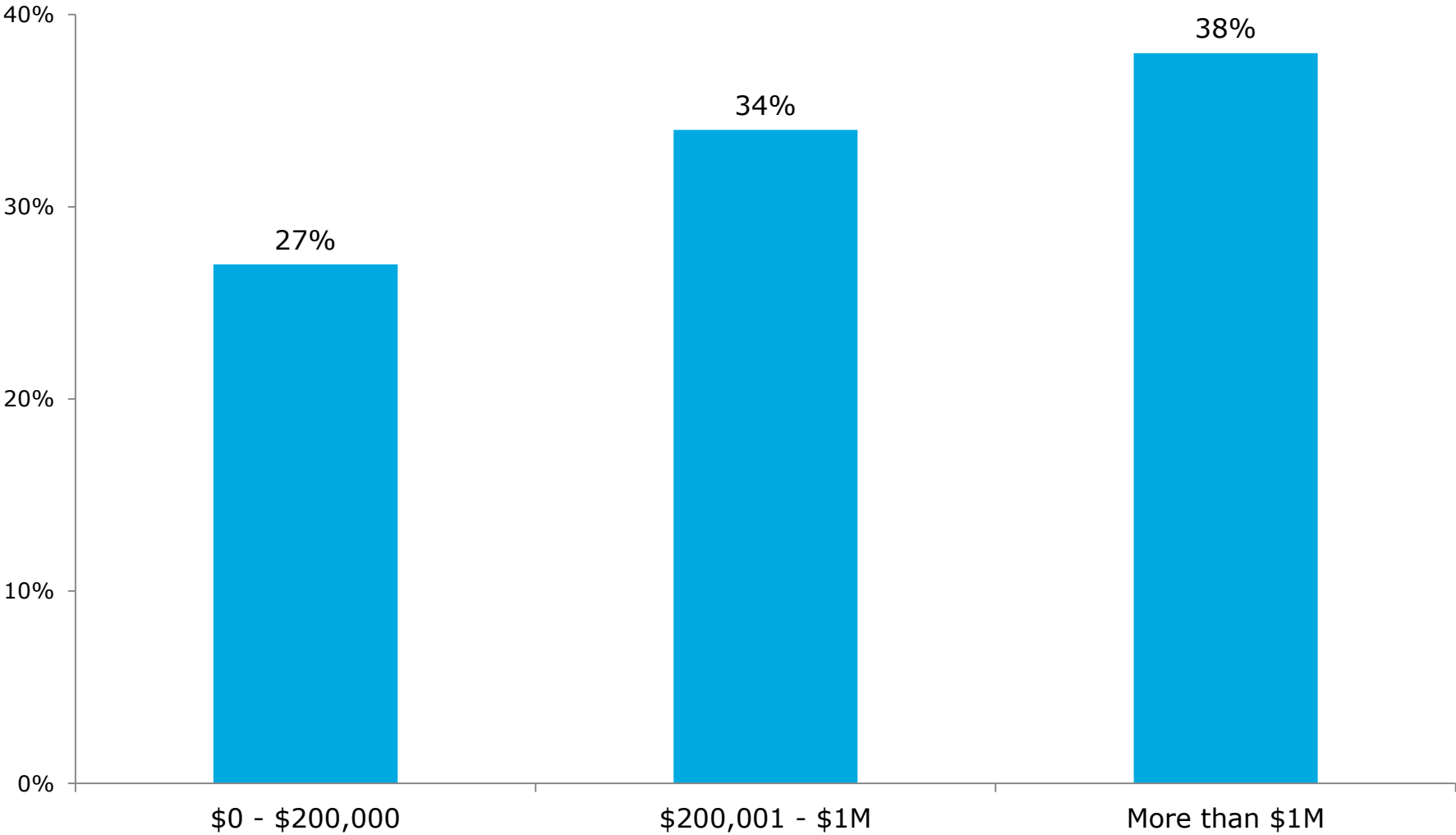
Percent of PFFs by population (n = 485)



Source: Population-Focused Fund Master Database (Bridgespan, D5, Rockefeller Philanthropy Advisors, Foundation Center); National Center for Charitable Statistics Core Files (2006-2010); National Center for Charitable Statistics Business Master File 2011; Guidestar; organization websites

# Figure 2: Percent of PFFs by 2011 total revenue

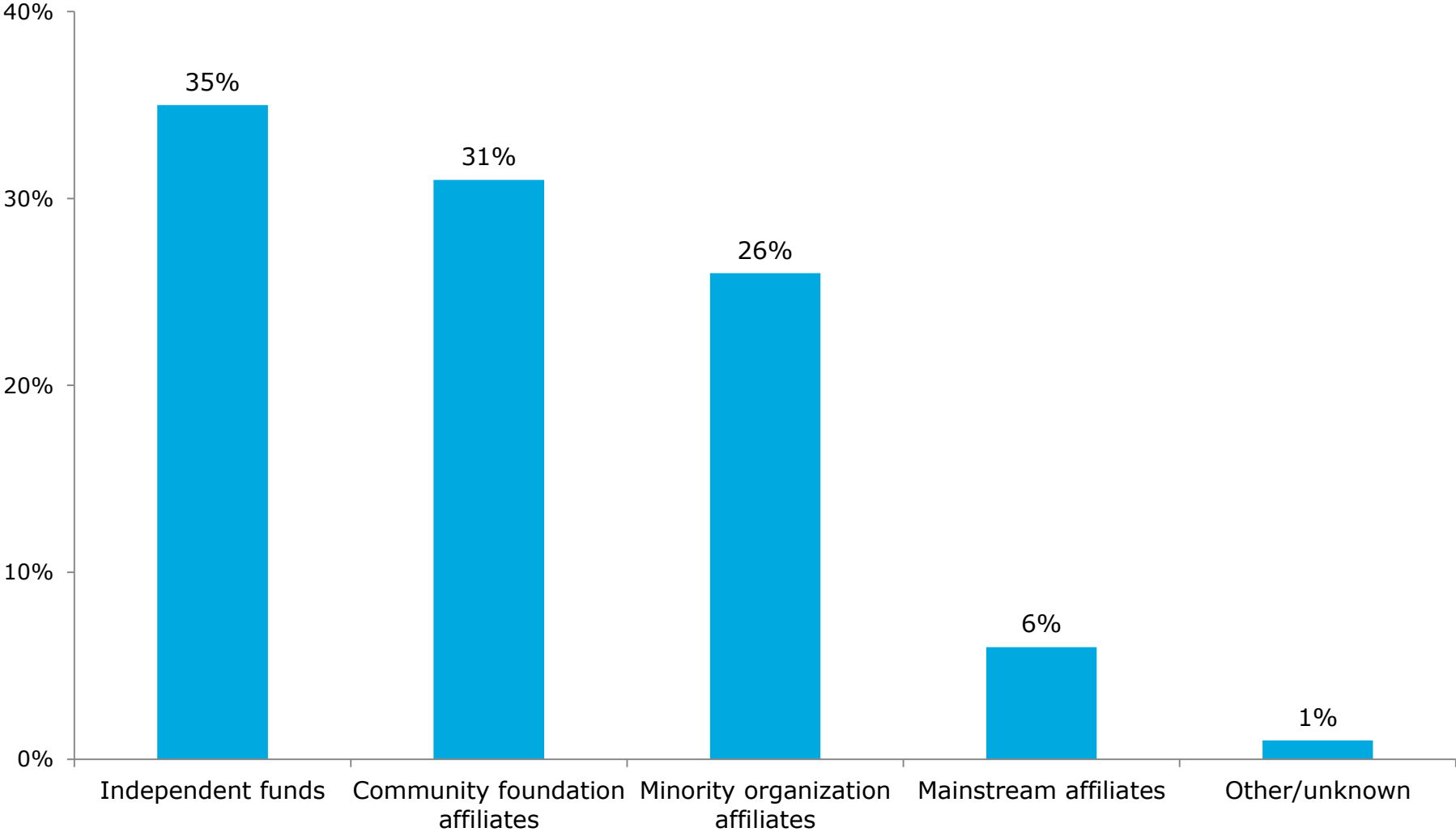
Percent of PFFs by 2011 total revenue



Source: Population-Focused Fund Master Database (Bridgespan, D5, Rockefeller Philanthropy Advisors, Foundation Center); National Center for Charitable Statistics Core Files (2006-2010); National Center for Charitable Statistics Business Master File 2011; Guidestar; organization websites

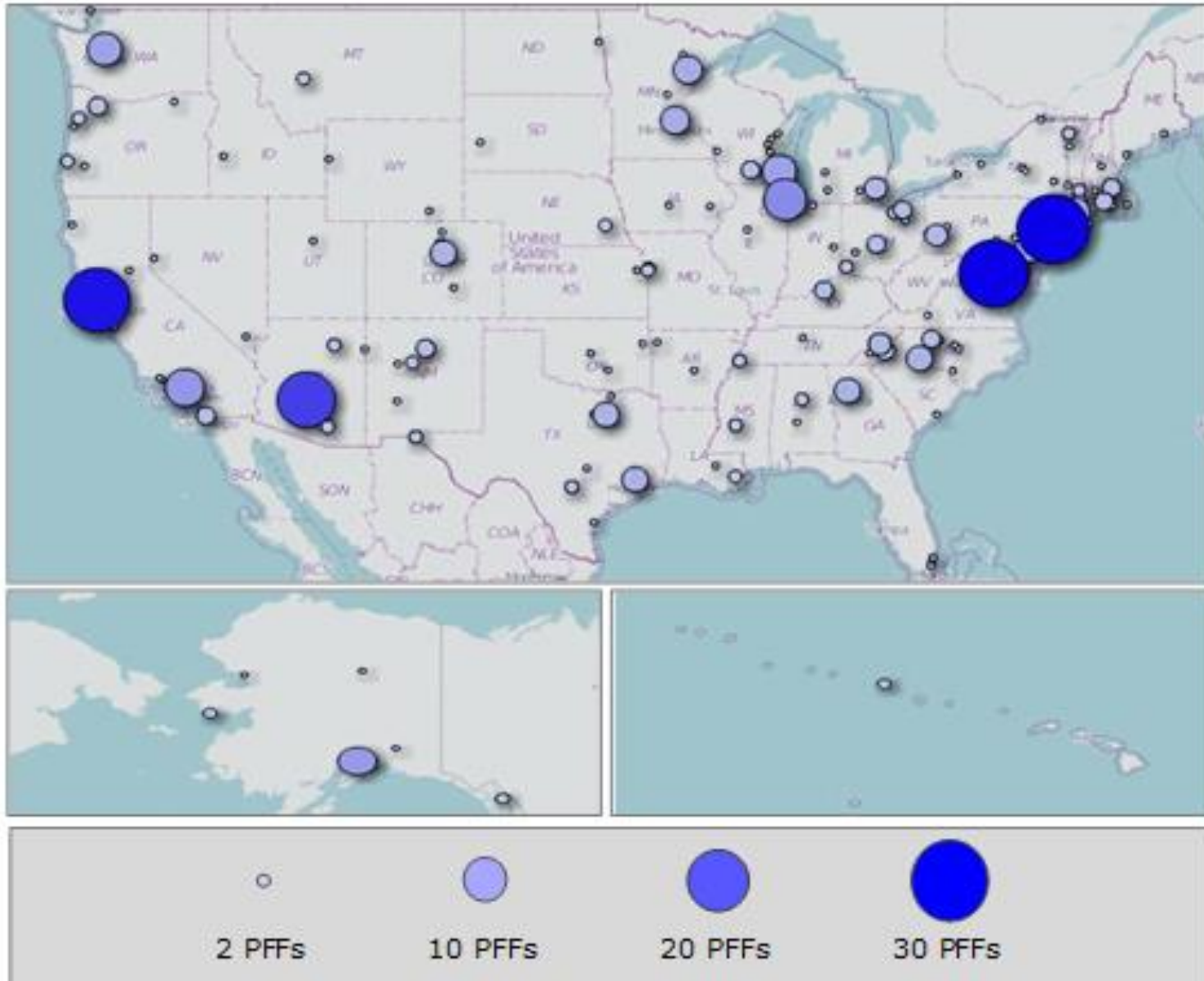
# Figure 3: Percent of PFFs by organizational structure

Percent of PFFs by organizational structure



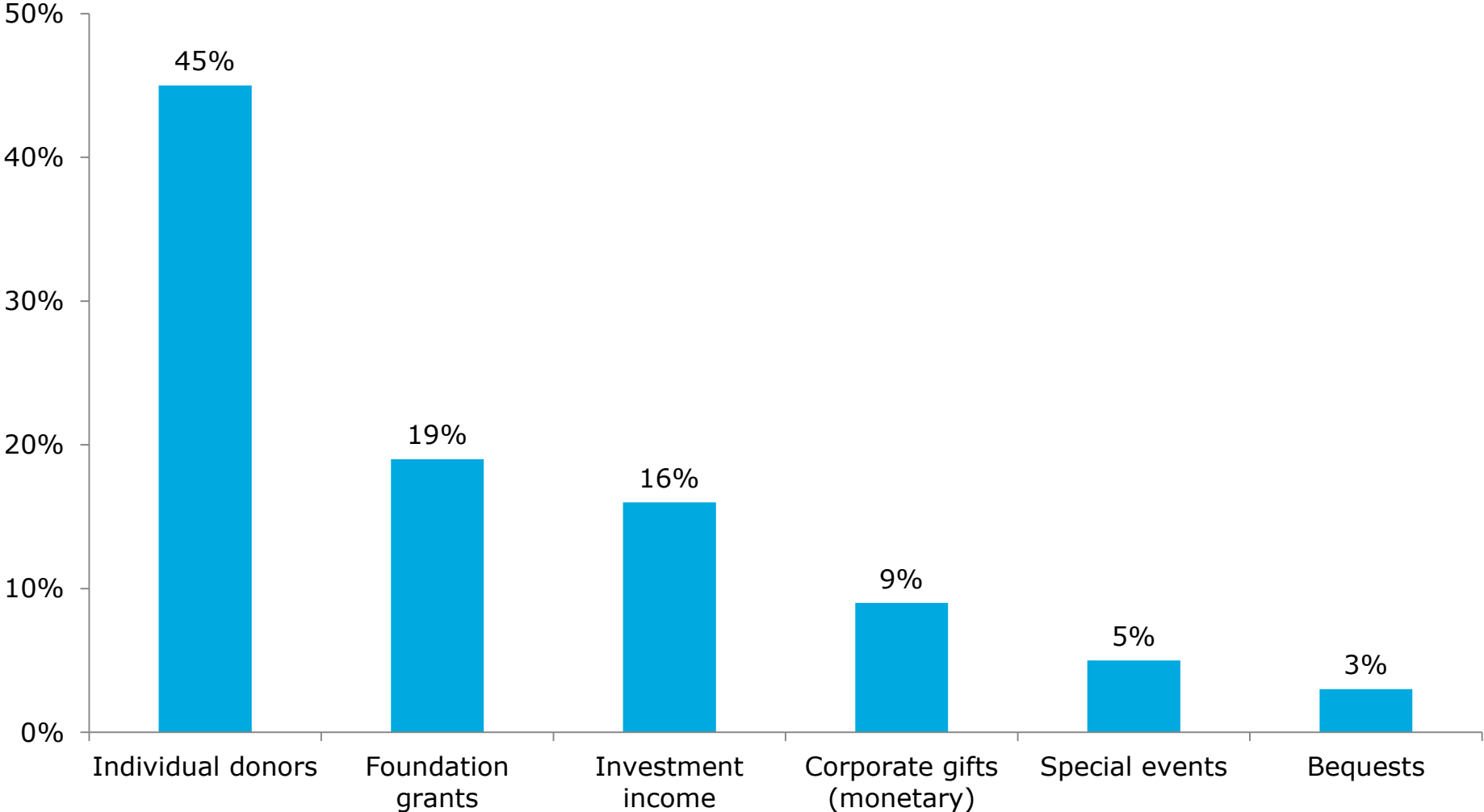
Source: Population-Focused Fund Master Database (Bridgespan, D5, Rockefeller Philanthropy Advisors, Foundation Center); National Center for Charitable Statistics Core Files (2006-2010); National Center for Charitable Statistics Business Master File 2011; Guidestar; organization websites

# Figure 4: PFFs across the United States



# Figure 5: Primary revenue source (percent of PFFs)

Percent of respondents by primary revenue source (n = 58)

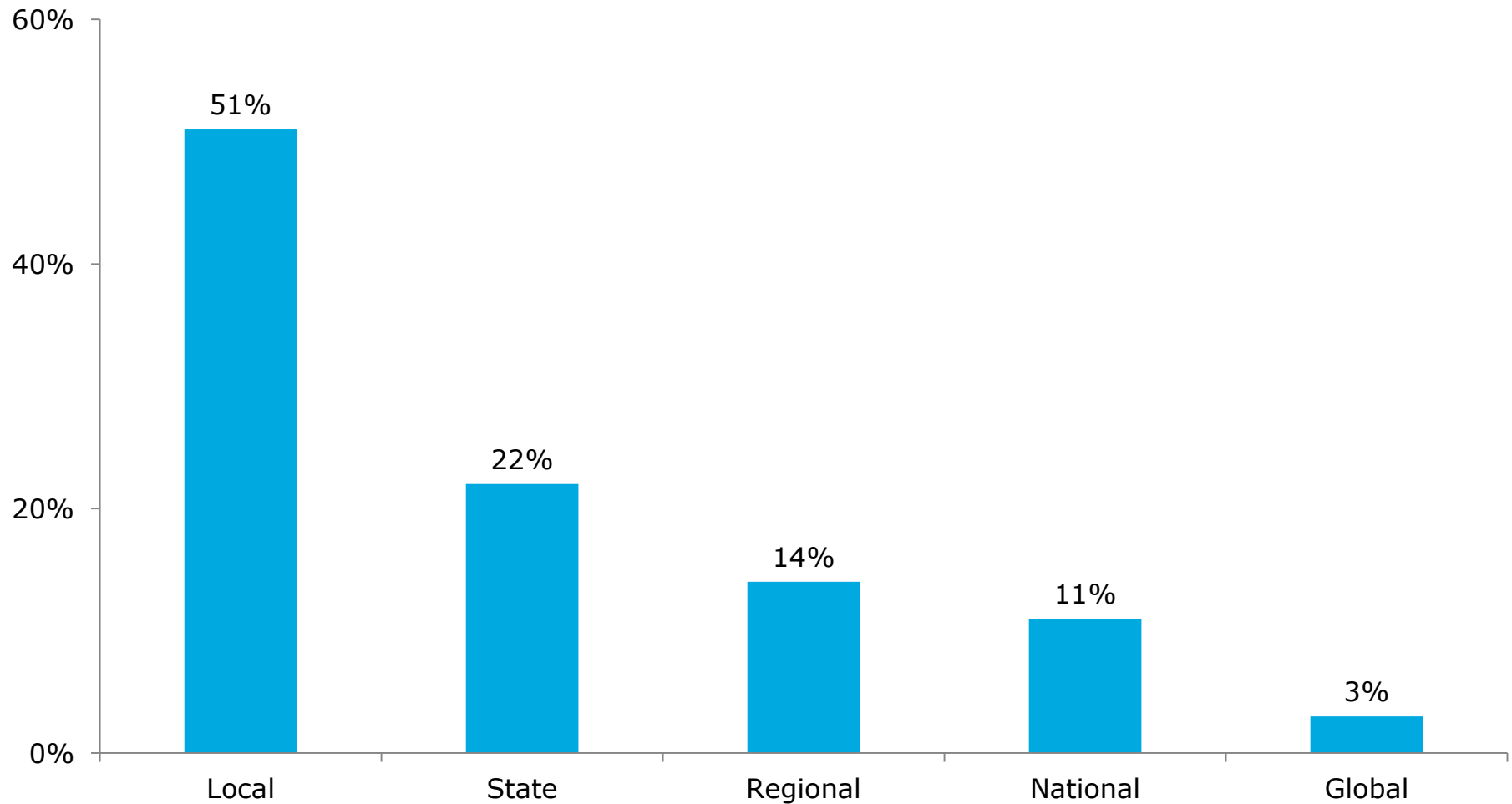


Note: Totals may not add to 100% due to rounding  
Source: D5 Coalition Strengthening Population-Focused Funds Survey (2013)



# Figure 6: Geographic focus of grantmaking (by percent of PFFs)

Percent of respondents by geographic reach of their grantmaking (n = 65)

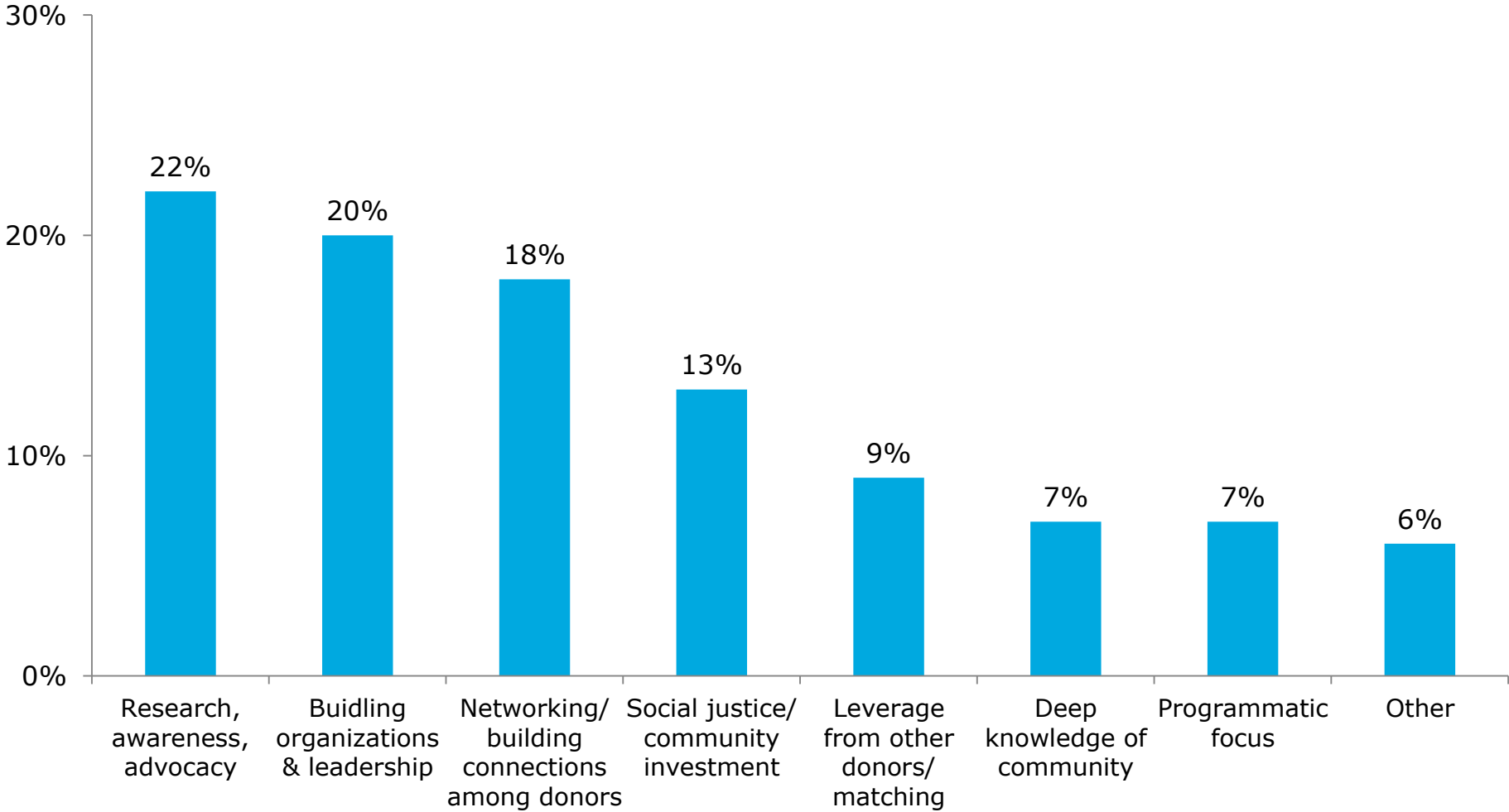


Note: "Local" is within a specific city, county, or counties within one state. "Regional" covers multiple states. Totals may not add to 100% due to rounding

Source: D5 Coalition Strengthening Population-Focused Funds Survey (2013)

# Figure 7: How PFFs describe their value (beyond the monetary value of their grants) to donors

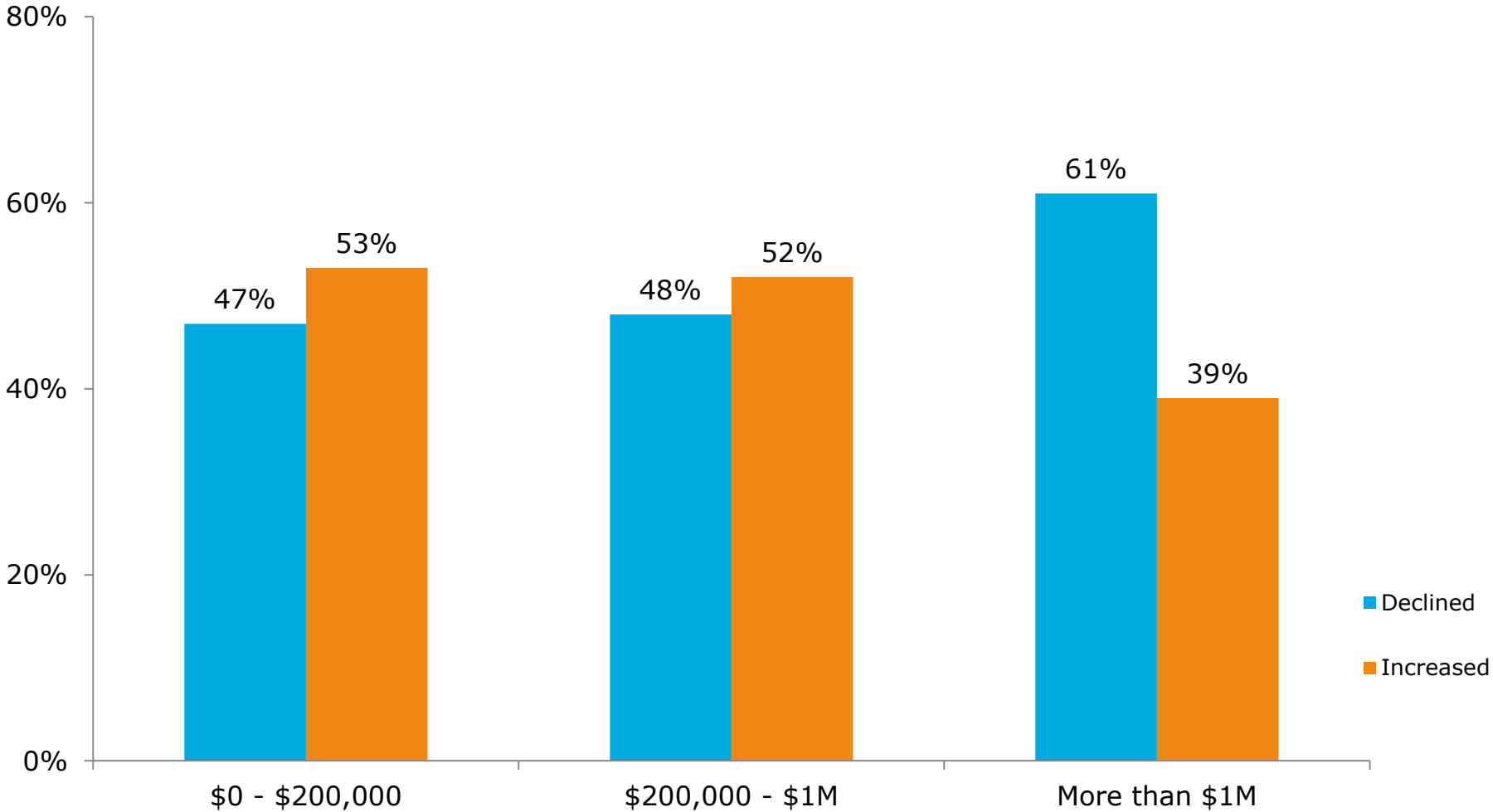
Percent of respondents by value proposition (n = 45)



Note: Totals may not add to 100% due to rounding  
Source: D5 Coalition Strengthening Population-Focused Funds Survey (2013)

# Figure 8: Changes in PFF revenue from 2006-2011, by size of organization

Changes in PFF revenue from 2006-2011, by size of organization



Source: Population-Focused Fund Master Database (Bridgespan, D5, Rockefeller Philanthropy Advisors, Foundation Center); National Center for Charitable Statistics Core Files (2006-2010); National Center for Charitable Statistics Business Master File 2011; Guidestar; organization websites

## A Changing Landscape (pp. 24-35)

Three major trends:

- Specific issues and impact are becoming more important than group identity to many donors
- Individual donors are an increasingly critical source of support
- Competitive pressures are driving more innovation in collaboration, partnerships, and use of technology

# Trend 1: Issues and Impact over Identity

- Discussions of identity and community have changed
- A challenge to articulate continued relevance
- New generations of donors focus on giving to specific issues and achieving measurable impact

## Trend 2: Individual Donors Are Critical

- Many communities are growing in number or wealth – potential for donor cultivation is high
- 92% of survey respondents listed improving individual donor education as a top priority
- Requires investment of time and resources today for a payoff that may take years to materialize

## Trend 3: Competition Calls for Innovation

- Competition from other grantmaking vehicles: community foundations, United Way, public/progressive foundations, commercial charitable funds, social giving platforms (e.g., DonorsChoose, Kiva)
- Competition from other research, capacity-building, and community organizing entities
- Collaboration is a strategy for adapting to the new landscape

# Cross-Cutting Lessons

---

- Develop a strategic focus
- Right-size capacity and capabilities
- Form deep relationships and partnerships
- Focus on results and continuous improvement



# The Way Forward

---

- Choose a strategic focus
- Sharpen the focus on individual donor engagement
- Regularly assess environments to identify potential partners and competitors
- Measure impact