



Fact Sheet: Trust Based Philanthropy

October, 2021

What is Trust-Based Philanthropy?

An approach to giving that addresses the inherent power imbalances between funders, nonprofits and the communities they serve.

Why this approach to philanthropy?

At its core, trust-based philanthropy is about redistributing power – systemically, organizationally and interpersonally – in service of a healthier and more equitable nonprofit ecosystem. Through the recent pandemic, we have seen significant philanthropic support to address immediate needs in the community. However, there wasn't much time to listen to the community to understand their long-term systemic needs. There is a great opportunity going forward to implement strategies to rebuild a stronger and more equitable society by including voices from the community as we develop those strategies.

How to get started?

There are some great resources available, including [Trust-Based Philanthropy: An Overview](#) (Stanford Social Innovation Review – SSIR) and [Building a Trust-Based Philanthropy to Shift Power Back to Communities](#) (Beek Center for Social Impact + Innovation). The following are some bold moves gleaned from the Beek Center article to start moving forward on incorporating this approach in the work of your community foundation.

- *Build a trust-oriented culture rooted in humility and deep learning:* work to change practices and behaviours that perpetuate harm by looking internally first to better understand how trust shows up in your foundation.
- *Determine what reskilling and reorganization is required to truly do this work:* more grantee outreach, transparency and streamlining the organizational structure may require new or different skills from strategists to community organizers or from research analysts to facilitators



- *Build trust with communities by demonstrating a listening and learning posture:* We need to move beyond the tools of feedback surveys or site visits and lean into the work of discovering effective ways to more deeply listen to the communities we serve
- *Expand decision-making structures to include trusted community members for shared agency and accountability:* to make important shifts, funders should explore ways to build their grantmaking structures *around* communities rather than have communities adapt to existing structures, policies, etc.
- *Invest in capacity building so communities can better define local problems and deploy funding in a participatory manner:* funders need to support leadership development with a focus on education, skill-building, and resources to help communities become more engaged at every level of the funding process

Six principles of trust-based philanthropy are outlined in the SSIR article, where for each of the principles there are questions to start the conversation, steps your foundation can take and some additional information specific to each principle. Below is a list of the principles and why each is critical as foundations move forward in developing trust-based philanthropy.

- *Give multi-year unrestricted funding:* The work of nonprofits is long-term and unpredictable. Multi-year unrestricted funding gives grantees the flexibility to assess and determine where grant dollars are most needed and allows for innovation, emergent action, and sustainability.
- *Do the homework:* Oftentimes, nonprofits have to jump through countless hoops just to be invited to submit a proposal. Trust-based philanthropy flips that script, making it the funder's responsibility to get to know prospective grantees, saving nonprofits time in the early stages of the vetting process.
- *Simplify and streamline paperwork:* Nonprofits spend an inordinate amount of time on funder-driven applications and reports, which can distract them from their mission-critical work. Streamlined approaches focused on dialogue and learning can pave the way for deeper relationships and mutual accountability.
- *Be transparent and responsive:* Open, honest and transparent communication supports relationships rooted in trust and mutual accountability.
- *Solicit and act on feedback:* Philanthropy doesn't have all the answers. Grantees and communities provide a valuable perspective that can inform a funder's strategy and approach, inherently making the work of community foundation more successful in the long run.
- *Offer support beyond the cheque:* Responsive, adaptive, non-monetary support bolsters leadership, capacity and organizational health. This is especially critical for organizations



that have historically gone without the same level of networks or support as their more established peers.

Adapting these principles and strategies is hard work and requires changes to the structures, cultures and norms within which community foundations operate. Through implementing trust-based philanthropy, community foundations can reorganize to build and demonstrate a trust-based culture, invest in community leadership capacity-building and open up decision-making and information-sharing structures. This is an opportunity to truly live up to the word ‘community’ in our name.

Resource:

[Trust-Based Philanthropy Project:](#) The Trust-Based Philanthropy Project is a five-year, peer-to-peer funder initiative to address the inherent power imbalances between foundations and nonprofits. At its core, trust-based philanthropy is about redistributing power—systemically, organizationally, and interpersonally—in service of a healthier and more equitable nonprofit sector. On a practical level, this includes multi-year unrestricted funding, streamlined applications and reporting, and a commitment to building relationships based on transparency, dialogue, and mutual learning.