



Hispanics in Philanthropy The Funders' Collaborative For Strong Latino Communities

Fortaleciendo a las
Comunidades Latinas:

Early Outcomes from the
Collaborative's First Six Sites



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EXECUTIVE SUMMARY

The Funders' Collaborative for Strong Latino Communities is an initiative of Hispanics in Philanthropy (HIP). The Funders' Collaborative is a multi-year, funder-driven program intended to increase the organizational capacity of small to medium-sized Latino-led nonprofit organizations in the United States and Latin America through long-term capacity building grants, grantee convenings, and technical assistance. The Collaborative's objectives are:

1. To strengthen the organizational capacity of Latino nonprofits;
2. To foster leadership among Latino nonprofits that incorporates a vision of inclusiveness and collaboration;
3. To increase organized philanthropy's understanding of Latino nonprofits, the communities they serve, and the role they play in society;
4. To increase the net amount of philanthropic dollars flowing to Latino nonprofits.

This evaluation report summarizes the progress of the initiative in meeting those objectives. It draws on early impact data from six sites: Northern California/Central Valley, Colorado, Upper Midwest, Philadelphia, Connecticut and New Mexico. Grant amounts ranged from \$4,800 over one year to \$150,000 over three years. The data was obtained through written self-assessments, telephone interviews with grantees, and a review of grantee reports. The evaluation team also interviewed participating funders.

Strengthening Organizational Capacity of Latino Nonprofits

Exhibit 1 shows the primary organizational issues identified by the grantees and their success in achieving the objectives they set for themselves related to increased capacity. A summary of the specific grantee accomplishments is presented in the following section.

Exhibit 1: Summary of Results (n=106)

| Organizational Development Area | Percent Reporting High Priority | Number with Objective in this Area | Percent Achieving Objective | Percent Showing Impact |
|--|--|---|------------------------------------|-------------------------------|
| Fundraising | 91% | 42 | 86%* | 68% |
| Board Development | 50% | 34 | 82% | 70% |
| Strategic Planning | 43% | 25 | 84% | 64% |
| Financial Management | 51% | 23 | 96% | 96% |
| HR/Staffing/Staff Development | 32% | 51** | 92%** | 88%** |

*Based on a randomly selected sample (n=22) due to the large number of grantees focusing in this area.

**HR/Staffing/Staff Development objectives overlap with other capacity building areas. Percent achieving objective and showing impact in this area are drawn from grantees working to hire senior management personnel, strengthen personnel practices, or provide staff technology training (n=22).

The evaluation clearly indicates that the Funders' Collaborative has been successful in strengthening the organizational capacity of those Latino nonprofits that have participated in it. Under this program, the participants have identified a wide range of organizational needs, with fundraising, board and staff development, financial management, and strategic planning at the forefront. Grantees have been effective in accomplishing the objectives of their grants (primarily described in process terms) and in turning those accomplishments into meaningful organizational impact. Achieving this during a time of economic decline, reduced foundation spending, and rising concern about immigrants in the U.S. makes the evaluation results even more noteworthy.

Specific Grant Outcomes

The evaluation has identified a range of outcomes from the surveys and interviews, including some notable unexpected results. They are:

1. Increased Fundraising Capacity

- New fundraising tools
- Increased knowledge of fundraising
- Increased outreach to individual donors
- Increased board involvement in fundraising
- Diversified funding
- Increased revenue
- Increased visibility and leveraged funding

2. Stronger Governance

- Increased knowledge of board roles and responsibilities
- Increased board participation
- Recruitment of new board members
- Increased board expertise
- Leadership development

3. Increased Strategic and Long-Term Planning

- Increased understanding of and commitment to organizational needs
- Development of shared vision and mission
- Increased focus on organizational priorities
- Development of stronger boards
- Leadership development
- Stronger foundation for growth

4. Stronger Financial Management

- Improved financial tools, systems, and personnel
- More effective and efficient management of finances
- Obtained 501 (c)(3) status

5. Staff Development

- New senior management positions
- More effective use of technology
- Increased staff retention

Fostering Leadership and Collaboration among Latino Nonprofits

One of the unique aspects of the Collaborative's approach to capacity building is that it is explicit about leadership development, a method for improving nonprofit effectiveness that is often overlooked by organizational capacity building programs. The Collaborative is fostering both individual and collaborative leadership in a variety of ways, including local and national convenings of grassroots leaders. Notable outcomes that have resulted thus far include the following:

- Development of nontraditional leaders
- Stronger relationships among Latino nonprofit leaders and organizations
- Formal and informal collaboration through peer networks
- Enhanced collaborative leadership

Close to three-quarters of grantees reported ongoing contact with other grantees as a result of the Collaborative. And nearly a third of grantees reported contacting other grantees about potential collaborative opportunities. A grantee-led advocacy effort on behalf of Latino nonprofits in Connecticut represents one of the more salient examples of collaborative leadership among Latino nonprofits within the Funders' Collaborative thus far. During a convening, grantees began discussing an idea that has since grown into a formal initiative to collectively promote the interests of Latino nonprofits at the state level. Relationships and networks developed through the initiative such as these may be the ultimate long-term legacy of the Collaborative.

Increasing Philanthropy's Understanding of Latino Nonprofits

Another distinctive aspect of the Funders' Collaborative is that it also attempts to educate funders about Latino communities and Latino nonprofits through regional and national funder meetings, convenings, and the promotion of funder-grantee interaction. According to the evaluator's interviews with participating funders, among the most important outcomes for them were:

- Increased awareness of Latino nonprofits
- Deepened understanding of Latino nonprofits and communities
- Increased expertise and the development of leadership
- Stronger relationships with other funders interested in Latino communities

More than half of participating funders indicated that involvement in the Funders' Collaborative increased or deepened their knowledge of Latino nonprofits and communities. As one participating funder explained, "I believe it has impacted both my work personally and day-to-day and my ability to work with my Board and Executive Director...to bring a vision [to them]"

of what the Latino community is and what its issues are....[The initiative] also raised our awareness of the needs that exist in the Latino nonprofit sector ...and increased our likelihood to fund more Latino-focused projects or Latino-led organizations.” As a result of knowledge gained and relationships developed among funders through the Funders’ Collaborative, two new Latino funds have been created at community foundations in Connecticut.

Increasing Funding of Latino Nonprofits

Despite a struggling economy and adverse funding environment, the Funders’ Collaborative has been markedly successful in linking grantees to new funding opportunities. Major impacts reported by grantees include the following:

- Close to half of grantees reported accessing new funding as a result of participating in the Funders’ Collaborative. Several more anticipated that improvements in organizational capacity and stronger links to funding networks will result in additional funding in the future;
- Small organizations reported the greatest success accessing new funding. Nearly two-thirds of organizations with budgets under \$200,000 were able to leverage the Funders’ Collaborative grant for additional funding.

As one of these grantees noted, “In terms of funding, we’ve increased our agency’s budget by at least 33 percent every year... Before the HIP grant our average grant was \$5,000 to \$7,000, but now it is an average of \$20,000.” However, only about a quarter of participating funders indicated that the Funders’ Collaborative had an impact on the number or amount of grants their organizations make to Latino nonprofits. These differing perspectives suggest that the Collaborative enhanced funding opportunities by building the capacity of organizations to seek funding, as well as strengthening their links to existing funding networks.

Discussion

There are several important features of the Funders’ Collaborative that have contributed to these accomplishments. The Collaborative’s approach to capacity building, which is based on respect for an organization’s ability to build its own capacity and an understanding of the unique experience of Latino nonprofits, fosters a deeper sense of trust and honesty between grantees and funders.

A second element of the Funders’ Collaborative that has contributed to the success of this project is the emphasis on leadership and collaboration. The convenings, from local workshops to the Leadership Training Institute, provide a secure setting in which participants build their social and professional networks with other Latino nonprofit executives. They allow the exchange that creates and sustains a sense of shared community. This produces self-confidence and a shared vision of Latino community and professional development. These mechanisms are especially powerful in Latino cultures, which place such importance on personal relationships.

A third element that has contributed to the success of the Collaborative is the focus on funders. By creating and sustaining a national (and international) group of funders, the Funders' Collaborative is strengthening the philanthropic infrastructure necessary to continue the growth of the Latino nonprofit sector. Some of the benefits may not occur until long after the initiative has ended, leaving a cadre of committed and informed grantmakers with a lifetime interest in supporting Latino communities.

Beyond these important features of the model, there are two additional findings from the data that should be highlighted. First, the evaluation identified the central role consultants play in this initiative and the importance of finding someone with technical expertise who is also able to work effectively in a Latino environment. The Funders' Collaborative is making a great contribution to the capacity building field by fostering diversity in the pool of consultants. Second, the evaluation identified the importance of boards and the special challenges and opportunities of board development for many Latino nonprofits. Boards are essential to the success of the work and the long-term future of the organizations. However, the expectations for nonprofit governance do not always fit the cultural expectations of some members of Latino communities.

Conclusion

The Funders' Collaborative has been successful in meeting its short-term goals, and is on track to achieve major impacts as the strategies it has promoted take root in the participating grantee and funding organizations. Most grantees have accomplished their capacity building grant objectives and many connected their achievements to real measures of organizational change. The Collaborative has succeeded in building sustained relationships among its grantees and has fostered the development of leadership, particularly among young and new executive directors and staff and board members from small organizations. The Collaborative's effort to initiate relationships between grantees and funders and connect grantees to new funding sources has also been effective. As noted, close to half of all grantees reported they had accessed new funding as a result of participating in the Funders' Collaborative, and small organizations again demonstrated the greatest success in this area. Further, very few grantees reported that they sensed any displacement occurring as a result of this initiative. While there is evidence that the Funders' Collaborative has proven to be an effective vehicle for linking participating grantees to new funding sources, it remains to be seen whether the amount of dollars flowing to Latino nonprofits will increase, and whether the pie actually grows bigger or is simply redistributed. The remaining challenges are to continue to broaden the base of funder support and refine the tools necessary to support Latino organizational development.

(To download a copy of the full report, please visit the Hispanics in Philanthropy website: www.hiponline.org)