Community Foundation Stages

"The 21st century will be the art of collaboration."

Three Stages: What will STAGE 3 look like? Will 21st century collaborative project development change their relationship to communities? What will be the impact of the current financial/societal crisis? Is this really the time to invest in building new economic models to support the educational, social, economic and cultural systems of our towns?

1

Stage 1: 1914-1980 Community Foundations as Administrators...

- Organized to solicit and administer designated funds for modestly wealthy citizens.
- Staff is composed of local community representatives or former banking officers.
- Support staff is oriented toward the administration and investment of designated funds.
- Growth is mixed even among major population centers.
- Rural community foundations have a limited number of potential donors—glass ceiling.

Observation: An educational and administration organization driven by a keen eye for encouraging people to give back to their local interests and passions.

2

Stage 2: 1990-Present Community Foundations and Endowments...

- Led by trustees who would like to have a general endowment for new projects in the community that they identify and support.
- Professional staff evaluates proposals developed by various community organizations.
- Administrative staff to invest and manage IRS requirements for designated funds.
- Reduce the risk by focusing on replicating successful projects versus innovation.

Observation: A community institution that begins to fund new projects that are not high risk, that reach out to the community and that legitimize the community foundation with a broader base of constituents.

3

Stage 3: Present to 21st century Community Foundations as Collaborators and Strategic Partners...

- Led by working boards of trustees who understand the interdependencies of their community.
- A strategic partner that uses its own resources along with resources from other partners to provide capital to fund innovative projects with long term benefits.
- Reduce the perceived risk of involvement in economic development and creating headquarters by having trustees and professional staff with business experience as well.
- Collaborate with local people around local needs/opportunities—"Community-Based and Opportunity-Focused" programming.
- Develop the **"People's Capital,"** e.g., small monthly donations from the middle class and poor people for endowments that allow them to participate in small and large scale philanthropy.
- Smash the "glass ceiling of giving" in rural towns by increasing the number and variety of donors through the Foundation's leadership in growing their new economy and headquarters.

Observation: Philanthropy becomes participative, collaborative and strategic for the benefit and involvement of all socio-economic categories in their towns.

The stages listed above are an over simplification of a complex development process for foundations. However, community foundations face, like every other 20th century institution, the "S Curve" dilemma. The 20th century community foundation models may not be a formula for success in the 21st century. Look toward the single purpose community foundation with multiple designated funds.

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