

This guide outlines the top ten most frequently asked questions that come up in conversations about embracing trust-based philanthropy, and a collection of answers based on contributions from many trust-based practitioners. We hope this will be a helpful tool in answering your own questions or supporting conversations with colleagues who are curious (or even skeptical) about this approach.

Questions

Click on a question to be directed to its answer.

- 1 Trust-based philanthropy sounds like willy-nilly philanthropy. Where's the rigor?
- 2 How do you measure impact in a trust-based context?
- 3 How do you ensure grantees' accountability in a trust-based approach?
- 4 How can you make sure you aren't just funding those who you have "chemistry" with?
- 5 How can funders free up the time required to embrace trust-based philanthropy's highly relational approach?
- 6 Does a trust-based approach assume that funders should never develop issue-based strategies for grantee partners?
- 7 Many foundations have practiced this way for decades. What's the point of naming and promoting this approach if it's already being done?
- 8 Does trust-based philanthropy only work for small and mid-sized foundations?
- 9 It is clear that grantees benefit from this approach, but how do funders benefit?
- 10 How many principles must a foundation practice in order to be considered "trust-based"?

1 Trust-based philanthropy sounds like willy-nilly philanthropy. Where's the rigor?

A trust-based approach requires quite a bit of rigor. The first building block of rigor is to establish a clear concept of mission, strategy, and profile of community partners to which the foundation is accountable. The next level of rigor is in establishing and being transparent about the criteria and process by which grantee partners are identified and chosen. There is also rigor in understanding and assessing grantee relationships; in how we calibrate our work to accommodate different grantee needs; how we identify, respond to, and approach prospective grantees; how we bring a bigger picture lens to understanding our philanthropic impact on the organizations we support; and how we can and should effectively deploy our resources, networks, and expertise to advance the goals we are supporting. In a trust-based approach, the rigor also lies in our ability to constantly check ourselves on how we as funders are living up to our values as an organization.

2 How do you measure impact in a trust-based context?

Trust-based philanthropy encourages a learning stance over a proving stance when it comes to understanding social impact. It relies on a collaborative viewpoint that recognizes that all entities in a philanthropic ecosystem have to work together and learn from each other to make meaningful changes. As such, a trust-based evaluation takes a broader frame of learning that helps clarify how a funder's support can be used more effectively to address barriers (or accelerators) to social impact as defined by those closest to the issues being addressed.

There is a three-pronged approach when it comes to learning and evaluation in trust-based philanthropy: 1) Learning for accountability, which answers the question, "How (well) are we living our values?" and helps funders understand how they can improve or evolve grantee relationships toward strengthening trust and mutual accountability; 2) Learning for decision-making, which invites grantees to set their own success metrics as experts on the issues they are directly working on, and helps funders answer the questions "How well are we supporting our partners in meeting their goals? How can we help address barriers to impact?"; 3) Learning for long-term impact, which satisfies the most common question that funders consider when thinking about evaluation: Is our funding moving the meter on a particular issue or for our community? The key difference in a trust-based context is that this doesn't look at one-off grants, but rather takes a longer-term view that examines publicly available, big-picture data and is informed by community input to see how change is happening over 5-10 years at a time. Inviting grantees in to interpret this big picture data can help funders understand how funding has contributed to or fallen short in a particular community or issue area.

3 How do you ensure grantees' accountability in a trust-based approach?

Trust-based philanthropy encourages us to interrogate traditional notions of accountability. By taking a relational, dialogic approach with grantee partners, it opens up a whole new way of understanding accountability. By being in relationship with grantees, understanding their self-defined measures of success, and engaging in dialogue about how these measures are evolving over time, we inherently create a new dynamic of reciprocity and mutual accountability. Over time, this will allow you to move away from wordsmithed or sugar-coated reports, toward genuine information that can give you better insights into what your grantee partners are doing and learning — and how they are refining their work and operations to respond to evolving needs and demands. Regarding financial accountability, trust-based funders make time to review publicly available 990s and annual reports as part of "Doing the Homework".

4 How can you make sure you aren't just funding those who you have "chemistry" with?

Trust should not be conflated with likability or friendship. Rather than focusing on how well you "click" with a potential grantee partner, think of it as cultivating trust for action, i.e., a belief that the organization can achieve its goals and get things done. Establishing clear values and defined criteria can help guide values- and mission-aligned decision-making. It is also important to make sure your vetting processes include diverse perspectives—among your referral sources as well as the people who are doing the research and making grant decisions—to allow for greater exposure to groups and individuals you may not come across otherwise.

5 How can funders free up the time required to embrace trust-based philanthropy's highly relational approach?

If your foundation is able to embrace other principles of trust-based philanthropy—especially multi-year unrestricted funding and simplified paperwork—it will free up more time for relationship-building. We've also found that the "dosage" of time spent in grantee check-ins is better determined by a grantee partner than by the funders. As you do the work you will find some partners want more time with you, and others will want less. This will inherently balance out as you continue to support and learn from your grantee partners.

6 Does a trust-based approach assume that funders should never develop issue-based strategies for our grantee partners?

Trust-based philanthropy does not discourage foundations from defining their own strategies, however it is always important to approach this strategic thinking from a place of humility and deep listening with grantee partners. How can funders learn from the experiences of those who are working closest to the problems we seek to address? Even with issue expertise, we can deepen and enhance our knowledge by listening to those who are on the front lines of the issues and the communities we fund. That way, our strategies will be inherently more effective and we also avoid potentially undermining the leadership of our grantee partners.

7 Many foundations have practiced in this way for decades. What's the point of naming and promoting this approach if it's already being done?

We've found power and potential in naming this approach, as it allows those who have been practicing this way to articulate their approach with greater clarity and certainty. Moreover, it has opened up opportunities for values-aligned funders to connect and learn from each other, and explore ways we might continue to refine the practice. The more we can point to examples in the field, the more we can learn about the practice. And the more we learn, the more we can inspire others to make incremental changes. This will ultimately help us achieve our goal of making trust-based practices the norm in our sector.

8 Does trust-based philanthropy only work for small and mid-sized foundations?

Trust-based practices can be implemented at any organization, regardless of size. The first step of embracing a trust-based approach is to examine your organizational systems and culture with a values-based lens of trust, equity, and transparency. Once there is a commitment to embrace those values organization-wide, then you can take the necessary steps to operationalize trust-based practices. While this process may take longer for larger organizations with multiple departments and larger staff sizes, it is still possible to make change as long as there is organization-wide clarity on values and how a trust-based approach supports those values.

9 It is clear that grantees benefit from this approach, but how do funders benefit?

Trust-based funders have observed a number of benefits in taking a trust-based approach. Building authentic relationships with grantees allows for a deeper level of learning and insight into what nonprofits are facing, how they respond and adjust to evolving needs, and what contributes to their success. Also, less paperwork for grantees means less paperwork for foundation staff — meaning it frees up more time and capacity to get to know grantee partners and their work. Finally, trust-based funders have reported that practicing this way allows them to feel closer to the work, bringing greater joy and purpose to their day-to-day.

10 How many principles must a foundation practice in order to be considered “trust-based”?

Being trust-based is reflected in your organization's culture, practices, structures, and leadership. It means embodying values of equity, humility, transparency, curiosity, and collaboration at a systems and culture level. It also means striving to be a leader that embodies these values by being self-reflective, acknowledging power, and remaining committed to alleviating power imbalances in both what we do and how we show up. It also means we invest time in cultivating and maintaining power-aware relationships internally (at the staff, leadership, and board levels) as well as externally (with grantee partners and in the community). The six principles are simply an articulation of how these values can manifest in your grantmaking practices, but they do not represent a finite benchmark for when trust-based philanthropy is achieved.