

5 Foundation Trends That Will Continue in 2018+

By [Annie Rhodes](#) on Jan 19, 2018

Like many years in the past, 2017 continued to bring significant change to the way foundations approach their grantmaking, collaborate with each other, collaborate with their grant partners, collaborate with the public and private sectors and how they are utilizing technology and data to drive their strategy forward. Throughout the year we've continued to see a transformation in the philanthropic space that is now taking the shape of an evolution. Foundations are now utilizing their data to help guide their strategy, increase their impact and continually measure their success and the success of their programs. In doing this, foundations have been collaborating more than ever and utilizing the resources made available to them within these collaborative partnerships. We have seen a number of trends emerge this past year, but I believe that by understanding the following five major trends, your foundation can go into 2018 on-track and prepared for industry changes.

1. Grants that are Hyper Issue-Focused with Holistic Approaches to Problem Solving

Foundations have consistently remained conservative in their grant and operational spending since the financial market crash of 2008 and have been looking to do more with their limited resources. In order to combat the resource battle, foundations have continued to strategize ways to stretch their funding dollars. We've seen an increase of funders approaching grants as community or programmatic [investments](#) with a focus on solving specific issues and driving towards increased impact. Funders are now investing more into targeted programs, with a holistic approach to solving problems with the intention of having social return on that investment. Grant investments no longer need to be in dollars only, they often are in partnership, mentoring, guidance and connecting those grant investments to the people who can help them reach their goals. Taking the investment approach to grantmaking also comes with an increased need to measure results, capture the appropriate information on the progress towards intended goals and to share that information more broadly with others working to solve similar social problems.

Recommendation:

When you are working with your grant partners or reviewing their needs, work to connect them to all available resources. These resources may be dollars however, they are more likely to be volunteers, contacts you know, data, training and thought leadership.

2. Cross-Sector Collaboration in Action

In 2017, we saw an increase in foundation collaboration across initiatives with nonprofits, community members, corporations and governments. These [collaboratives](#) are working together on shared causes and innovating on creative ways to solve challenges. Technology has supported and helped grow this effort. Now more than ever, technology is advancing in its ability to allow nonprofits to see and share data and letting funders and other members of the community understand what they are trying to accomplish. Funders have access to their data and information in an instant and are often willing to share that data with others working to solve similar challenges. We've even seen a growth in collaboration as a requirement for grant applicants. For these applications, you must prove that you have a collaboration in place in order to achieve your grant investment goals.

Recommendation:

We encourage you to look at the way you and your grant investment collaborate. Is it inclusive of all perspectives? Does one partner's level of effort outweigh another partner? How can you increase your collaboration with the organizations you are investing? This year, we must ask ourselves this.

3. Technology Proliferation

Today there is software, websites or apps for everything, which means I can get a lot accomplished without leaving my house. When it comes to software in the social good space, especially for grantmaking, we keep seeing an increase in the number of foundations using technology to help drive their strategies, and an advancement in the power these systems have to help its users have greater impact. However, one challenge we are seeing as a result of the increase in the number of technology options for foundations is growing confusion on how to best manage their [technology needs](#) from a holistic perspective. Hosted (cloud-based) solutions now enable meaningful connections between your other cloud-based solutions, however, do you always approach your technology adoption decision from this bird's eye view rather than adopting a number of different solutions that don't talk to each other?

Recommendation:

In 2018, look at this comprehensive view of your technology needs and then identify the solutions that help accomplish these needs. Having connected solutions ensures an increase in data analytics, strengthened collaboration, precise financial management and improved customer relations management to name a few. Access to technology is leveling the philanthropic playing field, putting forth a lower barrier to entry for new philanthropists.

4. Diversity in Foundations

There has been an ongoing conversation about [diversity](#) in the philanthropy space. In many cases, organizations are serving diverse populations with diverse needs. Many people have begun to ask, “how can we serve a diverse population without a diverse organization?” It is understood that foundations need to take in the right people that will represent the people they serve. Foundations are now investing in diversity to ensure that their organizations reflect the organizations that they are serving. In the past year we have seen the greatest reflection of this around women in leadership roles. However, it isn’t just about diversity in staff. We are also seeing a diversification in the types of people that become funders and the types of organizations that are created to fund. We’ve seen the movement in the past few years from high net worth individuals who want to give their fortunes away before they die. We’ve more recently seen an increase of women funders, funding dollars coming from the technology space, and giving becoming possible even on a smaller scale (thank you community foundations!). This year we anticipate that we’ll continue to see a diversity in the people and types of organizations that set out to do good.

Recommendation:

Connect with your grant partners on what diversity means to them and understand how it reflects on the work that they are doing. Also, connect with them to better understand the make-up of their incoming dollars. If they are all skewed from one type of organization or donor, encourage your grant partner to diversify their funding streams. Just like our retirement advisors do to ensure that if something happens from one funding source, there are others to ensure they are supported.

5. Data and Analytics

Where are we if we don’t know how we are doing? We are continuing to see the need for data [at all levels](#) of the social good sector. What are the goals of this grant investment and how can I measure to those goals? What other support do the programs I am funding and investing in need in order to be successful? How are others helping to solve this same problem in my community? All of this can be answered with data and a lot of this can be answered with shared data. Funders now have dashboard views that enable them to see on one screen the status of their grants. They are able to map progress, visualize data, compare programmatic data with publicly available data, and then share that data out to an increasing number of stakeholders. Real-time data has been a game changer this year along with mobile access to information, allowing for meaningful engagement with staff, grant partners, program participants, donors and other stakeholders but to what end? We need to use this data to help guide our strategy, help map progress, combine with other data sources to look at some broader insights.

Recommendation:

Ask your data these key questions: Have we done what we set out to do? If no, why not? If yes, why so? What is the impact of our giving? And then share that with other funders and your grant recipients so that we all can learn and evolve our strategies.

We anticipate a year filled with much insight and collaboration, where grants are looked at as holistic investments, where we continually collaborate across sectors, where technology is understood from a comprehensive perspective, where our organizations are more diverse and reflective of the organizations we serve and where this rich data that we hold dear, teach us something and encourage us to better share.



ABOUT THE AUTHOR

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Annie Rhodes serves as the Director, Foundation Strategy at Blackbaud, the world's leading cloud software company powering social good. In this role, Annie helps philanthropic organizations leverage technology to optimize how they manage their giving and improve collaboration with funding partners and grant recipients. Annie is also aiding customers evolve from simple grantmaking programs to results-focused giving programs that establish and measure outcomes and drive toward impact. As part of this, Annie spearheaded the development of Blackbaud Outcomes™, a technology solution that helps funders and nonprofits track and measure the results of their giving programs. Annie also led the efforts to map Blackbaud Outcomes to the UN Sustainable Development Goals to provide funders with the opportunity to measure how their grants are contributing toward the broader efforts to achieve the SDGs.

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