

# Insights & Highlights

## Charity/Donor Huddle: Partnering for 2021 & Beyond

### Insights: Executive Summary

#### Background and Approach

In light of the disruptive global COVID-19 pandemic and sparked by a desire to thoughtfully approach granting in 2021, several Canadian charitable foundations sought to gain a better understanding of charities' realities and needs for the foreseeable future. To that end, the "Charity/Donor Huddle: Partnering for 2021 & Beyond" event was co-hosted by 7 foundation and philanthropy partners, each inviting 6 charities to attend. The co-hosting partners were encouraged to invite charities having a variety of revenue sizes to ensure diversity in the organizations attending the event.

Gathering over zoom, 54 charity and foundation or philanthropy leaders representing 43 organizations came together on January 12, 2021 for two hours to discuss how to partner effectively to enable flourishing in the next 12-24 months. Charities attending the event represented a variety of geographies both in terms of office location in Canada as well as geographic area for service and program delivery in Canada and abroad. Participants also had diversity in size of staff, delivery models and focus areas. Following a short plenary welcome and overview, participants moved into five breakout groups, hosted by two of the foundation partners for the event. Breakout groups were organized by broadly grouping participants according to program/service delivery model and focus area:

- Domestic Evangelism & Discipleship
- Domestic Community Service
- Global Relief, Development & Missions - Partnership Model
- Global Relief, Development & Missions - Direct Delivery Model
- Influencers, Academia & Catalysts

Lasting more than 100 minutes, these focus group-style discussions facilitated more intimate dialogue around several key themes. The event ended with a brief plenary wrap-up session during which participants shared their key take-away learnings from the event.

#### Emerging Themes

##### 2020 versus 2021

When reflecting on their organization's ability to flourish in 2020, charitable leaders identified the following activities as critical success factors. Most of the comments related to actions that leaders and organizations took to make internal adjustments. In particular, many of the comments related to caring for staff, empowering teams and catalysing positive, intentional and mission-focused change. Common external critical

success factors revolved around communication and relational fundraising with integrity. However, while most of the critical success factors for 2020 related to internal actions taken, leaders' most pressing

##### *2020 Critical Success Factors*

INTERNAL
<ul style="list-style-type: none"> <li>• Care for staff</li> <li>• Empower leaders and staff</li> <li>• Maintain a long-term, missional focus</li> <li>• Reframe attitudes and perspectives</li> <li>• Catalyse desirable change</li> <li>• Be intentional</li> <li>• Institutionalize flexibility</li> <li>• Adjust costs strategically</li> <li>• Celebrate accomplishments</li> <li>• Pray more and more specifically</li> <li>• Access emergency funding and subsidies</li> </ul>
EXTERNAL
<ul style="list-style-type: none"> <li>• Communicate, communicate, communicate</li> <li>• Increase program and service delivery</li> <li>• Maximize online delivery models</li> <li>• Fundraise effectively and with integrity</li> </ul>

VS.

##### *2021 Most Anticipated Challenges*

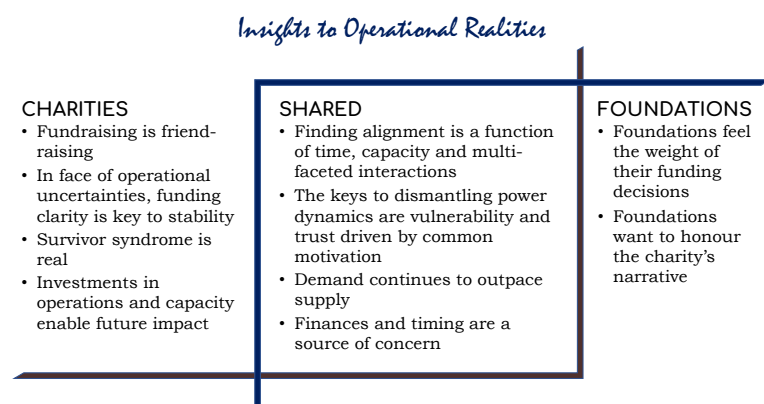
INTERNAL
<ul style="list-style-type: none"> <li>• Staff well-being, resilience and fatigue</li> <li>• Leader burnout</li> <li>• Lack of genuine connection</li> <li>• Retaining hope and joy</li> </ul>
EXTERNAL
<ul style="list-style-type: none"> <li>• Funding and fundraising</li> <li>• Prolonged uncertainty and continuous disruption</li> <li>• Technology limitations complicated by persisting restrictions for in-person gatherings</li> <li>• Travel restrictions</li> <li>• Increasing constituent needs</li> <li>• Opposing paradigms and existential questions</li> </ul>

concerns for 2021 are primarily external factors beyond the direct control of leaders and are often expressed with anxious uncertainty of how to move forward. Leaders' most significant internal concerns relate to staff; primarily out of a deep desire and duty to care for their people. Interestingly, staff well-being was essential in 2020 and is anticipated to be even more so in 2021.

To read more, click on the links below:

- [Critical Success Factors for Organizational Flourishing in 2020](#)
- [Most Pressing Challenges Anticipated for 2021](#)

## **Desire for Mutual Understanding**



As charitable and foundation leaders discussed their operational realities, several areas arose as areas in which there is a desire for greater shared knowledge. In particular, there are many mutually shared realities that parallel for charities and foundations. Both charities and foundations desire authentic relationships and both charities and foundations are concerned about scarcity of resources and finances.

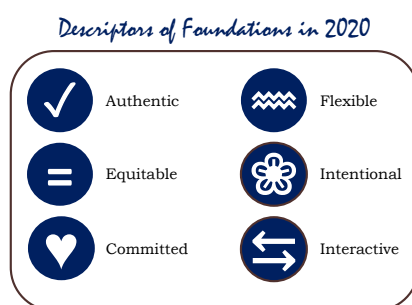
To read more, click on this link: [Desired Shared Knowledge of Operating Realities](#)

## **The Nature of Charity-Foundation Relationships**

Reflecting on the last 12 months, charity and foundation leaders shared how charity-relationships changed in 2020. Interestingly, previously-existing donor relationships were described as more open on every level while potential or new donor relationships were viewed as much more challenging.

The majority of comments about the most supportive actions taken by foundations for charities in 2020 related to increasing levels of relational trust demonstrated through foundations' giving. Charities unanimously supported the continuance, and even furthering, of the supportive actions taken by foundations in the last year. Additionally, charity leaders suggested the following would be of high impact. Suggestions for future possible actions for foundations related primarily to engaging differently and more deeply with charities.

Looking forward, charity and foundation leaders hope that relationships within the charitable sector will continue to enable mutual flourishing. Most significantly, the comments related to communication, a deeper mutual understanding and a desire for increased flexibility in funding.



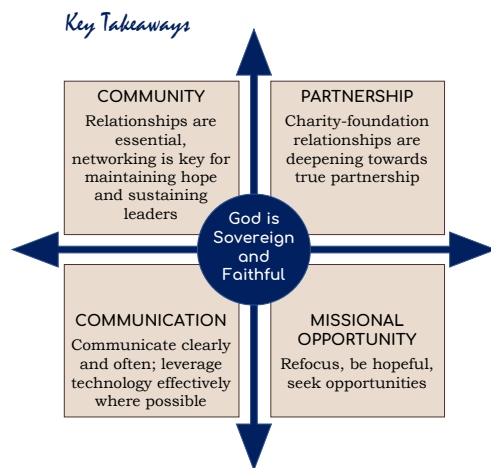
## Most Supportive Actions by Foundation for Charities

as it relates to...	Funding	Charity Relationship	Donor Relationships
Actions Taken in 2020	<ul style="list-style-type: none"> <li>• Unrestricted funds, increased flexibility</li> <li>• Immediate funding, flexibility in timing</li> <li>• Additional/unsolicited funding</li> <li>• Openness to changes in giving patterns to meet charities' needs</li> <li>• Eased reporting requirements</li> <li>• Clarity in giving priorities, appropriate ask, expectations for future funding</li> </ul>	<ul style="list-style-type: none"> <li>• Greater trust and risk taking in granting relationships</li> <li>• Generative, collaborative discussion to explore opportunities and ideas</li> <li>• More relational, personal and caring approach</li> </ul>	<ul style="list-style-type: none"> <li>• Act as peer influencers to other foundations, donors</li> <li>• Investments into their own learning about why a particular issue is important, worth giving to</li> <li>• Act as convenors and facilitators of knowledge sharing to bring peers together across the sector</li> </ul>
Future Suggestions	<ul style="list-style-type: none"> <li>• Invest in: <ul style="list-style-type: none"> <li>◦ charity operations</li> <li>◦ ongoing programs</li> <li>◦ capacity building</li> <li>◦ unproven ideas</li> <li>◦ leader development/ support</li> </ul> </li> <li>• Dispel any perceptions of possible unintended negative consequences or penalty for redirecting funds to other needs</li> </ul>	<ul style="list-style-type: none"> <li>• Offer/support leader care</li> <li>• Learn deeply about the future direction of the charity, provide strategic input upfront in long-term planning</li> <li>• Co-create opportunities with charity for strategic engagement beyond funding</li> <li>• Field visits</li> </ul>	<ul style="list-style-type: none"> <li>• Act as peer influencers to encourage other foundations in their learning journeys and giving</li> </ul>

To read more, click on the links below:

- [The Changing Nature of Charity-Foundation Relationships in 2020](#)
- [Most Supportive Actions by Foundations for Charities](#)
- [Desired Characteristics of Charity-Foundation Relationships to Enable Mutual Flourishing in 2021 & Beyond](#)

## Conclusion



When reflecting on the event and discussions, participants articulated a variety of key learnings. Many of the comments centered on relationships and communication. Participants also shared many thoughts that touched on the perspective that the future is in God's hands and He desires the very best for this world He loves dearly.

In general, discussions during the event highlighted that those charities that remained missionally focused rather than reactive have fared better through the challenges of the global pandemic to date. Additionally, a relational approach to fundraising has been significantly more effective than purely transactional interactions both for charities and foundations.

Notably, many charity leaders are fatigued and overwhelmed following a very challenging year and with continuing significant ongoing disruption and uncertainty anticipated for a second consecutive year. Interestingly, foundations are uniquely poised to partner with charities to directly address their most significant concern for 2021 – funding and fundraising. Foundations may also have the opportunity to play a valuable role in leader care addressing leader burnout and fatigue in 2021.

To read more, click on this link: [Key Takeaways](#)

For more information about this event or this report, please contact Frances Wilson, Administrative Director, Acts of Grace Foundation ([frances@actsofgrace.ca](mailto:frances@actsofgrace.ca) or 1-866-232-2841 extension 103).

## Highlights: Summary Notes

*Each of the following sections highlight the key points or recurring themes that emerged during discussion, as expressed by charity and foundation leaders. Comments are generally summarized with the most frequently mentioned topic areas listed first.*

### Critical Success Factors for Organizational Flourishing in 2020

When reflecting on their organization's ability to flourish in 2020, charitable leaders identified the following activities as critical success factors. Most of the comments related to actions that leaders and organizations took to make internal adjustments. In particular, many of the comments related to caring for staff, empowering teams and catalysing positive, intentional and mission-focused change. Common external critical success factors revolved around communication and relational fundraising with integrity.

#### Internal

##### **Care for staff.**

- Prioritize relationships and staff's personal well-being for first 6-8 weeks of pandemic
- Increase frequency of personal check-in and care-based interactions with staff (individually)
- Increase frequency of team meetings for connection and communication (group)
- Normalize individually-unique responses to the pandemic and offer equally individualized expectations and support from supervisors
- Openly communicate financial position of the organization to address and resolve staff concerns
- Facilitate staff working within their giftings and leverage the collective strengths of the team
- Increase flexibility and acceptance for where, when and how people work
- Offer extra time off including instituting office-wide extensions of long weekends, required time off
- Offer practical workshops to recognize (support staff through) the challenges of this period of time

##### **Empower leaders and staff.**

- Practice collaborative leadership by decentralizing decision making to those in closest proximity to the issues for them to assess needs, make decisions and develop and implement creative solutions
- Encourage near-culture leaders to share their needs in the context of a trust-based relationship
- Actively trust and support near-culture field staff and leadership in a "stand alongside" approach rather than a "lead" approach
- Provide training and accreditation for near-culture leaders to facilitate essential training and program/service delivery in their own context rather than relying on international travel

##### **Maintain a long-term, missional focus.**

- Make future-oriented investments for longer-term benefit with impact extending beyond pandemic
- Focus sharply on pursuing the primary mission of the organization
- Leverage the changing environment to develop new opportunities and solutions to pursue the mission
- Ensure that the organization is able to meet commitments and effectively deliver on its mission despite changing circumstances

##### **Reframe attitudes and perspectives.**

- Seek out opportunities within the crisis to creatively serve the mission
- Focus mindsets on what *can or could* be done to fulfill the mission in a meaningful way rather than what can no longer be done or loss
- Use language that affirms change positively (e.g., "re-engineer" vs. "pivot")
- Assume a posture of gratitude for those activities that can continue despite restrictions and for opportunities to pursue other projects not achievable simultaneous with previous programming

##### **Catalyse desirable change.**

- Make strategic technology investments
- Accelerate activities and initiatives that were previously unable to be addressed during period of high-level operations or those that were delayed or moving slowly

- Utilize technology platforms as mechanism to foster enhanced diversity, inclusion and engagement (gender, geographic, ethnic) for both staff and board, local and remote, domestic and international

#### ***Be intentional.***

- Pause all programming and operations for 48 hours to assess the situation objectively with fullest information possible in order to set a plan for effectively meeting needs
- Make necessary adjustments to operations, programming and service delivery then focus intentionally on this revised plan rather than previous plans and methods

#### ***Institutionalize flexibility.***

- Develop, implement and regularly communicate plans for shortened time frames (30, 60 90 days)
- Update plans frequently with constant communication to give line of sight for staff, board and key stakeholders
- Conduct scenario planning with board, senior management, and key stakeholders at the outset of the pandemic to create alignment and capacity necessary to withstand challenging circumstances
- Mobilize Rapid Response Teams to meet very frequently, sometimes daily, to assess the unfolding situation and determine organizational response(s)
- Respond quickly to changing environments and changing needs
- Maintain a clear understanding of financial position and cash reserves to support rapid response

#### ***Adjust costs strategically.***

- Significantly reduce budget by eliminating non-essentials
- Spend strategically on those areas with highest ROI
- Prioritize staff retention and salary stability where possible
- Reprioritize costs from long-term plans towards near-term communications expenses
- Find synergies in administrative and back-office expenses to reduce cost

#### ***Celebrate accomplishments.***

- Implement projects with distinct and defined milestones or end points to create sense of achievement
- Recognize and celebrate key milestones and accomplishments as they happen

#### ***Pray more and more specifically.***

- Increase intentionality, frequency, specificity of prayer – as individuals and as staff teams – including praying for staff, supporters and constituents

#### ***Access emergency funding and subsidies.***

- Access government, community and grant funding made available for this specific period of time

### **External**

#### ***Communicate, communicate, communicate.***

- Leverage phone and paper-based communication for constituents without or with limited web access
- Greatly increase frequency and channels of communication to donors, stakeholders and constituents
- Add a pandemic response page on the website to highlight plans and changes to programs/services
- Address donor and stakeholder concerns for the organization's well-being
- Increase frequency of personal check-in and care-based interactions with supporters without "ask"
- Share and glean experiences and practices with/from supporters and charitable networks

#### ***Increase program and service delivery.***

- Increase access to services through remote delivery channels (phone, zoom, etc.)
- Survey or learn from constituents to identify priority needs and create solutions to address them
- Develop new resources to support new or exacerbated pandemic-driven constituent needs
- Obtain classification as essential service to ensure continued ability to deliver programs/services

***Maximize online delivery models.***

- Develop and implement new technology platforms (non-Zoom) to deliver programs/services
- Expand scope and reach as well as enhance content of programs/services and events to international audience through new delivery platforms
- Make use of technology platforms to increase stakeholder engagement in attending and inviting others to events
- Leverage social media and online marketing to host highly successful earned-income and donor engagement events (banquets, etc.)

***Fundraise effectively and with integrity.***

- Increase capacity in development – redeploy staff, implement a new donor management system, increase communications
- Lean into the heightened, collective desire to achieve a common good
- Reduce asks once needs are met, to create opportunity for more equitable distribution of resources between charities and reduce the need to compete directly for funding



## Most Pressing Challenges Anticipated for 2021

When considering the next 12 months, charitable leaders anticipate that the following issues will pose the most pressing challenges for their organizations. While most of the critical success factors for 2020 related to internal actions taken, leaders' most pressing concerns for 2021 are primarily external factors beyond the direct control of leaders (funding, ongoing uncertainty and disruption, opposing forces) and are often expressed with anxious uncertainty of how to move forward. Leaders' most significant internal concerns relate to staff; primarily out of a deep desire and duty to care for their people.

### **External**

#### ***Funding and fundraising.***

- The pandemic has increased the demand for charity programs and services, therefore also the need for funding
- Charities have significant concerns about the risk of missing opportunities due to lack of capacity
- While many charities are experiencing sustained or increased donation levels overall (compared to 2019), the pandemic has also heightened any pre-existing challenges in fundraising
- There are concerns about increasing levels of donor fatigue in tension with ambitious plans for growth
- There is significant concern, for those charities that have experienced an increase in funding, that this increase is a temporary and unsustainable spike in funding and that the predicted (yet unproven) charitable funding crisis will become a reality
- There has been a general shift of giving towards meeting basic human needs for well-being, away from more aspirational missions and/or activities such as culture, arts, etc.
- Historically reliable, church-based financial support for charities has decreased dramatically during the pandemic and returns to pre-pandemic levels remain uncertain
- There are significant uncertainties in projecting future revenue which poses challenges in reconnecting funding to delayed or deferred initiatives that need to restart
- Major donors continue to demonstrate reluctance to developing new giving relationships with an ongoing preference for continued or increased giving with a limited number of "top charities of choice"
- Limited in-person gatherings, travel restrictions and budget constraints further exacerbate pandemic-driven challenges in developing relationships with new major donors
- There are uncertainties about the continuation of government financial support and subsidies as a source of revenue for the near-term future
- There is concern about a possible elimination of government financial support coinciding with other potential (predicted yet unproven) future decreases in donor support
- There are widespread concerns that positive changes in major donor giving patterns – less restrictions and designations, increased flexibility (application, project approach, reporting), closer donor-charity relationships /partnerships - will be lost or undone following the pandemic or as the pandemic extends into the longer-term future
- Macro-level concerns about long-term trends towards reduced giving levels are compounded by reputed decreases (past and future) in giving overall due to the pandemic, despite this not being the actual experience of many charities
- Macro-level concerns about trends away from faith- and community-based giving mechanisms towards corporate social giving platforms (touting significant impact opportunity through larger donation amounts) are compounded by decreases in church-based giving during the pandemic

#### ***Prolonged uncertainty and continuous disruption.***

- Continued uncertainty of and changes in sector-specific restrictions and requirements pose significant challenges to planning, delivering programs and services as well as events
- Persisting and/or increasing restrictions will continue to prevent charities' access to those who need help and those served by the charity
- The extended and continued unpredictability of the nature and timing of pandemic-related restrictions without a foreseeable end point erodes resilience, creates change fatigue and undermines innovation
- The lack of a stable and anticipated future coupled with a historically unique giving trend in the last 12 months causes difficulties in planning and budgeting for the future

- Constant disruptions in program and service delivery caused by changing restrictions negatively affects team motivation while simultaneously reducing donor attention
- There is general timidity and apprehension in setting or implementing plans in anticipation of potential looming disruption and change
- Ongoing volatility coupled with predictions of a forthcoming (but not yet realized nor proven) crisis in the charitable sector immobilizes organizations in anticipation of the worst case
- Increased demand for charities' programs and services during a period of significant volatility heightens the need for sustainable growth and stability to ensure long-term effectiveness

#### ***Technology limitations complicated by persisting restrictions for in-person gatherings.***

- Technology has limited effectiveness for difficult or sensitive conversations, complex decision making, highly interactive activities and/or highly personalized program or service delivery
- There is increasing resistance to using video conferencing platforms for all types of interactions including meetings, fundraisers, events, virtual "coffee", etc.
- Technology-enabled program and service delivery is not a uniformly accessible or a viable option for particular populations segments including the elderly, the vulnerable, those living in areas without reliable internet infrastructure, those without access to internet or devices
- Technology-enabled approaches for talent management are less than ideal for recruitment, selection, developmental performance management and dismissals
- Video conferencing platforms or other technology-enabled mechanisms pose challenges in developing and maintaining genuine connections with major donors
- Remote and virtual delivery models foster disengagement and apathy, especially among donors, stakeholders and constituents, due to disconnect from the organization's vision and practical, hands-on involvement in pursuing the organization's mission

#### ***Travel restrictions.***

- Travel restrictions and reduced choices in travel directly affect organizations by reducing activity, reducing effectiveness and/or increasing cost (reducing efficiency)
- Inefficiencies and reduced effectiveness in providing effective needs assessment and planning, operations, oversight, measurement and evaluation, especially for internationally-focused organizations
- Inability to or increased costs in mobilizing volunteer project teams results in direct increase in project costs as well as decreased awareness of the organization, its mission and needs resulting in less donations to the organization

#### ***Increasing constituent needs.***

- The need (demand) for charities' programs and services continues to increase, despite or because of the pandemic
- Charities are concerned that constituents' needs continue unmet either because needs have increased or because charities' programs and services are limited by the pandemic
- Charities are concerned about their ability to meet pre-existing constituent needs while simultaneously addressing (new) pandemic-related concerns and also continuing to respond to unanticipated priorities as they arise

#### ***Opposing paradigms and existential questions.***

- A pervasive desire to return to prior norms risks eroding the opportunity to pursue transformation and greater flourishing and eliminating positive gains realized through this period of significant change
- Charities are wrestling with many questions related to the desired and intended state of existence in the future including a return to pre-pandemic operations, solidifying opportunities realized and gains made during the pandemic and/or a renewal of organizational identity post-pandemic
- Many organizations are uncertain of how and when to best leverage pandemic-driven growth opportunities while resuming select essential pre-pandemic activities
- Despite its limitations and current overuse thereby driving fatigue, the long-term effective use of technology must be considered for a sustainable future charitable operating model



- There are concerns that an extended period of high-paced survival mode operations coupled with constant change may have the unintended consequence of mission drift due to time limitations to discern appropriate courses of action and significant uncertainties about the future
- The pandemic has heightened the tension of faith-basis in God's sovereignty and provision versus the real and practical need for funding and money to continue to operate
- There is a wide spread tension between faith-based courage fostering faithful forward movement versus practical lived experience fostering cautious and apprehensive planning in the face of significant uncertainty

## **Internal**

### ***Staff well-being, resilience and fatigue.***

- Staff mental health is of increasing significant and widespread concern as fatigue settles in and resilience wanes - driven by uncertainty, change, prolonged increased pace of work, isolation, pandemic-related health concerns and technology use – without any foreseeable end point
- Discouragement, frustration and resistance to change are increasingly commonplace in face of ongoing restrictions, disruptions and uncertainty adding complexity and limitations to work environments as well as program and service delivery
- Appetite for technology-enabled engagement is lessening
- There are significant concerns about the ability to nurture effective organizational culture and teams in a virtual, change-filled world
- Leaders feel a real responsibility to care for staff whose jobs are not possible with pandemic-related restrictions in place
- There are practical concerns for staff and partners that are delayed in returning to Canada due to travel restrictions and for international staff and partners that continue to persevere through very difficult situations

### ***Leader burnout.***

- There are very few forums in which charitable leaders are able to have safe, authentic vulnerability about personal well-being, resilience and fatigue
- Instances of leader burnout, drop out and transition are increasing at a time when leadership-level stability, creativity and resilience are essential, even more so than the last 12 months

### ***Lack of genuine human connection.***

- There is a widespread and deeply felt need for increased connection with others, now more than ever
- The need for authentic opportunities for human relationship and connection, both formal and informal, is increasing significantly despite ongoing restrictions for in-person gatherings
- The need to bring staff, leaders, donors and stakeholders together for encouragement and prayer is increasing significantly to combat fatigue, discouragement, and waning resilience.
- Natural connections between organizations within the charitable sector risk erosion under a singularly remote engagement approach
- Use of entirely virtual and remote communication methods poses challenges for open and relational dialogue to address difficult conversations expediently and effectively including increased polarization due to increased Fundamental Attribution Error
- Technology is limited in its effectiveness to foster effective conversation, genuine connection and
- Unplanned interactions that reinforce formal relationships and develop friendships no longer exist

### ***Retaining hope and joy.***

- The initial creativity and positivity fostered at the outset of the pandemic are waning towards hopelessness and desperation as fatigue increases
- There is a need for continued innovation, optimism and hope while authentically recognizing the significant practical impact the pandemic has had for many
- The magnitude of the pandemic, its implications and its impact on organizations, individuals and communities has the propensity to overwhelm and create a minimalized view of the potential impact of any one charity's or individual's actions to meet a need, pandemic-related or otherwise
- There are concerns that fear – not faith - will motivate behaviour, undermining confidence and trust

## Desired Shared Knowledge of Operating Realities

As charitable and foundation leaders discussed their operational realities, several areas arose as areas in which there is a desire for greater shared knowledge. In particular, there are many mutually shared realities that parallel for charities and foundations. Both charities and foundations desire authentic relationships and both charities and foundations are concerned about scarcity of resources and finances.

### **Both**

#### ***Finding alignment is a function of time, capacity and multifaceted interactions.***

- Where foundations and charities share the deepest mutual understanding much time and energy has been spent investing in multifaceted interactions beyond a written application (office and field visits, information gathering meetings, phone calls, events, etc.) that not only clarify vision, mission operations and impact but also organizational culture and values
- A deep shared understanding of each organization's identity and environment enables transparent communication about desired impact and, ultimately, supports identifying longer-term effective and mutually beneficial approaches to working together
- One-directional communication vehicles (websites, newsletters, applications, etc.) often use broad or unclear language that fails to clearly distinguish what makes a charity or foundation unique
- There is no natural or existing forum or mechanism to facilitate identifying like-minded partners
- Initial meetings between charity and foundation representatives prior to an application are often very effective for discerning areas alignment
- Cross referrals between foundations and charities are help to shorten the discovery process
- Operational priorities and volume of work often supersede the genuine and deeply felt desire (and time) to develop relationships beyond a formal application process

#### ***The keys to dismantling power dynamics are vulnerability and trust driven by common motivation.***

- Charitable leaders and foundations are mutually motivated by the potential impact and change that can be derived from the work done
- Charitable leaders feel significant pressure to “have all the answers” or risk being perceived as incompetent especially as it relates to fostering confidence with staff and donors
  - This often leads to narrowly developed and/or inflexible but concrete proposals and initiatives that may or may not achieve the necessary outcomes and impact
- Foundation leaders feel significant pressure to understand all the needs and solutions or risk being perceived as obtuse especially as it relates to interacting with charities and considering proposals
  - This often leads to lengthy, information-heavy application processes that may or may not result in investments that achieve the desired outcomes and impact
- Where charities and foundations demonstrate vulnerable trust through more interactive dialogue, mutual encouragement, willingness to teach and to listen and creativity are common responses
- There is tremendous creative potential for “greater-than-the-sum-of-parts” level generative thinking when charities and foundations co-create opportunities for collaboration

#### ***Demand continues to outpace supply.***

- The pandemic catalyzed growth for many charities, sometimes significantly so, in terms of new constituents, new “markets” and responses to new/unanticipated needs
- Financial constraints are a primary concern that limit charities’ capacity to respond to increased needs, especially for the long-term
- Foundations are also facing increased number of requests for funding, in terms of new requests from existing charitable partners as well as requests from “new” charities
- Foundations are acutely aware of the constant need for more funding yet are also faced with financial constraints that limit their capacity to respond to charities’ requests, some more than ever

#### ***Finances and timing are a source of concern.***

- There is a desire for mutual recognition of the similarities and interconnectedness of financial pressures faced by both charities and foundations, in particular as it relates to cash flow and timing

- A sector trend towards year-end giving poses significant concerns for charities without significant cash reserves to support operations throughout the year yet many foundations are financially tied to businesses that are facing similar challenges and are unable to make contributions until year-end
- There is a shared need for nimbleness to communicate, respond to and fund needs in a timely way and to align the timing of funding with needs as they arise

### **Charities' Realities**

#### ***Fundraising is friend-raising.***

- For many charitable leaders, the core element of fundraising, more than the “ask” is developing new relationships, contacts and even friendships
- Charities have a deep desire to honour each foundation’s communication preferences and needs but need clarity about the foundation’s desired nature, style, level and timing of interaction

#### ***In face of operational uncertainties, funding clarity is key to stability.***

- Given persisting volatility in the external environment, budgeting is particularly complex for charities
- Foundations have the opportunity to foster stability within the charitable sector by clearly communicating the availability and timing of funding

#### ***Survivor syndrome is real.***

- Those charities that are growing and flourishing despite pandemic feel a sense of guilt and a hesitance to share or celebrate successes widely
- Charities that are not currently in crisis nor experiencing the downside effects of the pandemic are concerned that their organizations will be overlooked for funding

#### ***Investments in operations and capacity enable future impact.***

- Funding to support charity operations and build charity capacity are essential for increasing the future effectiveness of the charity in achieving its vision and mission
- Capacity building investments enable charities to leverage strategic opportunities as they arise

### **Foundations' Realities**

#### ***Foundations feel the weight of their funding decisions.***

- Foundations experience both joy and heart break in their giving decisions
- Granting decisions are not arrived at easily; foundations face struggles in selecting the priorities to give to, at what level and the appropriate timing

#### ***Foundations want to honour the charity's narrative.***

- Foundations’ application forms and processes seek to balance the foundation board’s need for sufficient information to enable effective and equitable decision-making with the charity’s need to provide sufficient information to enable foundation administrators to represent that charity well in the decision-making process
- Foundation leaders face the challenge to remember and clearly communicate many charities’ stories at the same time within a short period of time
- Honest, clear and specific responses to foundations’ questions help administrators and decision makers to understand the need, response, partnership opportunity and desired impact

## The Changing Nature of Charity-Foundation Relationships in 2020

Reflecting on the last 12 months, charity and foundation leaders shared how charity-relationships changed in 2020. Interestingly, previously-existing donor relationships were described as more open on every level while potential or new donor relationships were viewed as much more challenging.

### Pre-Existing Charity-Foundation Relationships

#### ***Relational, authentic.***

- There is a widespread consensus that, over the last 12 months, charity-donor relationships moved away from the transactional, towards the relational and more like true partnership
- Throughout 2020, many foundations reached out to charities to check in on how they are, how their leaders are faring personally, what the charities need and how the foundation can help
- Foundation leaders also are also grateful for charity leaders that touched base, concerned for them
- There has been a significant increase in understanding of the mutual need to and role to pray, encourage, listen and care for each other over the last 12 months
- The pandemic has humanized interactions between charities and foundations, with significantly increased vulnerability and authenticity in interactions
- The pandemic created a shared experience that draws charity and foundation leaders together on a personal level

#### ***Equitable.***

- The uncertainty caused by the global pandemic has dismantled previously held perceptions related to charities' ability to plan, anticipate outcomes and understand all elements of a particular topic sparking increased dialogue between charities and foundations about opportunities to meet needs
- Many charity and foundation leaders expressed a sense of more equitable journeying together through the pandemic and to continue to meet the needs of the constituents served by the charities
  - There is widespread acknowledgement by charities that power imbalances have lessened and a more partnership-style approach has emerged with institutional donors and foundations
  - Foundations also feel that charities have a deeper understanding and appreciation of foundations' challenges and operating realities, which is echoed by charities that cite increased visibility to foundations' decision-making structures and approaches

#### ***Committed.***

- In many cases, foundations and major donors entrenched giving relationships to care for the charities with which relationships existed already, in a more patronage style of support for a challenging time
- Some foundations narrowed giving relationships to only a select group of "top charities of choice"
- Some foundations affirmed their commitment to charities but due to financial constraints, rather than not giving, chose to defer giving into future periods

#### ***Flexible.***

- Many charities experienced significantly increased flexibility in funding from foundations in the last 12 months including:
  - Unrestricting existing gifts and/or offering additional (new) unrestricted funding
  - Willingness on the part of the foundation to re-direct funds towards other initiatives
  - Increased expediency and flexibility in timing of gift, according to the charity's need
- Foundations were more open to and charities were more comfortable in pursuing conversations about unusual or unique opportunities and ideas outside of normal granting patterns
- Foundations also often adapted reporting requirements and timelines in recognition of the impact and implications of the pandemic as it relates to the urgency of charities focusing on operational priorities, challenges in gathering information and/or challenges in achieving originally planned outcomes

#### ***Supportive, generous.***

- Charities have felt an outpouring of support from foundations over the last 12 months
- There is wide-spread recognition of the significant generosity of foundations over the last year

- Even in the absence of a monetary relationship, charities feel more supported by foundations than previously
- Although some individual major donors and small-staff foundations reduced communication due to significantly increased operational priorities or other challenges posed by the pandemic, many continued to give sacrificially to support charities' work

#### ***Intentional.***

- Closures, restrictions on in-person gatherings and remote working have limited naturally social or unplanned interactions (lunches/dinners, coffee, conferences, commuting, "running into each other")
- Although scheduled and more strictly time limited, generally expressed clarity for the purpose of meeting coupled with a more relational tone fosters a more intentional and more frequent communication pattern

#### ***Interactive.***

- A more relational approach over the last year has created the opportunity and necessity for more frequent, more timely, more open and more creative interactions between charities and funders moving away from one-directional or single format communication mechanisms
- Charities genuinely appreciate the role that foundations have stepped into playing as convenors and facilitators of knowledge sharing to bring peers together across the sector

### **New (Potential) Charity-Foundation Relationships**

#### ***Challenging.***

- There is a widespread sense that developing new foundation and donor relationships has been particularly difficult over the last 12 months
- There are significant uncertainties, concerns and challenges in engaging donors without in-person connection points

#### ***Stretched.***

- Donor development activities have required significantly more effort and resources for reduced "yield"
- Charities perceive a thinning of their donor pipeline despite a significant increase in resources allocated to fundraising in the last year
- Charities are investing efforts into raising staff awareness of how each employee contributes to the organization's revenue
- Due to the pressures of competing operational priorities catalyzed by the pandemic, some charitable leaders were unable to dedicate significant time and energy to developing new donor relationships which compounds the effects of the other fundraising realities presented by the pandemic

## Most Supportive Actions by Foundations for Charities

Reflecting on the last 12 months, charity leaders shared the most supportive actions that foundations took in 2020 as well as other potentially high-impact actions that foundations could take in the future. The majority of comments about actions taken by foundations in 2020 related to increasing levels of relational trust demonstrated through foundations' giving. Suggestions for future possible actions for foundations related primarily to engaging differently and more deeply with charities.

### **Most Supportive Foundation Actions In 2020**

#### ***As it relates to funding:***

- Unrestricted funds or increased flexibility in use of funds
- Immediate funding or flexibility in timing, given with timing that meets charities' cash flow needs
- Additional and unsolicited funding
- Openness to changes in giving patterns to meet charities' needs
- Eased reporting requirements (requirements, frequency, intensity, customization)
- Increased clarity in giving priorities
- Clarity on appropriate ask
- Clarity on expectations for future funding

#### ***As it relates to relationships with charities:***

- Greater trust and risk taking in granting relationships
- Generative, collaborative discussion to explore opportunities and ideas
- More relational, personal and caring approach

#### ***As it relates to relationships with other donors and foundations:***

- Acting as peer influencers to other foundations and donors
- Making investments into their own learning about why a particular issue is important or worth giving to
- Acting as convenors and facilitators of knowledge sharing to bring peers together across the sector

### **Additional Highly Supportive Actions Foundations Could Take in the Future**

*Charities unanimously supported the continuance, and even furthering, of the supportive actions taken by foundations in the last year. Additionally, charity leaders suggested the following would be of high impact.*

#### ***As it relates to funding:***

- Invest in charity operations and capacity building, in innovation and unproven ideas and, in developing and supporting leaders in the charitable sector
- Dispel any charity perceptions or self-imposed pressures of possible unintended negative consequences or that the charity would be penalized for redirecting funds towards other needs

#### ***As it relates to relationships with charities:***

- Offer and/or support leader care within the charitable sector
- Engage in opportunities to learn deeply about the future direction of the charity and provide strategic input upfront in long-term planning process
- Collaborate with the charity to co-create opportunities for strategic engagement beyond funding
- Visit the "field" to engage with front-line staff and gain deep first-hand knowledge of the charity

#### ***As it relates to relationships with other donors and foundations:***

- Act as peer influencers to encourage other foundations in their learning journeys and giving



## Desired Characteristics of Charity-Foundation Relationships to Enable Mutual Flourishing in 2021 & Beyond

Looking forward, charity and foundation leaders hope that relationships within the charitable sector will enable mutual flourishing. Most significantly, the comments related to communication, a deeper mutual understanding between charities and foundations and a desire for increased flexibility in funding.

### ***Enhanced and more frequent communication.***

- Authentic and regular communication facilitates the development of relationships without a power imbalance between donors and charities
- Transparent, vulnerable communication that expresses the needs and desires of both the charity and foundation are essential to finding partnership opportunities that support both organizations in achieving their missions
- Charities find it particularly helpful when foundations take the time to get to know the charity and also to share about the foundation's areas of interest and approach
- There is significant desire, from charities, for foundations to clearly communicate their giving mandate and approach
- Taking time to share brief updates and reminders of where prior conversations left off before continuing discussions is helpful
- Foundations welcome updates from charities that share how projects and/or plans need to change or how funding needs to be reallocated. This indicates that charities are adaptable, learning organizations, seeking to maximize impact and presents an opportunity to engage donors more deeply in a particular initiative or response to a particular need
- Charities and foundations both appreciate collaborative forums and events to share and ask questions of each other
- It will be important to for charities and donors to each take time to reflect on lessons learned from the experiences brought about by the global pandemic and this challenging period of history

### ***Deeper mutual understanding.***

- The willingness of charities and donors to be mutually considerate of each other and of each organization's current realities at every interaction is key
- There is an expressed hope for the continuation of the mutual understanding that "we're all in this together" which has been deepened this year by the global pandemic
- A deeper mutual understanding between charities and donors will enable greater effectiveness
- Charities express a deep desire for foundations to more intimately understand the essential nature of operational and people-related expenses to enable programming and to reframe operational expenses as programming expenses
- Charities desire to know how to better serve partner foundations
- There is a collective desire to tangibly deepen charity-foundation relationships sector-wide, moving beyond the basic discussions of dismantling power imbalances, establishing multi-year funding and increasing collaboration
- There is a desire to maintain and deepen the sense of reciprocal generosity that has been sparked by the global pandemic, a notable move away from "charity"

### ***Increased flexibility in use of funds.***

- Although charities acknowledge the particularly desirable approach of unrestricted funding, there is also recognition of a desired strategic focus for investment even if funds are unrestricted
- There is hope for continued and increased dialogue with funding partners throughout the partnership with continued openness redirect funds, as needed, to address any needed changes in plans or approaches
- There is a desire for foundations to be more open to funding needs and initiatives that are:
  - Harder to measure, intangible or conceptual in nature
  - Ongoing or pre-existing longer-term programs; not necessarily new or innovative
  - Unproven, explorative or possess higher risk of error or failure

- Charities desire a funding culture that is more open to accepting the failure of ideas; there is a sense of tension between approaching failures with honesty and integrity while meeting donor demands for success and measurable outcomes
- More frequent (quarterly rather than annual) disbursement of funds would be helpful for charities

#### ***Longer-term commitments.***

- There is a widespread consensus among charities that during periods of significant uncertainty, multi-year (3-4 year) funding commitments would enable charity flourishing and would eliminate a shorter-term “survival” focus
- Periods of reduced program delivery or slower progress towards desired outcomes are recognized as opportunities to engage funders into strategic (multi-year) thinking
- Three-year funding commitments enable charities to take an initiative from concept to sustainability and create a true, meaningful partnership with foundations
- Charities believe that foundations would experience a greater return on invested grants with commitments exceeding one year
- Multi-year commitments are essential to support ongoing programs and to ensure the operational stability of the organization

#### ***Increased collaboration.***

- Charities hope that by communicating more with one another ideas and opportunities for collaboration will emerge, reducing silos between them. There is a sense that charity collaboration will facilitate more compelling cases for funding and with greater impact.
- Charities are hopeful that foundations will also seek to collaborate not only for funding opportunities but also in their processes.

#### ***Foundations as convenors.***

- There is recognition that foundations have the opportunity to fill a unique role by acting as convenors of like-minded organizations
- Charities hope that foundations will increasingly take a leadership role in gathering charities and donors into conversations that creatively assess and address challenges or leverage opportunities within the charitable sector

## Key Takeaways

When reflecting on the event and discussions, participants articulated a variety of key learnings. Many of the comments centered on relationships and communication. Participants also shared many thoughts that touched on the perspective that the future is in God's hands and He desires the very best for this world He loves dearly.

### ***Relationships are essential; networking is key for maintaining hope and sustaining leaders.***

- There is a deep appreciation for networking forums as a tool for providing encouraging, energizing and up-lifting leader care with like-minded individuals, especially in the absence of in-person events
- Interactive, cross-sector forums and networking deepens relationships and builds community
- Leaders are refreshed and encouraged when they hear others' experiences; this helps to ease loneliness, isolation and fatigue while renewing hope in a difficult season
- Slow down enough to build relationships, to intentionally listen, notice, observe, and learn
- There is a widespread desire for collaborative forums and reflective discussion to become the "norm" rather than the exception and not reserved for challenging situations such as a global pandemic
- Charities have a deep desire to talk, share and ask questions of each other and foundations
- Charities experience significant value when they learn from one another

### ***Charity-foundation relationships are deepening towards true partnership.***

- There has been a tangible shift in charity-foundation dynamics and discussions over the last several years in addressing prior feedback and with a broader perspective beyond transactional relationships
- There is widespread appreciation for a developing sense of mutual trust, understanding, grace, vulnerability and transparency between donors and charities and a desire for this to deepen further
- There is increased recognition of commonalities that draw charities and foundations together
- There is hope for a lessened need to have or get all the answers but rather explore possibilities together, even codesigning proposals and partnership opportunities
- Other types of relationships may emerge when a charity falls outside a foundation's giving mandate
- Foundations have the opportunity to add significant value by opening their network to charities:
  - To other charities: long-term sustainability is supported by connecting (similar) charities
  - To other potential donors: it is powerful when peers communicate on behalf of the charity
- Collaboration is essential for charities and donors to pursue goals and increase impact, effectiveness
- There is a need to reflect on the new questions to be asked to continue to enhance relationships

### ***Communicate clearly and often; leverage technology effectively where possible.***

- The pandemic levelled language and connection, in part due to technology-enabled platforms
- Technology presents many new opportunities for engaging with other individuals and organizations
- Clear, proactive, straight-forward communication is essential for effective donor-charity partnership
- Charities deeply appreciate feedback from foundations
- Charities sense a renewed need to communicate more often and informally with foundations about exciting developments, stories of impact and experiences of God's faithfulness, as they happen
- Foundations have a renewed understanding of being reflective, refined in communication and definition of mandate in order to foster opportunities for new kinds effective of charity relationships

### ***Refocus, be hopeful, seek opportunities.***

- Most charities have continued to pursue their long-term mission, despite the global pandemic
- Refocusing on and refining the core elements of the organization's missions is key to withstanding the challenges of the pandemic
- The pandemic has acted as a catalyst to eliminate ineffective activities, processes, and approaches
- Hope is still alive; people are continuing to care for each other
- The pandemic has presented as many opportunities as it has challenges

## Thank You

Many thanks to the charities foundations that committed their time and effort to participate in the “Charity-Donor Huddle: Partnering for 2021 & Beyond” event.

Organization	Website
A Rocha Canada	<a href="http://www.arocha.ca">www.arocha.ca</a>
Acts of Grace Foundation	<a href="http://www.actsofgrace.ca">www.actsofgrace.ca</a>
Arrow Leadership	<a href="http://www.arrowleadership.org">www.arrowleadership.org</a>
Asian Outreach North America	<a href="http://www.asianoutreachna.com">www.asianoutreachna.com</a>
Canadian Bible Society	<a href="http://www.biblesociety.ca">www.biblesociety.ca</a>
Cardus	<a href="http://www.cardus.ca">www.cardus.ca</a>
Catalyst Foundation	<a href="http://www.catalystfoundation.ca">www.catalystfoundation.ca</a>
CCRDA (Canadian Christian Relief & Development Association)	<a href="http://www.ccrda.ca">www.ccrda.ca</a>
Christian Direction	<a href="http://www.direction.ca">www.direction.ca</a>
CityKidz Ministries	<a href="http://www.citykidz.ca">www.citykidz.ca</a>
D. H. Falle Family Foundation	
EduDeo	<a href="http://www.edudeo.com">www.edudeo.com</a>
Elimu	<a href="http://www.elimu.ca">www.elimu.ca</a>
FaithTech	<a href="http://www.faithtech.com">www.faithtech.com</a>
FH Canada	<a href="http://www.fhcanada.org">www.fhcanada.org</a>
Front Line Outreach	<a href="http://www.frontlineoutreach.ca">www.frontlineoutreach.ca</a>
Frontiers Canada	<a href="http://www.frontiers.ca">www.frontiers.ca</a>
Galcom International Canada	<a href="http://www.galcom.org">www.galcom.org</a>
Global Disciples Canada	<a href="http://www.globaldisciples.ca">www.globaldisciples.ca</a>
Hope Story	<a href="http://www.hopestory.ca">www.hopestory.ca</a>
HPIC (Health Partners International Canada)	<a href="http://www.hpicanada.ca">www.hpicanada.ca</a>
Image Journal	<a href="http://www.imagejournal.org">www.imagejournal.org</a>
Indigenous Pathways	<a href="http://www.indigenouspathways.com">www.indigenouspathways.com</a>
Kiervin Family Foundation	
Kinbrace	<a href="http://www.kinbrace.ca">www.kinbrace.ca</a>
Northwind Family Ministries	<a href="http://www.northwindfm.org">www.northwindfm.org</a>
One4Another International	<a href="http://www.one4anotherintl.ca">www.one4anotherintl.ca</a>
Parker House	
Prison Fellowship Canada	<a href="http://www.prisonfellowship.ca">www.prisonfellowship.ca</a>
Prison Fellowship International	<a href="http://www.pfi.org">www.pfi.org</a>
Regent College	<a href="http://www.regent-college.edu">www.regent-college.edu</a>
SIM Canada	<a href="http://www.sim.ca">www.sim.ca</a>
Tapestry Philanthropy Partners	<a href="http://www.tapestrypartners.ca">www.tapestrypartners.ca</a>
Tearfund Canada	<a href="http://www.tearfund.ca">www.tearfund.ca</a>
The Charis Foundation	<a href="http://www.charisfoundation.ca">www.charisfoundation.ca</a>
The Foundation Office	<a href="http://www.thefoundationoffice.ca">www.thefoundationoffice.ca</a>
The Wellspring Foundation for Education	<a href="http://www.thewellspringfoundation.org">www.thewellspringfoundation.org</a>
Union Gospel Mission	<a href="http://www.ugm.ca">www.ugm.ca</a>
World Vision	<a href="http://www.worldvision.ca">www.worldvision.ca</a>
Yonge Street Mission	<a href="http://www.ysm.ca">www.ysm.ca</a>
Youth for Christ Canada	<a href="http://www.yfc.ca">www.yfc.ca</a>
Youth Unlimited- Toronto	<a href="http://www.yugta.ca">www.yugta.ca</a>

For more information about this event or this report, please contact Frances Wilson, Administrative Director, Acts of Grace Foundation ([frances@actsofgrace.ca](mailto:frances@actsofgrace.ca) or 1-866-232-2841 extension 103).