

Community Foundations of Canada 2006 National Meeting

Relationships Between United Way's & Community Foundation's

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United Way of the Lower Mainland

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Vancouver Foundation



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Vancouver Foundation - History

- 1930 Vancouver Welfare Federation formed
- 1938 2 bequests start the Endowment Trust Fund in VWF
- 1943 Endowment Trust Fund became Vancouver Foundation- to support operating costs of VWF
- 1944 Miss Alice MacKay -\$1,000 estate gift- 1st testamentary gift to VF - could spend only the interest
- WJ VanDusen & 9 Friends gave \$10,000 = \$100,000
Became the starting capital for VF
- 1950 Vancouver Welfare Fund becomes Community Chest,
becomes United Way of the Lower Mainland



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Vancouver Foundation - Governance

- Vancouver Foundation Act establishes framework for board of directors of VF
- 6 appointed as representatives from specific organizations (includes United Way)& 6 from the community-at-large
- 6 Standing Committees of the Board
- 8 Advisory Committees for granting



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Vancouver Foundation -snapshot

- \$700 million in assets
 - Agency Endowments – 39%
 - Designated – 12%
 - Donor Advised – 24%
 - Unrestricted / FOI – 25%
- Distributes ~ \$35 million annually
- 966 endowment funds
 - Agency/Designated Funds 594
 - Donor Advised Funds 226
 - Field of Interest Funds 95
 - Unrestricted 51
966
- Operating Budget- \$3.7
- Staff- 30



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Vancouver Foundation-Areas of funding

Arts & Culture

Animal Welfare

Children, Youth and Families

Education

Environment

Health and Social Development

Medical Research

Youth



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Vancouver Foundation Additional Granting Funds

- Disability Supports for Employment Fund
- Partners in Organizational Development (POD),
- Enterprising Non-Profits
- Four Pillars (addictions)
- Leadership, Engagement & Development (LEAD) - grants to other BC community foundations for regranting
- Neighbourhood Small Grants



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Current Issues

1. Visibility - 2% unaided awareness
2. Development – need for unrestricted funds
3. Granting – changing demands due to ↓ in government funds & core operating funding
4. ↑ Competition (public & private sector)
5. Demographics- reflecting our community?
6. HR- Staffing, Succession planning, Costs
7. Accountability- external demands



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Strategic Direction 2006-2010

1. Develop vision for 2015 for focus
2. ↑ visibility, awareness & knowledge of VF
3. ↑ revenue in unrestricted \$ and FOI \$
4. Granting- ensure relevancy to meet changing needs
5. Establish the leadership role for VF in community; focus on 2-3 key areas for advocacy & leadership
6. Enhance key partnerships
7. Ensure governance reflects best practices



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Comparison



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- Established – 1943
 - Founders – 8
 - Mission – To strengthen our community's capacity to address social issues
 - Roles – granting, fundraising, advocacy, leadership, facilitating
 - 20 in BC
- Established 1943
 - Founders – 8
 - Mission – To strengthen communities across BC
 - Roles – community capacity building, granting, fundraising, advocacy, leadership, facilitating
 - 44 in BC



Comparison



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- Board Members – 18
- Staffing 76
 - Program- 11
 - FR & Comm- 29
 - Mngt/Admin -36
- Operating budget - \$6.3 million
- Asset base - \$38.2 million
- Board Members – 12
- Staffing 30
 - Program - 11
 - FR & Comm-11
 - Mngt/Admin -8
- Operating Budget \$4.1
- Asset Base - \$700 million



Comparison 2005 Donations



- Total - \$32.1 million

- Individuals - \$24.9m

- Org / Fndn - \$1.4m

- Government - \$.2m

- Corporate - \$5.6m

- Total - \$66 million

- Individuals - \$19 m

- Org / Fndn- \$13 m

- Government- \$30 m

- Corporate - \$4 m



Comparison Granting



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- Scope – Lower Mainland
 - Annually- \$28.2 million
 - Distributions:
 - Agencies - \$9.3 million
 - Designated – \$10.6m
 - Unrestricted – \$8.3 m
 - Mechanism – Volunteer Committees
- Scope – British Columbia
 - Annually - \$35 million
 - Distributions:
 - Agencies - \$17.9 million
 - Donor Advised – \$8.5 m
 - Unrestricted – \$9 m
 - Mechanism – Volunteer Advisory Committees



Comparison Granting



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- Areas of funding – Social Services
- Key areas of focus – Children 0-12; Seniors; Food Security; Newcomers; BC211; Building Stronger Communities
- Types of grants – agency funding, program funding, seed funding
- Areas of Funding – Social Services; Arts & Culture; Animal Welfare; Education; Environment; Medical Research
- Key areas of focus- TBD
- Types of grants – seed funding; projects; capital; endowment matches (no annual operating funds)



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Trends in Philanthropy

The Seeds of Change in Philanthropy

Katherine Fulton, Andrew Blau, Gabriel Kasper
2005



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Experimenting with Grantmaking

- Supporting organizations not just programs
- Becoming more focused and persistent
- High engagement giving
- Funder as initiator and operator



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Rethinking Available Resources

- Payout rates
- Using all assets for social change
- Using influence, not just money
- Using knowledge as an asset



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Redefining the Spheres of Activity

- Influencing public policy
- Using the market
- Crossing borders



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Creating a Culture of Learning

- Learning from evaluation
- Learning from communities
- Learning with and from grantees and funders



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Questioning the Status Quo

- Giving while living
- Outsourcing functions
- Donor advised funds
- Challenging the private foundation form



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Convergence & Competition

United Ways & Community Foundations

A National Inquiry



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Background on 2005 Survey

- Online survey of:
 - 182 United Way executives
 - 137 Community Foundation executives
- Focus Groups & In Depth Interviews
 - 8 CF's & UW executives & Board members
- 158 from mid size communities
 - 109 rural areas; 32 urban



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Key Findings

1. Relationships on continuum from interdependence to direct competition

- 43% UW's & 50% of CF's said relationship was cordial & collegial
 - Occasional coordination of activities
 - Occasional- frequent communication
 - Limited awareness of the others activities
 - Absence of proactive joint strategy/projects
- 19% UW's & 23% CF's said there was friendly rivalry, indifference or adversarial



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Key Findings

2. Some overlap in critical operational areas -grantmaking focus & donor base.

- 100% said overlap in donor base
- 92% -overlap in grantmaking focus



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Key Findings

3. Convergence in grant making

- Both addressing long term needs of communities; coordinating responses to complicated issues; being change agents
- Many UW's moving to annual proposal-based grantmaking & away from stable unrestricted funding
- Some UW's funding beyond health and human services into education, environment and the arts
- Non profits are approaching CF's to replace the core funding lost by shift in UW funding



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Key Findings

4. Convergence in donor services and competition for donors

- Both now concentrating on high net worth individuals
- Many CF's shifted from planned giving to living donors & some working with corporations, corporate foundations and employee giving programs



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Key findings

5. Highest competitiveness was in positioning their organization as the community leader.

- 43% agreed that CF's & UW's occupy the same leadership position in the community.
- Some cooperation around key community issues is occurring, but still real competition for assuming leadership position



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Key Findings

6.CEO's make the difference in the nature of the relationship

- Success or failure of relationship between the two organizations lies at CEO level
- 58% of the CEO's report interacting regularly or frequently



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Key Findings

7. Significant financial interaction between the two organizations

- 65% UW's have a fund in the CF
- 37% CF's have an internal UW campaign
- CF's more likely to make grants to UW's than vice versa.



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Key Findings

8. Significant crossover with board members

- 45% had common board members
- 23% had held a joint board event or meeting in the preceding 24 months



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Recommendations

1. As leadership organizations, model cooperation for your communities
2. Develop an intentional strategy for relating to and working with the other organization.
3. Recognize that competition can have benefits for both your donors and your community



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Recommendations

5. Acknowledge & utilize shared board members & those who have served on the other organization's board in the past.
6. Take into account the community focus of the other organization and seek to develop a financial stake in the other organization.
7. Complement their existing work or tackle a different problem in your community.



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Collaboration- Why do it?

- Macro Level Forces

1. Political Forces

- ↓ in gov't playing a role in solving problems
- ↓ trust in gov't
- Devolving social functions from federal & provincial gov't to local levels & NPO



Why do it?

2. Economic Forces

- ↓ government funding- move to project funding
- ↑ in number of non profits

3. Social Forces

- Magnitude & complexity of social problems growing and no NPO can solve them alone



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Benefits

1. Cost Savings
 - shared facilities, services & activities
 - backroom office – payroll
2. Economies of Scale & Scope
 - ↑ visibility & sphere of influence
 - ↑ services offered, # clients
 - move from local impact to provincial/national
3. Synergy
 - Critical mass- sharing a common concern
4. Enhanced Learning
 - effective grantmaking



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Collaboration Continuum

1. Philanthropic Stage
 - UW's set up endowment in CF
 - CF runs a UW campaign
2. Transactional Stage
 - Joint funding of projects (camp); sponsorship
 - Shared workshop (effective grant making)
 - Joint board event
3. Integrative Stage
 - level of engagement is high
 - magnitude of resources is big
 - scope of activities is broad
 - strategic value is major
 - seen as being important to the mission of both organizations



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4 Key Strategic Dimensions

1. Collaboration Mind Set

- do you operate at arms length or arm in arm? Is the relationship one of dependency or interdependency? Is your connection perfunctory or passionate?

2. Strategic Alignment

- how well does the partnership fit with your mission, values and strategies?
Can greater alignment be achieved?



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Strategic Dimensions

3. Collaboration Value

- Are your resources being used to generate as much value as possible? Are the partners leveraging their distinctive competencies and combining them effectively?

4. Relationship Management

- Is the partnership being managed? Are communication processes explicit? How high are performance expectations set and how is accountability ensured?



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Breakout Session

- Scenario
 - 2015 – a combined United Way and Community Foundation in every community.
 - What would the organization look like?
 - What are the benefits of doing this?
 - How did we get there?
 - How does it work now?



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Regroup and Share Experiences



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Guidelines for Collaborating Successfully

The 7 “C’s”



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CONNECTION with Purpose & People

- Key individuals connecting personally & emotionally with the organizations social purpose & with each other
- Passion- motivational driver and inspiration in collaboration



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CLARITY of Purpose

- Be clear about the purpose of joint undertakings
- Jointly prepare written collaboration purpose statement
- Be explicit about what you expect from the relationship
- Specific limited collaborative projects are useful



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CONGRUENCY of Mission, Strategy and Values

- Identify areas of alignment between missions, strategies and values
- Potential for effective collaboration increases with experience and successes



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CREATION of Value

- Collaboration is about mobilizing & combining multiple resources & capabilities to generate benefits for both partners & social value for society
- Clarify the benefits you expect -don't assume they know
- Benefits have to flow both ways & be balanced
- Value of partnering can decline over time- renewal exercises important – periodic strategic visioning exercises
- Consider if benefits outweigh costs and risks



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COMMUNICATION between Partners

- Good communication essential to build trust.
- Communication- honest, forthright, frequent and meaningful
- No surprises; involve each other early on in the planning for all actions that affect the partnership; resist temptation to withdraw in event of crisis in either org.
- Let the public know you are collaborating



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CONTINUAL Learning

- Collaboration is dynamic- relationship cannot be totally planned or predicted
- Beneficial to articulate what you can learn from each other & how it is creating social value



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COMMITMENT to the Partnership

- As the partnership grows it may be necessary to ratchet up your personal, institutional and resource commitment
- View collaboration as a joint venture with shared equity investments – creates an expectation of returns (social impact) but also benefits to both partners
- Ensure you can you deliver



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Questions / Discussion



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