



PRINCIPLES & PRACTICES OF IMPACT-DRIVEN PHILANTHROPY

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Over the past several decades, many efforts have advanced the field of philanthropy, and frameworks have emerged to strengthen and support how donors can create more impact in the world.

This set of principles and practices has been developed with key stakeholders involved in supporting donors, and guides the Impact-Driven Philanthropy Collaborative (IDPC), which consists of funders and others who are dedicated to influencing individual donors to learn how to give in ways more likely to lead to meaningful change on issues and in communities.¹

Impact-Driven Philanthropy is the practice of strategically using our time, talents and resources to influence meaningful, measurable change on issues and in communities. 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 those problems. 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:

- 1) **Humility.** Coming to this work with a learning mindset, recognizing we are learners in this space, and we don't have all the answers.
- 2) **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.
- 3) **Research-Informed Strategy.** Exploring the landscape is an important first step toward achieving impact. Research can help us understand the challenges the people we're hoping to help are facing, the capacity of our potential partners, and solutions developed by communities which we can support. 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.
- 4) **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.

We are offering a set of principles and practices that flow from these core beliefs. To be clear, there is no one-size-fits-all formula for creating change. 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 principles and practices have their place in different situations, and we respect that different donors have varying amounts of resources and time they can dedicate.

Our aim is not to preach, but 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.

PRINCIPLES

1. We recognize that each of us comes to this work with a belief system about how change happens that shapes our approaches; we recognize we will be more effective if we are *explicit about our beliefs* and challenge ourselves to fully understand other perspectives.
2. 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.
3. We believe it's important to learn about and *understand the context* of the issues we care about and ask *who benefits* from the work we are doing, who does not, and *who might be unintentionally harmed*. When we allocate resources based on need we get to greater impact.
4. We *build productive partnerships* with grantees, the public sector, and other collaborators working on our causes, which is essential for reaching meaningful, measurable change. Partnering, collaborating, and sharing power whenever possible can help us problem-solve, course-correct, and get better results over time.
5. We approach our work with *problem-solving* strategies calibrated to the resources we contribute.
6. 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.
7. We are transparent about and *learn from our mistakes* to improve our work and guide others.
8. We believe in *building the capacity* of transformative [impactful] nonprofit organizations, those engaged in collective action, and organizers leading movements to change systems.
9. We believe that powerful grant making results from strengthening leadership within and working in partnership with *the communities* we seek to support.

PRACTICES

1. Develop your strategy and goals before selecting the best giving *vehicle* to help achieve them. Form should follow function.
2. Invest the resources and time needed to *deeply understand your issue*—what are the outstanding needs, who are the current actors in the space, who has power, and who does not.
3. 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.

4. *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.
5. *Partner with people intimate with the problems* you're trying to solve—seek their input, listen to their ideas and join with them to co-create solutions. Build trust, listen deeply, have open, honest conversations.
6. 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.
7. 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.
8. Stick with organizations, programs or grants for a *long enough time period* to realistically determine whether they can achieve the set goal. Calibrate your patience with the time it takes to achieve real change.
9. *Engage other funders* and build a network of peers who may have similar goals, whenever feasible.
10. Express your trust in the organizations you are supporting through *fewer, larger, and multi-year grants*. Provide flexible, less-restrictive, multi-year funding to give grantees the ability to invest in their core 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.
11. Ensure the size of your expectations is properly aligned with the size of your investment—don't expect big change if you provide only spare change!
12. If you don't have the time to invest in the practices articulated here, *consider giving through an intermediary or issue fund* that does that work on your behalf, or *align your contributions* with a respected colleague or funder.
13. *Communicate openly and often* with and *seek unbiased, regular feedback* from all of your stakeholders—including intended beneficiaries, grantees, and other funders.
14. 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.
15. Lean in to *ongoing learning*. Use all resources available to inform your work, including peers, consultants, online platforms, classes, and in person learning opportunities.

1. This document was developed by the Impact-Driven Philanthropy Collaborative hosted by the Raikes Foundation. The Collaborative consists of funders, donor education organizations, philanthropy staff in private banks, donor advised fund providers, academics studying donor behavior, donor organizers, and others in the donor support ecosystem. The Collaborative drew heavily from the principles developed by members of the Donor Education Network.