



Blueprint Research & Design, Inc.
247 Fourth Street, Suite 105
Oakland, CA 94607
T: 510.893.9700 F: 510.893.9750
E: info@blueprintrd.com

**Collective Wisdom:
Regional Associations of Grantmakers in the Twenty-first Century**

Lucy Bernholz
Blueprint Research & Design, Inc.
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In democratic countries knowledge of how to combine is the mother of all other forms of knowledge; on its progress depends that of all the others.

Alexis de Tocqueville
Democracy in America, 1835

Introduction

The dawning of a new century is an opportunity to imagine and reflect. For regional associations of grantmakers (RAGs) this moment is important: their numbers and membership rosters are growing, and the industry they serve is experiencing tremendous growth. This expansion brings opportunity as well as challenges. It requires a vivid imagination and an awareness of history, a willingness to think differently and use new tools and a commitment to draw forward the best from the successes of the past.

The meeting

In February 2001, several dozen staff and volunteer board leaders of regional associations used their imaginations, their historical perspectives, and their industry knowledge to exchange ideas about the “Twenty-first Century RAG.” This paper briefly summarizes this rich set of ideas from the annual meeting of the Forum on RAGs. It also captures many of the strategies currently employed to capitalize on these opportunities. Drawing from the exchanges and ideas at the meeting and considering them in the context of the overall philanthropic industry, the paper presents possible directions for RAGs in the coming years. It is intended to both present those ideas and push them forward, to document one conversation and begin another. The Forum will continue this work with its members over the course of 2001.

The meeting began with Lucy Bernholz’s presentation on the “Association of the Future” and focused on industry change drivers. The meeting participants spent the first part of the daylong discussion considering the many variables now influencing their work. The morning session concluded with comments from a distinguished panel including Joe Breitenacher, President of The Philanthropic Initiative (TPI), Crystal Hayling, Director of the Medi-Cal Policy Institute of the California Healthcare Foundation, and David Nee, President of the William Casper Graustein Memorial Fund.

Following the morning’s overview, the introduction to the concept of knowledge associations, and panel response, the meeting participants turned their attention to living examples. Three members of the Forum were asked to introduce their organization’s current work. Each of the panelists represented a different type of RAG – metro-region, statewide, and multi-state, and each organization is currently actively involved in a new way of working to address the current opportunities in their local regions. In the first example, Valerie Lies of the Donors Forum of Chicago discussed her organization’s efforts to capitalize on its knowledge assets. For the Ohio Grantmakers Forum, Lynne Helbling Sirinek noted that the catalytic issue was crafting a more efficient structure to serve the state’s dispersed grantmakers. Finally, Julia Kittross of Philanthropy Northwest presented her association’s strategies for serving new sets of donors. The afternoon was then dedicated to small groups working on designing the “RAG of the Twenty-first Century.” The work of each of these groups was then combined into a single picture of the future association.

The big bang

Since 1948 and the founding of the first RAG, philanthropic institutions in the United States have found numerous reasons and ways to associate with one another.¹ From informal networks of professional staff or board members organized around common interests or geography to formal supporting organizations, affinity groups, and regional associations, the network of philanthropic networks is broad and deep. Regional associations provide a wealth of services to their members, ranging from professional development opportunities to information clearinghouses, pooled funding structures to recruiting assistance, links to professional advisers and research services. The Forum on RAGs serves as an exchange for the professional staff and volunteer leadership of RAGs, and provides these organizations with original research, professional development opportunities, links to national funders and other philanthropic industry associations, as well as a point of contact and an organizing voice in the nation's capitol.

A 1999 article on philanthropic infrastructure noted that more than 800 organizations existed to serve the broad nonprofit sector.² Recent data from the Council on Foundations showed 28 RAGs, 36 affinity groups, two national research organizations, four national membership associations for grantmakers, and at least one dozen study centers located at universities and think tanks around the country.³ This growth is in line with the U.S. service sector in general, of which membership organizations make up the fourth largest subcategories of service industries in the country.⁴

This network of support organizations has grown in direct relation to the growth and diversification of the philanthropic industry writ large. As the number of foundations has doubled since 1980, the number of organizations dedicated to serving them has also grown. Of all the change drivers now shaping philanthropy, this explosion of numbers and types – of grantmaking institutions and organizations to serve them – is the most powerful.

The philanthropic industry has not only grown in size, but it has diversified in structure. The last decade has seen the entry of financial service firms offering new charitable giving vehicles, the rapid spread of conversion foundations in health and a smaller boom in education, and the active participation and growing voice of younger individual donors, many acting together and seeking new business models for their giving. This diversification, coupled with the overall growth, sets the stage for associations to re-examine their membership criteria, their service offerings and their locations.

In addition to the growth and diversification of the industry, there are several other drivers of change, including:

- The role of knowledge assets and resources,
- New technologies,

¹ The Council on Southwest Foundations was founded in 1948. Darlene Siska, "Building a Sector," *Foundation News and Commentary*, March/April 1999.

² Ibid.

³ Data from internal Council on Foundation publications, and "The Infrastructure of Philanthropy," Council on Foundations, Washington, DC, May 1992. The Forum of RAGs is currently undertaking a scan of philanthropic associations nationwide to identify additional structures. More than 40 have been identified to-date. The results of this study will be available in Fall, 2001.

⁴ "State of Small Business, 2001" *Inc. Magazine*, May 2001, p. 26

- Increasing media and public awareness,
- Secondary elements of the philanthropic industry such as the increasing numbers of consultants, vendors and research centers,
- Devolution in federal and state policy and financing structures,
- Proposed or pending changes in tax legislation,
- Macro-level changes in the nation's demographics, and
- Industry-specific concerns about leadership, turnover, burnout, and capacity.

Each of these drivers is independently powerful, yet it is in their interactions and combined influence that we can find the future. The mix, presence, and power of these variables differ from region to region, working both as characteristic and cause of the many regional cultures across the United States. For individual RAGs, the challenge is to understand the local combination and direction of change drivers and position themselves accordingly. For the Forum of RAGs, national associations of foundations, national funders of philanthropic infrastructure, and researchers, the opportunity is to identify common elements and effective strategies while recognizing the power of regional character and local control.

It is in this atmosphere that RAGs across the country are taking stock of their strengths and the opportunities before them, and considering how to make the most of their limited human and financial resources while serving the changing needs of their members.

Multiple opportunities, multiple options

Several RAGs have developed new ways to serve members as well as services for new types of members. These associations vary considerably in their organizational size and reach. Some are quite large, serving hundreds of members and employing a dozen paid staff. Others are quite small, perhaps employing a single part-time staff or serving only a few dozen members. In considering the options for the future we must keep in mind the present structures.⁵ Three options are highlighted below.

Information organizations

As a metro-area RAG, the Donors Forum of Chicago has long tried to serve both the grantmakers and grantseekers of greater Chicago. Nonprofit leaders are represented on the RAG's board, and the Forum has a long history as a clearinghouse of information for both donors and nonprofits. With the growth of philanthropy and the opportunities afforded by new technologies, the Donors Forum recently started a strategic planning process that would guide it toward becoming an "information organization" for its members and the larger philanthropic community. Senior staff and consultants from IBM are leading this work and have begun a full-scale knowledge audit of the Donors Forum. Once the Forum'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 Forum's library resources into a more comprehensive information resource, and working with members and board leadership of the Donor's foundation membership to determine how their intellectual capital can be shared through the Forum to strengthen philanthropy in the region.

⁵ Data provided by the Forum of RAGs.

This last element is one of the most challenging for RAGs as they consider the role of knowledge in their organizations, for they must develop a model that recognizes and distinguishes between the RAG's own knowledge assets and that of their members. The example also brought home the many levels of work involved in this undertaking, as new staff responsibilities, board support, technological infrastructure, communications and outreach, member services, and library resources are all key elements in the planning.

Reconsidering the meaning of region

Although all RAGs 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 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. A multi-year, cross-agency strategic planning process brought this to pass, and the Ohio Grantmakers Forum was born. As Lynne Helbling Sirinek, President of the OGF, noted, the planning process served to highlight the association's true value to the field, provide accessible programs and services to members, and serve as a single unified voice on Ohio philanthropy to state policy makers 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.

New donors, new services

By becoming home to the world's largest 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 of new giving circles of individual donors, a history of community foundation giving, and the regionally related but still distinct policies and cultures of five states. Julia Kittross, President of Philanthropy Northwest discussed the RAG's decision to partner with The Philanthropic Initiative (TPI) and provide consulting support to new and potential donors.

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

Considering the constellations

From these enlightening presentations, meeting participants moved into small groups to do some simple scenario setting. Organized according to the structure of the RAGs (multi-state, statewide, and sub-state region) several small groups set about mapping key change drivers and opportunities for their structure and their regions. These groups

gathered back as a committee of the whole to draw out common themes and begin to imagine the RAG of the twenty-first century.

Regional associations of grantmakers are at once self-explanatory and mystifying organizations. Their very name is now a challenge to them, as each word in the title – region, association, and grantmaker – has multiple definitions within the field. Metro, statewide, and multistate territories all qualify as regions. Multiple fee structures and a variety of services to members and non-members characterize the associations. Individuals, institutions, financial service companies, public charities, private foundations, and giving circles all fit into the definition of grantmaker. Who are these organizations, whom do they serve, what do they do and how do they work together? This set of fundamental questions shaped the small group discussions.

Common themes

Each small group documented its discussion. Regardless of the type of region served, the groups' reports reflected strong interests in the value of the associated voice of grantmakers at the local level. Some focused on the power of that combined voice to the media, helping to build public awareness and understanding of local philanthropy, developing trusted relationships with the media, and helping member organizations communicate strategically with their peers and the public.

All of the groups expressed interest in reconsidering their membership categories and structures. Who was a grantmaker? How to serve them across the 'lifecycle' of donors and institutions? How could members help members? How were existing fee structures facilitating the work and how were they stifling it? Given the demographic projections, the inter-generational transfer of wealth and the new types of giving, experimenting with new business models was an imperative for all of the groups.

Capitalizing on their defining role as an association gives RAGs a head start in thinking about brokering knowledge within their network. All of the groups showed interest in models and practices for identifying and sharing knowledge within their membership. They also noted the possibilities for brokering information about local philanthropy to non-members, noting this held both marketing potential and might serve as a source of supplemental revenue or set of services to extend their reach beyond their core membership programs.

Technology, the power of alliances, the need to reflect the local nature of philanthropy, and the unique ability of RAGs to be accessible quickly and flexibly while also keeping an eye on global trends in the industry were woven throughout each group's conversation.

Different emphases

Of course, given the existing diversity of structures, the small groups also prioritized some issues differently. Both statewide and metro region RAGs reported a strong need to re-examine their policy roles and the value they could add to members as a voice to local and state government. The multistate RAGs have more government entities to consider, and so for them the policy role is on equal footing with other communications issues and change drivers, but is a more diffuse area of work and focus.

While much of the day's work was focused on new opportunities, each RAG and each small group also kept a close eye on their existing workloads and responsibilities. The issue of leadership and turnover emerged again and again throughout the day. The different regional focuses of the small groups revealed the many colors of this issue. For metro area RAGs an emphasis on local professional development within the field and for members seemed pressing. For statewide RAGs their concern was maintaining an expertise and familiarity on state policy issues, and avoiding effects similar to the turnover related to term limits. For multi-state RAGs, working across large regions while maintaining close relationships and knowledge of a dispersed and varied membership require hard-to-find sets of skills.

By the end of the day it was clear that the list of change drivers identified early on was, in fact, relevant and provocative to each of the associations present. Each RAG needed to assess its own environment and determine the priority of issues as well as the organization's capacity to capitalize on the presenting opportunities. As diverse as they are, and as dispersed as they are, the RAGs face a common set of variables, yet each draws together in a regionally unique constellation of challenges and opportunities.

Morphing to meet the future

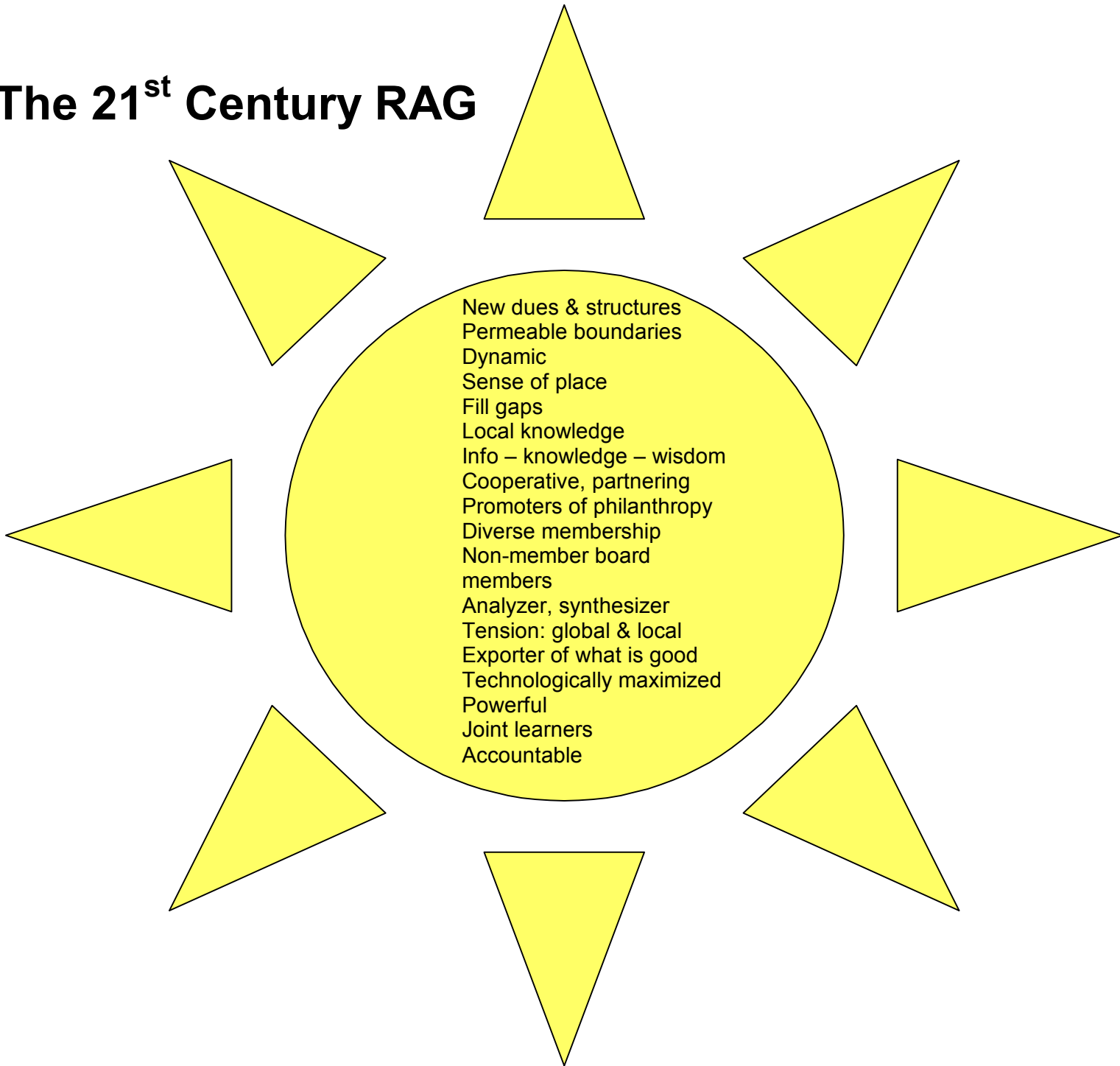
The demonstrated success of regional associations is the adaptability of the form to the many definitions of region. These membership associations have evolved to fit a range of philanthropic landscapes, they reflect the leverage points of local politics, and they serve as distant eyes and ears for centrally-staffed national organizations. They provide professional development opportunities, pooled funding, idea exchanges, information clearinghouses, and informal networking opportunities to their members. They can develop powerful media connections that can serve all local philanthropic activity, and they can speak to policymakers as well as act as legislative analysts for their members.

The tools at these associations disposal are as numerous as the opportunities before them. Given these many options, what they most seek to avoid is ossification. Resource constraints – both human and financial – conflicting demands, competition for members and services, and a deluge of choices are the real challenges to RAGs. Just as they are excited about playing the role of knowledge broker, they are cautious of information overload; and just as they see opportunity in the changing industry RAGs must – independently and collectively – evolve from their strengths rather than chase down too many roads at once.

Given this, what should RAGs seek to emphasize and build out as they evolve? The answer to this question lies in their structure as associations. Just as constellations draw form and individuality from the combined light of individual stars, so should associations seek those opportunities that will benefit most from the power of networks and a commitment to local knowledge and resources.

Drawing from the collective wisdom of the participants and the wide-ranging day's work, the Forum's annual meeting concluded with a collective drawing exercise. The result is shown below, and represents the many varied components that RAGs should consider as they move forward.

The 21st Century RAG



Using this image as a starting set of characteristics, regional associations can begin to evolve in line with both their peers and their local environments. Common principles for this evolution should include:

Virtual and physical

Technology plays a key role in the RAG of the future, as it can facilitate both knowledge capture and sharing, as well as conquer some of the challenges of distance. RAGs can consider the opportunities presented by online communities, e-learning tools, and extranet-enabled databases. All of this should be developed as complements to the RAGs presence across its region, be that metro area, statewide or multi-state. Technology also opens many new options for partnerships, alliances, and sharing resources.

Knowledge and access

Information and knowledge will continue to be fundamental resources in the future. As associations identify what knowledge is theirs, what knowledge is that of their members, and how they can facilitate the sharing of knowledge within and outside the industry itself, they will get closer and closer to identifying their core value. As a network, they are well positioned to move information. They must create their systems and procedures for this in as open a way as possible to maximize both the value of their network, keep strong connections across their regions and the country, and to accelerate the use of the information itself. RAGs are networks themselves as well as key nodes of the networked philanthropic industry. They should design future structures and systems with this in mind.

Dynamic and diverse

RAGs must evolve to meet the changing demographics of their philanthropic market. New donors, new giving vehicles, and the nonprofit community are all part of this market, and the 21st Century RAG will serve or refer all of these components. The diversity of the market and potential membership also opens the door to flexible and leveraged dues structures. RAGs can consider a common linked dues structure that would allow membership in multiple organizations, as well as tiered structures that correspond to different levels of service. Most of all, the dues structure and membership policies need to be developed with sustainability in mind. Additional revenue sources, such as consulting, information access, and public educational programs are also options.

Niche value, networked value

The value of associations is in their networks. RAGs must find ways to identify and value their unique services and knowledge, as well as positioning themselves to connect with and amplify the network. For example, RAGs can serve as common ground for joint grantmaker inquiries (e.g. the Marco Polo project in Northern California and Massachusetts), as connectors between unstaffed and staffed foundations on common interest areas, and as promoters of shared local values or standards.⁶ They also might

⁶ The Marco Polo Project is an inquiry-based project focused on philanthropic foundations and associations using communications to redefine leadership. It is underway in California as a project of Northern California Grantmakers and in Massachusetts through the Associated Grantmakers of Massachusetts.

serve as media contact and conduit, nurturing relationships with the media and serving to direct them to individual grantmakers sources. In all of these activities, the RAG is drawing value from its collective knowledge while also returning value to individual members.

Plug and play partnerships

RAGs sit at the locus of local grantmaking communities while also serving as points of contact for national associations and foundations. RAG staff in all positions should be positioned to facilitate partnerships of all kinds – one stop connections between new donors and experienced program staff, national foundation initiatives and local grantmaking partners, interest-specific affinity groups and research resources. Structuring staff to be this responsive requires “knowing who knows what,” communication strategies, technological support, constant training, and flexible staff structures.

Peer-to-peer learning

Many RAGs got their start as informal networks of neighboring grantmakers. Even as new structures and priorities evolve, these roots should be remembered. The growth and diversification of the industry makes the need for informal networking and peer-to-peer learning ever more important, for there will always be someone new to ask questions. Every region has its own ‘demographic profile,’ that reflects the corporate characteristics of the community, new donors, established foundations, cultural diversity, economic vibrancy, and nonprofit infrastructure. Creative and loose connections that support grantmakers across their careers are the key to maintaining a dynamic and vibrant membership. For RAGs of the 21st Century the trick will be building ways to facilitate these fundamental connections and amplify their value without becoming beholden to their daily demands. This is ever more possible if the RAG positions itself as a partner and facilitator.

The next hundred years

Predicting the future is a fool’s game, while planning for the future is the task of leaders. The 2001 annual meeting of the Forum of RAGs was an exemplary opportunity for these similar yet disparate entities to identify the challenges they face together and frame possible strategies for shaping their futures. We know for sure that philanthropy will always have local components, that technology will continue to change the ways we do business, that information will continue to be valuable and overloading, and that grantmakers will continue to share resources and ideas. We do not know exactly how to measure or value intangible assets such as knowledge, we cannot say for sure how online communities are maintained over time, and we can only guess at the growth rate of philanthropy in America over the next generation.

Given this, designing the RAG of the 21st Century is an act of imagination, experience, hubris, and luck. The collective wisdom of those assembled in Washington in February 2001 was a powerful starting place for this ongoing work.