COMMUNITY FOUNDATIONS
AND INTERNATIONAL GIVING

OPPORTUNITIES FOR GLOBAL ENGAGEMENT

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DEVELOPED WITH SUPPORT FROM THE CHARLES STEWART MOTT FOUNDATION
In October 2005, the Charles Stewart Mott Foundation generously gave its support to an initiative to explore the current and future role of U.S. community foundations in international grantmaking. The initiative sought (1) to examine the ways in which U.S. community foundations are currently involved in international giving, and (2) to begin to identify the resources and strategies needed to strengthen the capacity of community foundations to respond to their donors’ interests in global giving. More broadly, the meeting explored the evolving role of community foundations in an increasingly global world.

In February 2006, 14 leaders from community foundations and other philanthropic organizations came together in Chicago to share their perspectives, experience, and insights on this issue. The meeting provided an important opportunity to reflect on the benefit and potential for community foundations to engage further in global issues and global giving. These themes were further explored through conversations with other thoughtful commentators from the community foundation and global giving sectors.

The initiative was developed and coordinated by The Philanthropic Initiative, Inc. Peter Hero, President of Community Foundation Silicon Valley, and Adele Simmons, President of the Global Philanthropy Partnership, served as advisors to the initiative.

This report attempts to capture the ideas generated in these conversations. The discussions were spirited and thoughtful, and the ideas and opportunities they produced are both diverse and creative. Nevertheless, the work to date is but a beginning. It is an initial step in considering ways in which community foundations can respond to their constituents’ philanthropic interests and priorities. As interest in global giving increases – and we believe it surely will – the thoughtful contributions of a much wider range of community foundation leaders and others will be needed to help chart a responsive and responsible course. We hope that this modest but important initiative will inspire others to join in the journey.
COMMUNITY FOUNDATIONS AND INTERNATIONAL GIVING

OPPORTUNITIES FOR GLOBAL ENGAGEMENT

INTRODUCTION

Many community foundations are serving increasingly diverse and globally-linked constituencies. While donors – both current and potential – demonstrate strong commitments to their local communities, many are exhibiting growing interest in international or global giving.

What is less clear is the extent to which community foundations are supporting their constituents’ global interests, and the extent to which donors interested in global giving are obliged to seek out alternative giving mechanisms and partners for their international social investments. Nor do we know the potential for community foundations to attract greater philanthropic capital by responding more fully to the giving priorities – both local and global – of their community members.

Both by practice and design (and sometimes by express limitations in their Articles of Incorporation) community foundations have typically helped donors support issues and organizations in a locally defined geographical area. But many donors have an increasingly broad definition of the concept of “community;” they may seek to address issues and problems beyond their local community, at least with a portion of their social capital.

Business and personal travel and the global media are strengthening connections to the world at large. For some, events such as the recent Asian tsunami and earthquake have triggered a fundamental desire to help those in grave need, regardless of nationality or locality. For others, growing global interdependence simply points up the need for greater global responsibility. Perhaps most significantly, in cities with sizeable immigrant populations many donors maintain strong ties to their home countries and have a strong desire to “give back” to their communities. Very few community foundations currently address such global interests, ambitions, and agendas.

In recent years, an infrastructure has begun to emerge to respond to donors’ global interests and to facilitate global giving. Several intermediaries respond to donors’ interests in specific issues (e.g., the Global Fund for Women, the Global Fund for Children, and the Global Green grants Fund) and/or interests in specific regions (e.g., Give2Asia, the American India Foundation, and the Brazil Foundation). Other organizations promote specialized philanthropic investment approaches (e.g., The Acumen Fund and Global Giving). And remarkably, there are now over 600 “hometown associations” that channel social investments from U.S. cities to communities in Mexico and elsewhere.

What is noteworthy, however, is that this infrastructure for the most part is separate and parallel to the infrastructure that exists to support local or domestic giving. In particular, community foundations – one of the fastest growing and important components of the U.S. philanthropic
landslide – by and large have not addressed donors’ global giving interests.¹ Donors who wish to create or maintain a global giving portfolio are often obliged to seek out alternative giving vehicles.

At the same time, there is evidence that at least some donors are increasingly interested in engaging in international giving through community foundations. To accommodate that interest, some community foundations are increasing their capacity to assist such donors. While the dollar amount of international giving through community foundations remains low, the rate of giving is increasing. A recent study by the Foundation Center reports that international giving from community foundations’ unrestricted or donor-advised funds quadrupled between 1998 and 2002, from $6.3 to $29 million. During the same time, the number of community foundations making international grants increased from 29 to 43.² While the jury is out on the scope and duration of this trend, it seems likely to grow.

RATIONALE

The community foundation leaders canvassed during the course of this initiative are predicting a more active role in international giving. Transformations in the philanthropic field, in the affinities and interests of the donor base, and in the demographics of individual communities all suggest an upward trend. At least in some communities there is a genuine need, opportunity, and perhaps even responsibility for community foundations to respond to the global interests of their constituents.

(1) A changing philanthropic landscape

The philanthropic service field is undergoing tremendous growth and diversification. The growth in philanthropic capital, a diversity of donor interests, and a better understanding of social investment strategies have given rise to a variety of new giving mechanisms and services. “Traditional” community philanthropy organizations have been augmented by commercial charitable gift funds, identity- and issue-based organizations and funds, private philanthropic advisory services, and numerous other actors. This diversification has created a richer but more competitive environment for community foundation services. Community foundations must be able to respond – consistent with their mission, of course – to the changing nature of donor interests, including international priorities, if they are fully to meet their constituents’ giving needs.³

(2) Changing conceptions of community

Globalization has blurred the distinction between what is local, domestic, and global. This reality has created for many a new definition of “community” and “community giving.” Economically, global economic integration has rendered whole populations vulnerable to economic and political events in distant corners of the globe. Culturally, nations and peoples are deeply affected by the increased mobility of workers, tourists, and refugees, and by the meteoric

¹ There are noteworthy exceptions, such as Community Foundation Silicon Valley.
pace of change in the communications realm. Globalization has extended personal and professional ties, expanded the interest in world affairs, and made us aware of the truly global nature of health, environmental, and personal security. While globalization has created enormous wealth for a fortunate minority, it has also shone a light on alarming global inequities, revealing billions of individuals in poverty in a resource-rich world.

Such trends provide a growing number of donors with compelling practical and moral reasons to target at least a portion of their philanthropic capital at global challenges. The Foundation Center found that between 1998 and 2002, the growth in international giving (106%) far outpaced the increase in overall giving (62%) among U.S. foundations. It is also noteworthy that new donors may be especially likely to have global interests – foundations created since 1990 represent one-third of international funding. If they are to thrive and most effectively meet the needs of their communities, a growing number of community foundations will need to ramp up their ability to respond to the changing view of community and community responsibility.

(3) Changing community demographics

Shifts in community demographics and international migration patterns have significant implications for the composition of many U.S. communities; it is a trend that is expected to accelerate. Community foundations are faced with the opportunity to respond to the unique philanthropic interests and expressions of an increasingly diverse donor base.

Immigration to the United States has increased steadily since 1950, and about one million legal immigrants arrive each year. Diverse ethnic and racial groups make up an increasing portion of the U.S. population and are making their homes in a growing range of communities. Nationally, it is expected that Hispanic and Asian populations will triple over the next half century. By 2050, non-white racial and ethnic groups will make up over half of the U.S. population. Prior to 1990 immigrants were by-and-large highly concentrated geographically, with 75 percent of immigrants residing in the five states of California, Florida, Illinois, New York, and Texas. Over the last 15 years settlement patterns have changed. States including Arkansas, Colorado, Georgia, Nebraska, Nevada, North Carolina, Tennessee and Utah all saw the number of immigrants more than double in the 1990s.

Patterns of migration are also changing, with predictable effects on charitable giving priorities and programs. Rates of migration are increasing to communities that represent the centers of the new global economy. For example, in Silicon Valley Asian Americans represent one-third of the scientific and engineering workforce and represent one-third of the region’s millionaires. Short-term and circular migration (the phenomenon in which individuals periodically move back and forth from their home country to the U.S.) are both increasing, particularly among immigrants from Latin America. In addition, the number of “transnational” citizens with homes (and giving priorities) in both the United States and their home county is increasing rapidly.


Such demographic shifts have contributed to the creation of significant sub-populations, many of which retain close ties to families and communities at home and wish to “give back” to their home countries. When CFSV asked adult residents of the region how they defined “community,” 39% of respondents identified with both “place born” and “racial/ethnic group,” while only 32% identified with Silicon Valley or their own individual city of residence.

Immigrant groups are sending a growing stream of remittances from the United States to their home countries. In 2005, remittances from the United States reached approximately US $40 billion. While the lion’s share of this is remitted to families, many ethnic or national groups are evidencing an interest in making collective philanthropic investments in their home countries. Indeed, the trend is significant enough that it has produced a subfield – “diaspora philanthropy” or “transnational giving.” As noted above, new kinds of organizations (e.g., the American India Foundation, Give2Asia, the Brazil Foundation, and Give to Colombia) are emerging to support such giving.

This is not to suggest that immigrant populations are exclusively lending their support to causes in their countries of origin. Of particular significance to community foundations is new evidence that as diaspora giving grows, the new dollars are often directed at local rather than homeland social investments. This is an important opportunity for U.S. community foundations to explore how to better support both the local and international giving priorities of their ethnic and national communities.

**OPPORTUNITIES FOR GLOBAL ENGAGEMENT**

Those that gathered in Chicago were largely in agreement – the community foundation field has an important opportunity to develop resources and skills to support their constituents’ global interests. In the pages that follow we attempt to provide a preliminary menu of tools and strategies that may be effective in facilitating international giving.

The menu progresses linearly. The conferees agreed that the process should begin with knowledge-building research, to assess both current practice and the potential demand for global giving. Based on that research, resources, strategies, and linkages can be developed for both shared and local use. If demand emerges, centralized coordination could greatly enhance the effort. If the U.S. community foundation field were to conclude there was sufficient demand and opportunity for the creation of a global presence, field-wide initiatives are possible.

This wheel is not in need of wholesale reinvention. Many resources already exist. An underlying objective of this initiative was to identify ways to share resources, build synergies, and avoid redundancies. In many cases, quality resources have already been developed elsewhere. Some are in the public domain and others could surely be used with the permission of their authors. Some could be useful in their current form while others might require modification or adaptation for local use. We suspect that most authors and organizations would be pleased to have their work disseminated to and through community foundations. In short, in many cases the means for quick and cost-effective distribution already exist.

In those cases where new materials are needed, efficiency suggests that they might be developed collaboratively and shared freely. Participants in the initial workshop volunteered to assist in the
development of knowledge and tools (see list below). No doubt there are other community foundations with international interests that would welcome the opportunity to be involved and to bring their knowledge to the process.

**Building the Knowledge Base**

The Chicago conferees agreed that an important initial step in this work is to conduct baseline research to assess both the current practice and emerging demand for global giving through community foundations. Existing data is extremely limited. More reliable, complete knowledge of grantmaking activities and donor interest will be important if we are to (1) evaluate the need for services and resources, (2) guide the development and dissemination of tools and strategies, (3) create the ability to track changes over time in international giving practices among community foundations and their constituents, and (4) begin to build a network of community foundations engaged in or interested in global giving.

Recommendations for research and knowledge building include the following:

(1) *Map and analyze current international giving through community foundations*

Conduct a standard, web-based survey of community foundations to gather baseline data on current involvement in international giving. The survey would elicit information on current global giving activity and on the resources and knowledge that could expand and strengthen such involvement. It would begin to answer questions regarding the source, scope, and objectives of current international giving. The survey would be web-based, employing Survey Monkey or a similar user-friendly resource. (A draft survey is attached.)

The web-based survey should be supplemented or preceded by further research into existing information available from reliable sources, e.g., the Council on Foundations and the Foundation Center.

(2) *Assess emerging or potential “demand” for global giving*

Conduct local surveys to evaluate donor perspectives on international giving and the role of community foundations. Such surveys would assess current and emerging demand for international giving support. It would include questions on global giving interests, practices, challenges and needs. Such surveys would most effectively be undertaken by individual community foundations or regional associations of grantmakers in regions/communities where global interest is potentially strong. Logically, a survey template would be developed centrally and modified locally. The survey instrument could include both standardized questions – to allow for aggregate analysis and comparison – and some questions unique to the characteristics of the local community.

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6 The Foundation Center has done some analysis of international giving through community foundations but it does not purport to capture the full range of giving practices. The Center uses a grants database that is weighted toward large foundations, one that tracks grants of $10,000 or more. In addition, the database comprises only unrestricted grants from community foundations.
(3) Creating community maps

In communities where interest in global giving is thought to be particularly strong, or in areas with diverse ethnic/racial communities, it may be beneficial to undertake “community mapping” to better understand the demographics of the population and the philanthropic landscape. Such maps would help to (1) better understand the diversity of community philanthropic interests and needs, and (2) identify other organizations and initiatives (e.g., diaspora or faith-based giving initiatives) that currently facilitate international giving.

A number of such resources and maps have recently become available on-line through New Ventures in Philanthropy’s new website, the “Donors of the Future Online Knowledge Center.” (The site can be accessed at www.givingforum.org/dof/).

Develop Resources, Tools, and Outreach Strategies

While the development of specific resources and materials should be preceded by and build on sound research, several promising ideas have already emerged:

(1) Legal guidelines

International giving is circumscribed by law and regulation, and further informed by voluntary guidelines. In the aftermath of the attacks of September 11, greater scrutiny and more stringent policies have been brought to bear on the support by US nationals of international organizations; additional guidelines are being debated in Congress and in the philanthropic community.

A brief, user-friendly summary of the legal regulations and voluntary guidelines for international giving would inform both community foundation staff and individual donors of mandatory and voluntary practice. Such a guide might address, e.g., rules for international grantmaking by private foundations and individuals; support to U.S.-based nonprofit organizations and “cross-border” grants to organizations in other countries; compliance with anti-terrorism guidelines; and specific monitoring and reporting requirements.

Several well-written, user-friendly guides already exist and, with the permission of the authors, could be modified for use by community foundations.

(2) A primer on global giving

Many donors are just beginning to seek ways to address issues and problems beyond the borders of the United States. A global giving monograph could help donors begin this journey. A monograph might include an introduction to many of the more specialized tools described elsewhere in this paper, including: legal guidelines, giving strategies and mechanisms, “best practices” of international grantmaking, and information on educational and networking opportunities.

Similar guides already exist – see, for example, TPI’s Global Giving: Making a World of Difference; publications by the Council on Foundations and the National Center on Family
Philanthropy; and others – and could be adapted or used as a template for a community foundation guide.

(3) Issue-briefs

A number of pressing global challenges have interest for a wide cross-section of donors, either because of their devastating impact, their global significance, or the belief that they are susceptible of global solutions. Some examples include malaria, HIV/AIDS, girls’ education, global warming, and child trafficking. Other global issues may have more specialized interest.

A series of issue-briefs or “at-a-glance” reports would allow community foundations to provide donors with expert information on issues such as (1) specific global challenges and the regions and populations most affected, (2) proven and promising intervention strategies, (3) links to resources and expert information, and (4) donors already involved in addressing the issue. Similarly, briefs could be developed to respond to interest in particular giving strategies – e.g., micro-finance; support for social entrepreneurs – and in specific countries or regions.

Other organizations could be approached and, with their permission, their existing resources could be disseminated and used to guide the development of new briefs. Examples include the World Bank’s At a Glance series and the Global Philanthropy Partnership’s Two-Page series. Other useful information could be gathered from development agencies, internationally-focused NGOs, and other organizations working on specific global issues. It is likely that many such groups would be willing – indeed eager – to produce such issue-briefs at no or nominal cost in order to educate a broader public and potentially to attract new donors and resources to a cause or goal.

(4) A guide to the global giving landscape

As interest in international giving has increased, the number and variety of organizations that facilitate global giving have multiplied. Traditional “giving vehicles” are being regularly supplemented by new organizations, approaches, and initiatives. The range of mechanisms includes U.S.-based NGOs operating their own programs overseas; “friends-of” organizations that support specific non-U.S. organizations; e-philanthropy portals that identify and vet specific projects in specific countries; and a growing number of global “funds” or umbrella intermediaries that help donors channel funds to overseas NGOs addressing particular issues (e.g., women, children, the environment, human rights) or to specific geographical regions or countries.

A compendium of such organizations and opportunities would help community foundations assist their donors in identifying and funding organizations that address their individual global giving interests.

(5) A “local giving, global impact” monograph

Some donors prefer to “act globally but give locally.” In many communities there are myriad local institutions engaged in important global work. Donors interested in supporting
international goals can do so while simultaneously strengthening local institutions. A guide to such organizations would be a valuable resource.

A pilot program is being tested in Chicago through a partnership of the Chicago Community Trust, the Chicago Global Donors Network, and the Global Philanthropy Partnership. While the content of such a guide would obviously differ from community to community, the Chicago initiative may serve as a template for other community foundations wishing to develop similar resources for their own staff and donor base.

(6) Global donors’ networks and circles

Many donors with global interests seek opportunities to interact with peers with similar interests and commitments. Informal or structured networks or giving circles offer an opportunity for donors to exchange ideas with other serious donors, learn about successful initiatives in an unbiased environment, meet a cross-section of leaders and experts in global issues and development, and – of interest to some donors – create a way to invest collaboratively, thus leveraging individual social investments. Responding to the interests of their constituents, community foundations can help establish informal/formal communities of global donors around broad international giving or specific issues.

Several cities and a few community foundations have established programs to bring together donors with global giving interests. The World Affairs Council of San Francisco has spearheaded a number of programs for global donors in the Bay Area. The relatively new Chicago Global Donors Network is creating a community of donors with international interests in that city. These and other models could be explored for adaptation by community foundations in other cities and regions.

Linkages, Networks, Outreach

At the Chicago workshop several kinds of “linkages” were suggested to help community foundations respond to donors’ global interests and facilitate effective grantmaking.

(1) Diaspora populations

As noted above, ethnic sub-populations are an increasingly significant component in many communities. Community foundations can find ways to engage members of these populations, as well as with already established organizations.

Ethnic groups associate and organize in many ways – through hometown associations, faith-based groups, professional associations, cultural organizations, etc. The synergies between these groups and community foundations have rarely been explored. Community foundations could profitably explore appropriate and potential roles for collaboration and partnership with such groups.
(2) **Local internationally-focused groups**

In addition to diaspora-based groups, many communities have a wide variety of organizations and informal groups involved with global issues and/or international giving. Examples include internationally-focused NGOs, faith-based groups, academic centers, and immigrant groups. Many of these entities could provide synergy and support to community foundations. Some could also be a source of new donors.

In some venues there exist established groups (e.g., *The Vermont International Nonprofit Network*) of internationally-focused non-profits. Establishing connections with such entities could provide an informal group of advisors for community foundations and could also facilitate the “local giving, global impact” concept described above.

(3) **Links to the global giving sector**

As noted above, community foundations need not re-invent the wheel. Many are well positioned to establish “spokes” to connect to and develop synergies with existing institutions and organizations.

The infrastructure to support global giving has grown rapidly over the last decade, producing a rich diversity of intermediaries, information providers, affinity groups, and education and networking opportunities. Intermediaries offer community foundations and their donors legal, effective international giving options on a variety of issues. Some of the groups have listserves or newsletters that update their activities. All provide annual reports.

While some of these organizations might be perceived as being “competition” to community foundations, viewed more positively they can be useful collaborators. Community foundations can provide such organizations with an opportunity to communicate their work to a larger audience, and potentially to expand foundations’ donor base.

(4) **Links to the global network of community foundations and its individual members**

There are over 1200 community foundations worldwide. In addition, there are numerous national, regional and global community foundation networks. These networks offer the potential to connect community foundations in support of global giving.

Links could be established between individual community foundations in the United States and community foundations in countries to which a U.S. community foundation’s constituents have ties. Most obviously, such links would serve the immigrant/ethnic composition of a community. Another possibility would be to build on the sister-city network.

As but one example, the Community Foundation in Pittsburg has established a relationship with the Via Foundation in the Czech Republic through which local community members with ties to the Czech Republic can support programs in that country.
Create an efficient support infrastructure

If and when the level of global giving through community foundations increases, the efficiency and impact of such philanthropy would be magnified by the creation of an appropriate coordinating/support infrastructure. Such an infrastructure could, for instance:

- Create and maintain a central web portal
- Gather and disseminate information to community foundations
- Spearhead development and distribution of resources
- Provide back-office support for international giving
- Connect community foundations to experts and resources
- Broaden the conversation by engaging others in this work
- Develop, test, and/or disseminate results of pilot projects and models

Rather than seek to create a new infrastructure, such a coordinating function could conceivably be performed by one of the philanthropic organizations already serving the community foundation field.

Community Foundations in a Global World: Special Initiatives

The principal focus of this exploratory initiative was to examine the role of U.S. community foundations in addressing the global giving interests of their constituents. At the same time, the workshop explored the broader question of the role of community foundations in an increasingly global world.

The ideas that follow are a response to that broader discussion. They recognize that every community served by a community foundation is connected to and affected by the global economy, global environment, global security, and global health.

We also recognize that both the U.S. and global community foundation field are relatively well-organized with strong, active, existing networks. Many of these networks are powerful learning communities offering opportunities to share best practices and information. The suggestions that follow take the concept of these networks a step further, drawing on their potential for collective action and advocacy.

A community foundation “Global Fund”

Consider the establishment of a community foundation global fund to which interested community foundations could contribute and through which community foundations could make collective global investments. Such a fund could be used to address any number of anti-poverty or other global issues. It could target one or more specific issues for one or more years.

Such a fund would serve to acknowledge that while community foundations primarily serve local constituencies and communities, every community has connections to global issues and global communities. Such a fund could make a powerful statement about U.S. communities’ commitment to world issues and concerns. Contributions could be benchmarked to a small percentage of discretionary grants, or to a fixed amount. Consider the possibilities: if even half...
of the 700 community foundations in the United States were to contribute $3000 a year to such an initiative, it would generate a million dollar annual global investment. Individual donors might also contribute to the fund through their local foundation. While a small sum when compared to the scope of global need, such an initiative could serve as a showcase for what is possible.

(2) A community foundation disaster relief fund

Global disasters trigger significant international giving. But donors are often uncertain about where and how to give. They have difficulty identifying the intermediaries best equipped to support their objectives. Increasingly, they are concerned about how the money is spent.

A community foundation collective global fund for disaster relief could ensure donor confidence that their contributions are being used effectively. The collective pool – invested by experts – would leverage the impact of individual donations. Again, such an enterprise could serve as a powerful statement about the impact of the community foundation field and its commitment to the global community.

CONCLUSION

Global giving through community foundations will not evolve without surmounting some hurdles. Many U.S. community foundations are restricted by their charters to giving within their locally defined geographical area. Some will want to focus exclusively on a local agenda. Local nonprofits may view international giving as detracting from the resources available to address local needs. In addition, as international giving increases, foreign governments may wish to exercise more control over the objectives and the recipients of funds from abroad.

Despite these and other barriers, the role of community foundations in international giving will surely grow, prompted both by self-interest and by a sense of global responsibility. Careful, creative, and collaborative planning will ensure that community foundations continue to serve effectively their donors, their local communities -- and increasingly, the global community of which we are all members.
Community Foundations and International Giving

Draft Survey
(March 1, 2006)

1. Does your community foundation allow international giving (defined here as grants to overseas recipients as well as grants to U.S.-based international programs)?

2. Did your community foundation facilitate any international giving in 2005?
   - What was the total dollar amount of international giving?
   - What was the total number of grants?
   - How many donors were involved?
   - Were there any issue areas (e.g., disaster relief, health, environment) of special interest?
   - Were there any geographical regions of particular interest?
   - How many grants, if any, were made directly to overseas non-U.S. recipients?
   - What was the total dollar amount of grants to overseas non-U.S. recipients?

3. How does the level of 2005 activity compare with 2000? Do you expect international giving to be an important growth opportunity for your community foundation over the next five years?

4. Does your community foundation actively promote itself as a resource to donors for their global philanthropic interests? If so, what are the primary motivations for doing so?

5. What are the principal obstacles to making international grants on behalf of your donors?

6. What tools and resources that you offer seem most valuable to your globally-minded donors?

7. Are there intermediary and other resource links that have proven helpful in your international practice? Please identify.

8. What information, tools, or other resources would be most helpful in responding to the international giving interests of your clients?

9. Are there examples of international grantmaking you would be willing to share?

10. May we follow up with you to further discuss and document your experience with international grantmaking?

11. Would you consider participating in a study in which you would send to your own donors a brief survey to assess their global giving interests, practices, challenges, and needs, and how community foundations can better address them?