

giving COMPASS

UNDERSTANDING IMPACT-DRIVEN PHILANTHROPY

HOW WE DEFINE IMPACT-DRIVEN PHILANTHROPY: *Impact-Driven Philanthropy (IDP)* is the practice of strategically using our time, talents and resources to make meaningful, measurable change.

HOW CAN YOU BE AN IMPACT-GIVER?

Guided by clear goals and strong values, impact-driven philanthropists have a passion for solving problems and a commitment to partnering with the people closest to the problems we aim to solve. While each person's journey is different, certain **core beliefs** can guide us to discover the strategies and solutions that will allow us to do the most good for the causes we care about. In an effort to provide further guidance for how philanthropists might do the most good with their assets, we offer a set of **principles** and **practices** that flow from these three core beliefs.

Impact-driven philanthropy is a personal journey that offers many paths for exploration and discovery. As such, the principles and practices outlined here are not intended to be a list of absolutes or even a complete inventory of the elements that contribute to achieving greater impact. We understand that different practices have their place in different situations, and we respect that donors have varying amounts of resources and time they can dedicate.

Our aim is to provide impact-driven philanthropists with helpful guidelines that they can test and translate into action in their giving—and we share these principles and practices in that spirit. We hope to inspire more donors to embrace the joy and promise of impact-driven philanthropy, so that together we can create better outcomes and a brighter future—for our communities and our world.

THE IDP ROADMAP

CORE BELIEFS > PRINCIPLES > PRACTICES

CORE BELIEFS

- **Clear, Sustained Focus.** Focusing our giving on specific issues or places, especially those we have a personal passion for, can help drive our dollars to do the most

good. When we invest in causes we're passionate about and stick with them for the long haul, our work can achieve lasting impact.

- **Research-Informed Strategy.** Exploring the landscape is an important first step toward achieving impact. Research can help us understand the needs of the people we're hoping to help and the capacity of our potential partners—informing our strategy for making meaningful, measurable change. For those of us with limited time to commit to a cause, research can also help identify others who can leverage our resources for maximum impact.
- **Continuous Collaboration & Learning.** Joining forces with others allows us to achieve greater impact than we could on our own, especially when we collaborate closely with leaders doing work on the ground. Productive partnerships are built on a foundation of mutual respect. They are sustained by clear communication, alignment of goals and methods, openness about challenges, and conscious striving for learning and improvement.

PRINCIPLES

- We intentionally draw on our *values, ethics, and life experiences* to identify the cause(s) we want to address and guide our giving, which increases meaning and joy and inspires us to sustain our efforts.
- We recognize that each of us comes to this work with a belief system about how change happens that shapes our approaches.
- We approach our work with *problem-solving* strategies calibrated to the resources we contribute
- We are transparent about and *learn from our mistakes* to improve our work and guide others
- We believe that powerful grant making results from encouraging leadership in and seeking engagement *from the communities* we seek to help.
- We *build productive partnerships* with grantees, the public sector, and other collaborators working on our causes, which is essential for making meaningful, measurable change.
- We believe in building high-performance nonprofit *organizations, not just programs.*
- We respect that each donor has varying amounts of resources and time s/he can dedicate, and believe that investing in intermediaries or aligning with other donors may offer some donors the best path to impact.

PRACTICES

- Assess your own beliefs about *how change happens* and the full array of *resources you can contribute*—including knowledge, networks, skills, experience, time and money.
- Don't spread yourself too thin. Instead, *focus your resources* to ensure the best opportunity to make a meaningful difference and learn along the way.

- Invest the resources and time needed to *deeply understand your issue*—including the outstanding needs and current actors in the space.
- *Understand the systems* in which your causes are embedded and make intentional choices about your approach, such as supporting direct services or public policy or system change.
- Develop your goals before selecting the best giving *vehicle* to help achieve them.
- Develop a *theory of change* (i.e. description or illustration of how and why a desired change is expected to happen) with clear goals informed by research and a solid understanding of the issues and landscape.
- Track progress and course correct.
- Stick with new programs or grants for a *long enough time period* to realistically determine whether they can achieve the goal.
- Ensure the size of your expectations is properly aligned with the size of your investment.
- *Partner with people close to the problems* you're trying to solve—seek their input, listen to their ideas and invite them to co-create solutions.
- *Communicate openly and often* with and *seek unbiased, regular feedback* from all of your stakeholders—including intended beneficiaries, grantees, and other funders.
- Provide *flexible, multi-year funding* to give grantees the ability to invest in their human and technological infrastructure. If providing project or program support, include full indirect costs (overhead) as long as they are in line with organizations of that type.
- *Engage other funders* and build a network of peers who may have similar goals.
- Fund efforts to collect, analyze, and build the capacity within nonprofits to use *relevant data*, so you have a basis for understanding what's working and what's not.
- Use all resources available to inform your work, including peers, consultants, online platforms, classes, and in person learning opportunities.
- If you don't have the time to invest in the practices articulated here, choose to *give to an intermediary or issue fund* that does that work on your behalf, or *align your contributions* with a respected colleague or funder.

Developed in partnership with the members of the Impact Driven Funders Collaborative, hosted by the Raikes Foundation. The collaborative consists of funders and others who are dedicated to increasing supports for individual donors. We drew heavily from the principles developed by members of the Donor Education Network, and then worked to refine and iterate.
