NEW ECONOMY COALITION

Philanthropy and the New Economy:

Models for Collaborative and Democratic Innovation

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Preface: Mutual Generosity and Democratic Participation

Though the members of the New Economy Coalition come from many backgrounds and focus on many issues, they are united by two beliefs. The first is that we must confront the structural flaws rendering our environment more unlivable and our economy more unjust. The second is that we will only succeed if we develop new commitments and tools to support each other.

For too long the millions of people who have been working to create change have been led to believe that they are acting alone. Conventional media, corporate advertising, and misinformed politicians have created a veil of invisibility that has prevented widespread understanding of just how deep and broad is the desire – and the creative action – for transformation.

This is beginning to change. Today we understand with increasing clarity the forms of inequality and exclusion blocking our efforts to create a just and sustainable economy. Through the power of networks in many areas – energy distribution, foods systems, labor, education, economic theory, policy research, political reform, finance, and community development, to name a few – we are witnessing a powerful and interconnected movement to reinvent the American and Canadian economies.

As part of this emergence, new forms of organization, communication, ownership, control, and financing are flourishing with the aim of reinvigorating democracy in both our political and economic institutions. Because of the Internet it is now possible to share solutions at unprecedented speed and scale. To ignite our alliances to alter the path of the future, we now must create a new culture of mutual generosity and shared power.

The New Economy Coalition sponsored this paper by the Tellus Institute to begin a conversation about federated funding and other models of philanthropy that might be particularly useful to movement building. Most of the organizations in the New Economy Coalition would not exist without the exceptional generosity and commitment of individuals and foundations. The boldness and leadership of these donors has allowed many new ideas to germinate and grow. At the same time, some models of philanthropy can sometimes have a dampening effect on collaboration by forcing too many organizations to compete, rather than to cooperate.

This background paper offers information about the history and design of different types of giving, as a way of asking whether additional innovation within philanthropy might be a way to enhance the impact of the emergent New Economy movement. We hope that this will stimulate important conversations and experiments. We look forward to hearing everyone's views.

The goal of transforming our economy could hardly be more urgent or more necessary. Our new challenges require new thinking. To succeed at this key moment, we together must strive for innovative approaches that combine our wisdom, our networks, our passion, and our strength.

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I. The Case for New Funding Models

The members of the New Economy Coalition (NEC) are bound by a shared conviction that the United States and Canada are suffering from deep structural conditions that threaten the long-term well-being of citizens and ecosystems throughout our countries and the rest of the world as well. These problems are varied and interdependent, including: unlimited growth in the face of planetary limits; an oversized and unstable financial system; deepening inequality; corruption of electoral systems by super-resourced special interests; and intensifying climate volatility that threatens urban and rural areas alike. In response, NEC seeks to serve as a visionary forum and advocate for building "an economy that is restorative to people, place, and planet, and that operates according to principles of democracy, justice and appropriate scale."

As multiple crises intensify, the capacity of NEC members to respond requires more than a fragmented, siloed approach by individual organizations. Instead, it is a historic moment when nothing less than a broad-based movement awaits emergence, one capable of tackling systemic problems through concerted, well-resourced efforts commensurate with the complexity and urgency of the problems facing the nation. This in turn demands a fundamental rethinking of NEC member funding approaches that are proving insufficient for the challenges ahead and for building a durable, high impact movement. Instead, a new vision of fundraising that embodies the same values that animate the New Economy—democracy, justice, and collaboration—should apply to giving and raising, as well as administering, funds.

The techniques on which many NEC members must rely are, in many cases, antiquated and even counterproductive. Though the goal of cooperation is common, many NEC members compete for philanthropic support from what Peter Buffett recently described as the "philanthropic industrial complex."[1] Even as NEC members support shared learning and collaborative action, organizational and donor practices sometimes unintentionally deter cross-fertilization, synergies, learning, and, most importantly, optimal aggregate impact.

These conditions impede the systemic change NEC members seek to achieve. The competition for funds creates an environment in which NEC organizations must prioritize funder goals rather than pursuing their own objectives, thus compromising prospects for major and far-reaching change. Further, the transaction-orientation of donors—goal setting, monitoring, evaluation—tends to drive short-termism at the expense of long-term, systemic pursuits. Further exacerbating the situation is the tendency of philanthropy to exercise giving strategies that fail to mobilize local and traditional knowledge of funded organizations to define how best to deploy limited philanthropic resources.

Though philanthropy has played a powerful role in creating social change, most approaches rest on the assumption that the philanthropist is the best judge of the worthiness of a proposed project.[2] For example, in an attempt to move away from traditional giving models, some philanthropists have sought to introduce business concepts that they employed in the enterprises that made them wealthy in the first place. Venture philanthropy, described in a later section, typically pools multiple donors, then screens and treats potential non-profit grantees as venture capital investors would, even using the lexicon of "investments" in the recipient organizations. Such investors may focus on capacity building and operational aspects of the recipient, in some instances seeking a seat on the board much like activists in for-profit enterprises. Venture philanthropy is often the approach of hedge fund managers or high wealth technology entrepreneurs who adopt a metrics-based approach to choosing their investments. While this new model of philanthropy came about to deal with some of the shortcomings of traditional philanthropy,[3] it remains unclear that this "corporate" approach leads to optimal long-term deployment of the millions of dollars granted under such conditions.

In sum, it is a moment to rethink the future of New Economy funding in a way that serves the shared desire of both donors and recipients to create more impact in their work. More and more leaders believe that piecemeal change offers limited promise of achieving the deep transformation to which the New Economy movement aspires. Indeed, creating new tools within philanthropy will ideally make it easier for capital to flow to those risk-takers and innovators upon whom deep change depends. New funding models, rooted in the principles of democracy and collaboration, might enable more cooperative engagement among funders and grantees by focusing their common efforts on broad change.

This paper offers an initial exploration of novel approaches for New Economy supporters to pool assets, fundraise collaboratively, and redistribute resources based on shared visions and priorities. It explores some of the precedents of cooperative models of raising and distributing philanthropic funds among groups with a common cause. These include the federated fund model, pooled foundation funds, cooperative models, and online giving platforms. From this review, we hope that a sustained discussion of new prototypes for collaborative funding will emerge.

For NEC and its members, it is a moment of both urgency and opportunity to build alternative approaches to conventional philanthropy. Collaborative giving is a means of building closer strategic cooperation among groups and creating a culture of abundance rather than scarcity.

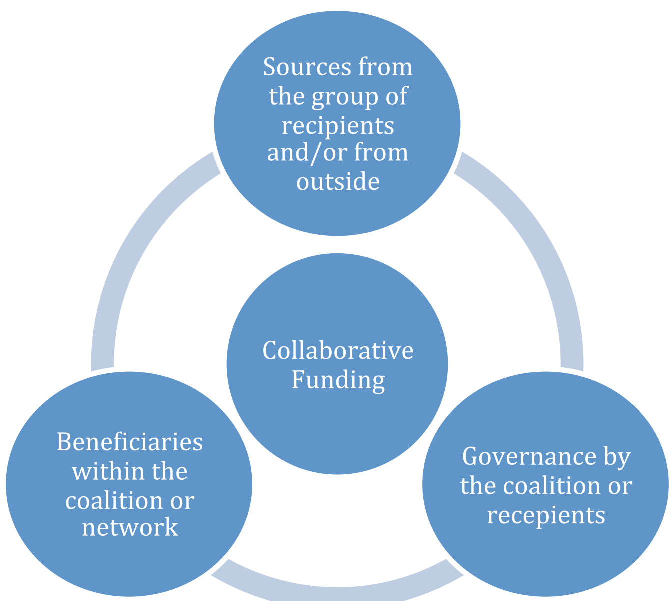
This document is part of a larger inquiry to examine funding futures for New Economy ventures. Its focus is philanthropy, while recognizing that the coming years are likely to witness additional innovations in many alternative funding approaches, including the evolution of loan funds, impact investing, individual and group membership options, fee-for-service models and fund distribution models from community organizations such as churches or unions. While these approaches will provide valuable resources the New Economy movement, philanthropy will continue to provide the primary support for innovation for many years to come.

II. Attributes of Collaborative Funding

We are using "collaborative funding" as an umbrella term to describe the models we are interested in exploring. We can analyze each model through three dimensions: sources of funds, governance of funds, and beneficiaries of funds. Not all attributes apply to all collaborative funding mechanisms, but collectively these comprise an archetype of collaborative approaches (see Figure 1).

- **Sources**: Funds may originate either with recipients themselves or outside the circle of recipients. If the latter, giving is detached from control.
- **Governance**: Funding decisions reside with the collectivity of recipients, democratically selected to represent the whole, who share core interests and a common vision developed by recipients themselves, not by external donors. Disposition of funds seeks to maximize long-term synergies, cross fertilization, and learning across recipients.
- **Beneficiaries:** Organizations in the New Economy landscape who are seeking to work together more effectively

Figure 1. Three Key Attributes of Collaborative Funding



Thus, collaborative funding mechanisms empower recipients to direct funds toward projects based on self-determination of their priorities, strategies, and theory of change, rather than those established by donors. The intermediary role played by a democratically constituted governance body ensures that resources align with the collective mission. Such a body would also ensure that the vitality of the movement as a whole remains embedded in all funding decisions. This approach builds solidarity, fosters continuous innovation, and optimizes grant-making across recipients in order to encourage collective gains.

III. Precedents

The idea of coordinating philanthropic dollars for social or political change is not new, nor are the principles put forward in this paper exclusive to philanthropy. Two illustrative cases demonstrate this in two very different milieus: political fundraising for conservative advocacy groups and participatory budgeting of public funds.

Conservative groups have pooled their funds for maximum impact for many years – particularly in political action committees (PACs) and Super PACs. In the 2012 election cycle alone, of the top ten Super PACs, seven were raising money for conservative groups, and they raised nearly 2.5 times more than the three liberal Super PACs in the top ten. In fact, of the 1,310 Super PACS reporting in 2012, more than twice the number of groups were conservative compared to liberal, the conservative groups raised over fifty percent more than liberal groups, and they spent twice as much.

Since the historic 1971 Powell Report to the U.S. Chamber of Commerce triggered a new era of concerted activism to "protect the system of free enterprise," the discipline of conservatives in advancing both a political and fundraising agenda has been a benchmark that even progressive groups grudgingly admire. The creation of conservative think tanks that followed the Powell Report established a new standard of long-term, systemic-oriented research and advocacy that endures to this day. In 2010 *Citizens United*, the Supreme Court decision that opened the floodgates to essentially unfettered special-interest funding (then followed by the *McCutcheon* decision in 2014), has provided free rein for aggregating resources of the wealthy to advance conservative causes.

A second example of collaborative funding is local participatory budgeting. "Participatory budgeting" describes a process in which community members democratically decide how to spend a portion of a public budget on public projects. For example, a city council sets aside a percentage of the city's budget and opens up those dollars to a public process of group meetings to decide how to allocate resources. An early participatory budgeting process was put into effect in Brazil in 1989 and has expanded to over 1,500 communities around the world, including Chicago since 2009, New York City since 2011, and San Francisco since 2013.

Though not a philanthropic model, participatory budgeting illustrates a case of governance of funds by representatives selected from those who generate such resources, namely, the citizens of a specified jurisdiction. Reaching beyond these two examples, a scan of the philanthropic funding landscape reveals a variety of collaborative approaches, each with its own nuance and history of application, summarized in Figure 2.

Figure 2. Taxonomy of Collaborative Giving Models

	Approach	Sources of funds	Governance	Beneficiaries	*Examples*
Groups of Non-profits	Federated fund	Annual fundraising campaign to individuals and corporations, workplace giving programs	Central coordination, local branch governance by member organizations and community volunteers	Membership organizations	*United Way*
	Online giving platform	Individuals, workplace giving.	Platform may have criteria for listing a non-profit or project, individuals choose where to allocate their funds.	Non-profits chosen or listed on the online platform.	*BrightFunds, crowdfunding sites such as Indiegogo*
Groups of Donors	Funder collaborative	Groups of philanthropies.	Members of the fund govern collaboratively.	Grantees get multi-year/flexible funding terms, introductions to partners and an interested community. Donors share expertise and capacity.	*Ms. Foundation for Women, Energy Foundation*
	Community foundation	Individual donors, donor-advised funds, small private foundations, giving circles.	Often administered independently. Some funds may be governed by the donor or donor pool.	Non-profit organizations working within the foundation's community, who must typically apply annually.	*Boston Foundation*
	Giving circle	Groups of individual donors.	Members distribute pooled funds. Often hosted/managed by another organization.	Projects and organizations within the goals or themes of the giving circle.	*Threshold Foundation's Funding Circles, GVNGTogether*
	Venture philanthropy	Multiple individual donors.	Venture philanthropy organizations govern the use of the funds, with tight emphasis on metrics.	Non-profits or social entrepreneurs. Often recipients of funds are also guided by the venture philanthropists in their work.	*New Profit, Strategic Grant Partners, Venture Philanthropy Partners*
Non-profits + Donors	Collaborative network	Group of collaborative philanthropies or donors.	Funders and non-profits govern together. Foundations align grant-making so collective priorities are addressed.	Non-profits within the network are potential beneficiaries of funds, but funders also benefit through collaborative engagement.	*RE-AMP*
	Shared gifting	One donor or many with pooled funds.	Group of donor-selected grantees must collectively decide how to distribute funds amongst themselves.	Grantees efficiently allocate resources and build partnerships across their organizations.	*RSF Social Finance Mid-States Waldorf Shared Gifting Program*

This paper continues with a brief overview of these diverse collaborative approaches. Relevant portions of Table 1 reappear at the beginning of each major section for the convenience of readers.

1. Fundraising and Funding Collaboratively

Fundraising through an umbrella organization offers many benefits to participants, including reduced overhead costs and increased exposure. New models of collaborative fundraising are rapidly emerging through online tools such as crowd-funding and donation platforms. The examples that follow illustrate a range of variants that contain a collaborative element on the fundraising side, the allocation side, or both.

	Approach	**Sources of funds**	**Governance**	**Beneficiaries**	***Examples***
Groups of Non-profits	A. Federated funds	Annual fundraising campaign to individuals and corporations, workplace giving programs	Central coordination, local branch governance by member organizations and community volunteers	Membership organizations	*United Way*
	B. Online giving platforms	Individuals, workplace giving.	Platform may have criteria for listing a non-profit or project, individuals choose where to allocate their funds.	Non-profits chosen or listed on the online platform.	*BrightFunds, crowdfunding sites such as Indiegogo*

A. Federated Fund Model

The federated fund model is one that may provide a good guide to collaborative fundraising for New Economy organizations:

> A federated fund is a cooperative enterprise, owned and controlled by the nonprofit members, whose purpose is raising program and operating capital for each member agency. It serves as a contribution vehicle for donors to direct charitable dollars to the groups and issues about which they care. A donor gift to the federation is usually distributed to all the member organizations, or donors can target gifts to specific groups in the federation.[4]

The United Way, the most familiar federated fund, serves a useful case of this approach. The idea of a "United Way" dates to1887 in Denver, Colorado, when a local woman and a group of religious leaders saw the need for cooperative action in order to make an impact on the city's health and welfare problems. They founded an organization called the Charity Organizations Society to collect funds through a united campaign for local charities, and this first "United Way" organization was able to raise $21,700. In 1913 the first Community Chest, or community fund, was founded in Cleveland, Ohio, where it developed a program for allocating the campaign funds. Community Chests spread throughout the country, and they eventually became known by the name United Way.[5] Since then, United Way has grown to over 1,800 local community-based branches around the world in 41 countries and territories, each following the headquarters' regulations and guidelines.

i. Sources

While each local United Way raises its own funds through an annual fall campaign to support local member non-profit organizations, each chapter benefits from the national recognition of the United Way brand. The combined annual campaign of all United Ways in 2012 totaled nearly $5.3 billion. This makes United Way the largest privately-supported non-profit organization in the world.[6]

The United Way has historically depended on workplace giving programs, through which employees can select a local United Way, or one of its member organizations, to donate to through regular paycheck deductions. This has primarily been an option for employees of larger corporations and the government.

ii. Governance

The member organizations must first be selected by the United Way and then sign a contract allowing the United Way to fundraise on their behalf. While member non-profits may fundraise on their own as well, they are prohibited from launching fundraising campaigns during the United Way campaign in the fall, the most desirable fundraising season because of the holiday giving season and end of the tax year. The United Way takes advantage of economies of scale and fundraises at a comparatively small cost, though the exact numbers differ by local chapter. For example, the United Way of Massachusetts Bay and Merrimack Valley requires on average less than 16 cents per dollar raised to underwrite administrative and fundraising costs.[7] The member organizations financially support the headquarters, United Way Worldwide, through annual dues.[8] Beyond its membership organizations, United Way also partners with corporate and other organizations, including labor organizations such as AFL-CIO, for workplace giving campaigns, volunteer time, and helping organizations invest strategically and sustainably in their communities.[9]

The United Way process invites community members to decide the allocation of funds among member organizations democratically. Community panels review the agencies' programs to assess their importance and then make a recommendation to the local board, which may amend the recommendations if it sees fit.[10] The staff, together with hundreds of volunteer experts of the United Way of Massachusetts Bay and Merrimack Valley, for example, "rigorously studies, personally inspects and re-qualifies each organization it supports — every year…. [They] evaluate and assist funded agencies to deliver their services effectively and efficiently — by offering technical assistance and training; fiscal management and operations guidance; volunteer and board member recruitment, and much more." [11]

iii. Beneficiaries

The United Way distributes funds to the non-profit members according to the local priorities, though the headquarters has recently focused its work on three priority areas—education, income, and health—which it believes lead to a "good life." Each individual member can add to or modify these priorities. In one local United Way example, the Family Fund of the United Way of Massachusetts Bay and Merrimack Valley distributed $750,000 in 2012 to 26 partner agencies in more than 30 Massachusetts communities.[12]

In addition to the United Way, another example of a federated fund model includes Jewish Federations across the country, such as Boston's Combined Jewish Philanthropies (CJP). These federations fundraise collectively and distribute the funds raised to a large list of local non-profits. Allocation is informed by committees of volunteers who "meet regularly to discuss issues impacting Jewish populations, reassess community needs, research new programs and evaluate the effectiveness of CJP programs on the community at large." They maintain transparent documentation of how much funding went to each non-profit on their website. CJP is investing over $46 million in the Boston community in 2014.

Another federated model is the United Negro College Fund which has member colleges but also funds minority students at non-member colleges across the country. It is similar to the United Way in that it fundraises through the UNCF umbrella organization and distributes the contributed funds to regional UNCFs as well as 105 historically black member colleges and universities. It also runs programs directly from the national UNCF, such as public service announcement campaigns and scholarship programs.

Joint Arts Councils are also considered federated fund models because they fundraise collectively and distribute to member organizations (i.e., England Arts Council or Regional Arts Councils of MN).

B. Online Giving Platforms

While the United Way and other federated funds have long relied on workplace giving as a main source of revenue, the new generations of individual donors want more influence over their giving and impact. Online giving platforms are filling this need and expanding rapidly as both non-profit and for-profit projects and organizations seek funding to substitute for scarcer foundation, government, and loan dollars in recent years.

i. Sources

Funds are donated by individuals, in some cases through workplace giving. The potential exists to attract funding from corporations or foundations through these platforms as well.

ii. Governance

Online giving platforms may have specific criteria for listing a non-profit or project via pre-screening of the potential beneficiaries. However, many allow anyone to post a project, and rely on the wisdom of the crowd to pick the best programs to fund. Thus, individual donors choose how to allocate their funds based on the presentation of the project's merits, non-profit's credentials, and the quality of the online campaign.

iii. Beneficiaries

The funds raised benefit the non-profits listed on the online platform. In some cases, the campaigns need to meet a threshold of support before receiving funding..

Similar in concept to a federated fund, the recently launched online giving platform Bright Funds presents the user with a curated set of non-profits based on theme and selected by metrics drawn from third-party raters such as GiveWell, Philanthropedia, CharityWatch, and UniversalGiving. This scoring mechanism, along with their decision to select only best-of-class organizations, favors well-established non-profits but also encourages collaboration among selected charities. Through an online portal, donors donate to their choice of theme or favorite organizations and can then track the impact of their donations. There are options for individuals to donate through Bright Funds, as well as corporate programs which allow integration with payroll deduction. This kind of alternative to federated funds for workplace giving has been increasing.[13]

Crowd-funding platforms are also becoming a way for individuals to "vote" with their donations for projects they hope to see realized. A myriad of different websites, each with its own unique focus, has been emerging ever since Kickstarter and Indiegogo, the two most popular platforms, took off. Many platforms cater to non-profit organizations and social entrepreneurs, such as StartSomeGood, allowing those organizations to seek funding for specific projects, rather than general funding. In 2013, crowd-funding sites took in $3 billion dollars, and this is projected to grow to $93 billion by 2025.[14]

Another online tool that can be useful to a group of non-profits trying to choose democratically which programs to fund would be a voting system that could be implemented to propose and fund particular initiatives deemed important by the broader community or members. Online voting software exists that could be customized or adapted to assist a democratic process among New Economy members, including a variety of open-source software.[15] An example of a recent online democratic funding project was the 2013 National Great American Teach Off, on Good.is, which allowed users to vote for the most innovative teachers to receive classroom grants of $10,000 provided by corporate sponsors.

2. Funding by Groups of Donors (Donor pools)

The idea of combining information and resources into a targeted form of giving in order to increase the efficacy of giving has recently taken new forms within individual philanthropy. Cooperation and collaboration among grant-makers, both individuals and foundations, varies from a simple exchange of information, to one-time funding partnerships on a single project, to a more sustained partnership over a particular theme of interest to all parties. Both foundations and individual donors can pool their funds and share the programmatic work and administrative overhead. Though such donors are wisely working to reduce their transaction costs and improve the impact of their resources, the determination of what is worthy of funding remains in the hands of the donor group.

Some groups of funders may wish to share learning and information, but they choose to pursue their individual funding strategies. One such example is Edge Funders Alliance, a "diverse community of donors passionately engaged in domestic and international grantmaking, with differing priorities but a shared belief that equity and justice are critical to furthering sustainable, global well-being." The Alliance is an international philanthropic network, where membership requires annual dues, for which it provides organizing and networking of funders, philanthropic learning and advocacy, and information services. It also offers opportunities for joining funding collaboratives, giving circles, and pooled funding led by members of the alliance.

As part of the Scaling What Works Initiative, a report on Strategic Co-Funding[16] found that "Grantmakers can bring more money, clarity and success to the social issues that matter to them by pursuing co-funding opportunities in a more strategic way." The study identified a variety of ways that grantmakers can coordinate their efforts, as laid out in Figure 3. It highlights the variety of reasons philanthropic givers are attracted to working through collaborative funding structures, including: learning from and networking with other organizations; facilitating commitment to long-term, solutions-driven funding; and, reducing the time and effort needed to contribute constructively to solving problems. It also highlights a variety of roles a donor can take when working with other funders on a common theme or problem.

Figure 3. Co-funding Structures for Groups of Funders

WHICH CO-FUNDING STRUCTURE AND TYPE IS BEST FOR YOU?

If you want to...	Collaboration	Pooled funding (lead)	Pooled funding (participant)	Targeted co-funding (lead)	Targeted co-funding (participant)	Strategic alignment
Learn from and network with other organizations	✓	✓	✓	✓	✓	✓
Commit to long-term, solution-driven funding		✓	✓	✓	✓	✓
Maintain a high level of control over the funding process and metrics	✓	✓		✓		✓
Minimize the administrative efforts of coordinating multiple funding sources		✓	✓			
Minimize the time and effort needed to participate in a problem solution			✓		✓	
Co-fund a solution while still allowing each participant to maintain its own process and metrics				✓	✓	✓

Note: In strategic alignment, there is less of a lead/participant distinction because funders/partners agree to adopt joint or complimentary strategies, in pursuit of a common goal, and put their resources toward aspects of that strategy.

Source: Cynthia Gair, "Strategic Co-Funding: An Approach for Expanded Impact." REDF and Grantmakers for Effective Organizations, 2012. http://docs.geofunders.org/?filename=geo_redf_strategic_co-funding_2012.pdf (accessed February 12, 2014).

Below, the collaborative funds, community foundations, giving circles, and venture philanthropies are described in more detail. A brief summary of the approaches outlined is listed below.

	Approach	Sources of funds	Governance	Beneficiaries	*Examples*
Groups of Donors	C. Funder Collaborative	Groups of philanthropies.	Members of the fund collaboratively govern.	Grantees get multi-year/flexible funding terms, introductions to partners and an interested community. Donors share expertise and capacity.	*Ms. Foundation for Women, Energy Foundation*

	D. Community foundation	Individual donors, donor-advised funds, small private foundations, giving circles.	Often administered independently. Some funds may be governed by the donor or donor pool.	Non-profit organizations working within the foundation's community, who must typically apply annually.	*Boston Foundation*
	E. Giving circle	Groups of individual donors.	Members distribute pooled funds. Often hosted/managed by another organization.	Projects and organizations within the goals or themes of the giving circle.	*Threshold Foundation's Funding Circles, GVNGTogether*
	F. Venture philanthropy	Multiple individual donors.	Venture philanthropy organizations govern the use of the funds, with tight emphasis on metrics.	Non-profits or social entrepreneurs. Often recipients of funds are also guided by the venture philanthropists in their work.	*New Profit, Strategic Grant Partners, Venture Philanthropy Partners*

A. Funder Collaborative

Donors have been finding unique ways to increase the reach of their gifts by forming more formal and durable relationships through a Collaborative Fund, where *groups* of funders agree to pool their resources.

In 1990 the Ms. Foundation for Women established one of the first true collaborative funds, the Collaborative Fund for Women's Economic Development. [17]

i. Sources

The Ms. Foundation enlisted 12 other funders for this first collaborative fund, and thus become a pioneer in this philanthropic model. The Ms. Foundation also started the Collaborative Fund for Healthy Girls/Healthy Women in 1994 (later evolving into the Collaborative Fund for Youth Led Social Change in 2000), which leveraged 38 partners, including 24 private, public, and corporate foundations, eight individual donors, and six family foundations over the eleven years it was run.[18]

Funder collaboratives rely on pooling the funds of multiple foundations and individual donors based on the needs of their target or mission.

ii. Governance

The pool of funds is governed by the members of the fund operating as a group. Collaborative grantmaking can "leverage resources, educate donors, document lessons, and build capacity" in many emerging fields.[19]

An organization that hosts a collaborative fund may play many organizational roles, from staffing the collaborative programmatically, administering the money in the fund itself, providing technical assistance, guiding best practice research, and, if possible, joining the other donors at the table as a partner donor itself. The host must also manage relationships with donors and grantees and be viewed as accessible and trustworthy. The host should understand the direction in which the field is moving, and the process of hosting the fund may lead the host organization to become a leader in the field.[20]

The collaborative fund process developed and refined by the Ms. Foundation has four overlapping phases: 1) Internal planning; 2) Collaborative education and planning; 3) Grant selection; and 4) Research, monitoring, and capacity building. The first phases integrally involve the donor partners, and the last phase involves both donors and grantees. This process, described in detail below in Figure 4, uses consensus decision-making as much as possible among the donors, leveraging in-person meetings to help build relationships and trust among the group. This model may be especially relevant to NEC's goal of engaging members in a conversation about funding priorities as a whole—that is, what is best for the movement, not just for the participant organization, and determining how movement-level priorities translate into specific grants to coalition members, an approach that remains rare in current philanthropy.

iii. Beneficiaries

The collaborative fund model has benefits to both the donors and grantees, but also to the field in which it operates. Donors are able to connect with a community of other donors in their field of interest, develop a deeper understanding, share the risk when entering a new line of work, have access to a significant source of grant-making advice, have an external staff manage the administrative components of the fund, develop strong networks beyond their core mission, and benefit from lessons in collaboration. Grantees benefit from multi-year and flexible funding terms, which may help them test innovations, and from introductions to new donor partners, who may help the grantees independently of the collaborative. Also advantageous are peer networking through being part of a community of their field, increased learning and capacity building, and improved communication and networking with donors. The field will benefit from the focused attention and advanced learning by the group of donors and the documentation of needs and best practices, the innovations it may spur, and the connections among fields.

Figure 4. Collaborative Fund Process of the Ms. Foundation for Women

PHASE 1: Internal Planning *6 months – 1 year**	PHASE 2: Collaborative Education and Planning *6 months – 1 year**	PHASE 3: Grantee Selection *8 months – 1 year**	PHASE 4: Research, Monitoring and Capacity Building, *up to 4 years**
Development of broad strategic goals for ■ the host foundation ■ the collaborative process ■ the collaborative fund's grantmaking Goals encompass ■ impact on the field ■ impact on grantees ■ impact on donor partners and broader donor community ■ impact of grants on the lives of program participants Establishment of fund targets based on anticipated number and size of grants, staffing, administrative and learning component costs Determination of parameters and requirements of partnership Determination of financial contribution of host foundation Development of strategy to attract donor partners Involvement of "anchor" donor partners	Series of meetings of donor partners for the purpose of ■ increased learning about the field with the help of outside resource people ■ collaborative goal setting ■ determination of learning objectives ■ determination of selection criteria and drafting of *Call for Letters of Intent* ■ planning of grantmaking process	Distribution of *Call for Letters of Intent* Development of methodology for vetting letters and collecting data Review of letters of intent by staff Recommendations to donor partners of applicants from whom to solicit full proposals; final selection at donor partner meeting Development of *Full Proposal Guidelines* Solicitation of full proposals Development of methodology for vetting full proposals Review of full proposals by staff and donor partners Selection of applicants to site visit Site visits by staff and donor partners Selection of grantees by staff and donor partners	Research and Monitoring: ■ participatory determination of objectives of learning component, measurements and methodology; involving grantees, donors and outside resource people ■ data collection by grantees ■ periodic grantee narrative and financial reports ■ mid-grant site visits ■ production and dissemination of reports and manuals on lessons learned Capacity Building: ■ Continued learning among donor partners ■ Training and networking opportunities for grantees ■ Opportunities for donor partners and grantees to meet ■ Peer-to-peer assistance among grantees ** While categorized here as four distinct phases for the sake of clarity, the phases are fluid, blending into and overlapping with one another.*

Source: p. 8. http://www.cnjg.org/s_cnjg/bin.asp?CID=5783&DID=39863&DOC=FILE.PDF

Another example of a collaborative fund at the foundation level is the Energy Foundation, a consortium of philanthropies that share a common interest in building a clean energy future. While energy may not be the most prominent priority for each participating foundation, every one cares enough to seek to pool their resources for increased impact. Since it is difficult for any one foundation to develop special expertise in a particular technical area, they are able to enhance their expertise and effect by collaborating.

B. Community Foundations

The Cleveland Foundation was the first community foundation, founded in 1914 by Frederick Geoff, who had a vision of pooling the resources of Cleveland's philanthropists into an endowment to fund Cleveland's charitable needs in perpetuity.[21] There are now over 700 community foundations in the U.S., with estimated giving of $4.2 billion in 2011.[22]

i. Sources

Community foundations are public foundations that support charitable organizations in a specific community or region. They are usually derived from many donors and are administered independently. Community foundations also often run donor advised funds for large individual donors and for trustees of private foundations who do not wish to have the administrative or investment responsibilities of running a private foundation. They may also host giving-circle funds, allowing participants the tax benefits without having to start their own non-profit 501(c)(3).

ii. Governance

Governance is run by the foundation itself, often with input by the donors on where they would like to direct their funds. Community foundations are often very connected to the needs of the communities they support. The decision-making structure does not differ much from a private foundation.

However, because community foundations host donor advised funds and sometimes giving circle funds, they may govern only a small portion of the total funds that they distribute.

iii. Beneficiaries

The funds are typically disbursed to non-profit organizations working within the community of interest of the particular community foundation. Typically, organizations must apply for support annually.

For example, the Boston Foundation runs a competitive grant process, choosing organizations that are highly aligned with their Strategic Framework, which outlines its priority strategies for improving the Boston community.[23] While the strategies are informed through surveys, focus groups and engagement with civic and non-profit leaders in Greater Boston, they are also informed by the foundation's own research, and ultimately all grants are approved by the foundation's Board of Directors.

Other examples of this structure include: Silicon Valley Community Foundation, Brookline Community Foundation, and the San Francisco Foundation.

C. Giving Circles

Giving circles add a social component to giving. The group of donors will meet to socialize, network, or learn about their interest issues, often bringing a donation to the event or requiring a minimum annual donation to participate. Over the last decade, giving circles have become "a growing and significant philanthropic trend among donors of all wealth levels and backgrounds."[24]

i. Sources

Groups of individual donors, rather than groups of foundations, may join forces through giving circles. The circles decide together how to distribute their pooled funds to various non-profits and community projects. The number of giving circles reached close to 400 across the country according to a 2009 study, which also found that donors say they give more, give more strategically, and are more knowledgeable about non-profit organizations and problems in their communities when they participate in giving circles.[25] Nonetheless, giving circles at their core retain the same donor-controlled character that a New Economy form of collaborative funding may not wish to emulate.

ii. Governance

Giving circles can be hosted by another organization, such as a community foundation, especially if the circle requires a high financial commitment from members or wishes to build assets over time, such as through an endowment. This also makes gaining the tax advantage of giving to a non-profit much easier, compared to starting a new 501(c)(3) organization. Smaller giving circles may choose to use members as volunteers to reduce administrative overhead, but larger circles find the growing administration too overwhelming for volunteers. Hosts can also add value to the giving circle if they bring expertise to the issue area the circle wishes to focus on, which may add credibility to the new venture.[26]

Detailed guidance on how to start a giving circle is provided by the Forum of Regional Associations of Grantmakers, the largest national infrastructure organization in philanthropy.[27]

iii. Beneficiaries

Projects and organizations that fit within the goals or themes of the giving circle can be grant recipients. Grants may be required to be through non-profit organizations if the giving circle is seeking tax advantaged giving.

The Threshold Foundation is a unique network of over 250 individual donors who collaborate with a grant-making foundation on community issues. The foundation runs Funding Circles on themes of interest to their membership that have an urgent need to be addressed in the non-profit field.[28] The Awesome Foundation was founded in 2009 in Boston as a giving circle of local or like-minded trustees who donate monthly to the pooled fund.

Roughly 100 giving circles' chapters have since been founded around the world and are run autonomously, organized by the trustees around a locality or theme. Active chapters make $1,000 no-strings-attached grants to projects that support the arts and sciences and "the advancement of Awesomeness in the universe."

Boston based GVNGTogether is a relatively new giving circle targeted at young professionals who are the next generation of philanthropists and are interested in learning how to evaluate non-profits, how non-profits are run, and what they need to know to be on a non-profit board.

D. Venture Philanthropy

Originating in the high-tech, venture capital and foundation worlds, venture philanthropy—also called "high-engagement philanthropy" or "social venture philanthropy" —refers to a model much like private venture capital investments. Venture philanthropy typically involves deep governance and operational involvement in the organizations it supports by deploying the donor's capital, business expertise, and contacts. Venture philanthropies have shown a strong affinity for social enterprises, and social entrepreneur accelerators, such as the Acumen Fund, have become popular. This movement has also given rise to a focus on the measurement of impact throughout philanthropy. For example, the Acumen Fund measures social impact primarily by focusing on the number of lives reached in base-of-pyramid markets, compared to others who may look to a longer time-horizon for assessing impact on broader social goals, such as reducing poverty.[29] Focus on metrics affects outcomes, and there may be a need for different metrics to produce different results.[30]

i. Sources

Venture philanthropy organizations pool resources from multiple donors who seek to ensure their assets be allocated to organizations with the highest measurable impact. Many, such as New Profit, aim to support social entrepreneurs by providing them with the capital they need to solve the systemic causes of persistent social problems.

ii. Governance

Venture philanthropy organizations govern the use of the funds and influence the strategies employed by the beneficiary organizations. The tight emphasis on metrics and short-turnaround in performance has become controversial, with critics citing over-emphasis on short-term performance metrics at the expense of long-term systemic change.

iii. Beneficiaries

Beneficiaries may be non-profits and social entrepreneurs who receive funding as well as business expertise, training, and guidance. One example of a venture philanthropy organization is Strategic Grant Partners (SGP), which brought fourteen affluent families together behind the mission of helping struggling individuals and families in Massachusetts improve their lives. Since the founding of SGP, it has granted over $39 million to 30 organizations.

Another example is Venture Philanthropy Partners (VPP), which is very focused on partnering with its grant recipients, which it calls "investment partners" rather than grantees. VPP aims to develop long-term relationships and tries to build trust and share risks among parties. They "aspire to serve as a trusted advisor, helping great leaders build stronger, more effective, more enduring organizations to better serve children." Their grants are not geared toward specific programs, but rather building organizational capacity. Investments are often large-scale and, multi-year, a distinct departure from the project orientation of most funders.

3. Collaboration Between Funders and Recipients

While most of the above cases illustrate the dominance of donor-controlled giving, two examples of strong collaboration between both the funders and the recipients are identifiable: collaborative networks and shared gifting programs.

	Approach	Sources of funds	Governance	Beneficiaries	*Examples*
Non-profits + Donors	G. Collaborative network	Group of collaborative philanthropies or donors.	Funders and non-profits govern together. Foundations align grant-making so collective priorities are addressed.	Non-profits within the network are potential beneficiaries of funds, but funders also benefit through collaborative engagement.	*RE-AMP*
	H. Shared gifting	One donor or many with pooled funds.	Group of donor-selected grantees must collectively decide how to distribute funds amongst themselves.	Grantees efficiently allocate resources and build partnerships across their organizations.	*RSF Social Finance Mid-States Waldorf Shared Gifting Program*

A. Collaborative Networks

A collaborative fund of pooled donors may include extensive coordination with their non-profit grantees. Network approaches are gaining ground among funders and activists as "new tools and knowledge are amplifying the ways in which networks can help with complex social problem solving," allowing them to experiment with "scaling impact, and creating a new network-centric ecology of social problem solving in the process."[31] The network approach is about creating greater impact by connecting the actors and resources together in a collaborative way. Figure 5 clearly compares the different ways traditional and network models of funding approach the challenges faced by grantmakers.

Figure 5. Traditional and Network Approaches to Grantmaker Challenges

Challenge	Traditional Approach	Network Approach
Build community assets	Administer social services	Weave social ties
Develop better designs and decisions	Gather input from people you know	Access new and diverse perspectives
Spread what works	Disseminate white papers	Openly build and share knowledge
Mobilize action	Organize tightly coordinated campaigns	Create infrastructure for widespread engagement
Overcome fragmentation	Bring players and programs under a single umbrella	Coordinate resources and action

Source: Diana Scearce, "Catalyzing Networks for Social Change: A Funder's Guide." Grantmakers for Effective Organizations and Monitor Institute, November, 2011, page 5.

RE-AMP is one notable case of a collaborative network where funders and activists across eight midwestern states are working together to tackle regional global warming.

i. Sources

A group of 12 foundation funders contribute to the RE-AMP network activities. The foundations align but do not necessarily pool their grants.

ii. Governance

RE-AMP, as a collaborative network of funders and non-profits, first sought to establish shared priorities, creating "an opportunity for funders and non-profits to engage as equals in setting shared strategies, even if their roles differ."[32]

Participants adopted six key principles when forming their network. They sought to 1) understand the system they were trying to change through systems-mapping; 2) involve both funders and non-profits as equals from the beginning; 3) design a networked, decentralized system in order to coordinate action, rather than forming a new centralized organization, "which can dampen self-organizing and emergence"; 4) cultivate leadership at many levels to create a shared leadership with resilience and greater effectiveness; 5) create multiple opportunities to connect and communicate through their custom technology platform; and 6) remain adaptive and emergent while staying committed to a long-term vision.[33]

iii. Beneficiaries

The RE-AMP network comprises 113 non-profits; however, the benefits of membership accrue to all. The non-profits benefit from the funds awarded by the foundation members of the network while the foundations benefit from interactions with the network members in the form of enhanced understanding of critical issues in the region.

The network has helped pass energy-efficiency legislation, stopped the development of 28 new coal-fueled power plants, and promoted a rigorous cap-and-trade program for the region. The network has made progress towards its cause, built the capacity of regional activists, created numerous shared resources, and developed stronger relationships between funders and nonprofits.

B. Shared Gifting Model

The Shared Gifting model appears to be unique among all donor-driven models because it offers democratic control of the fund distribution to the grantees themselves.

Elise O. Casper, a philanthropist, founded the Shared Gifting model in the aftermath of a transformative experience in which she realized that she no longer wished to be the sole director of her funds. She created the first known fund-sharing group, bringing together a group of Waldorf schools in the mid-states region including Ohio, Kentucky, Tennessee, and Alabama in the East, and Montana, Wyoming, Colorado, and New Mexico in the West. Participants shared proposals, best practices, and, eventually, a pool of money that they divided among themselves. The Mid States Shared Gifting Program is 28 years old and has made $5 million in grants since its inception..

i. Sources

In the particular case of the Mid States Shared Gifting Program, the donor is one individual philanthropist who trusts in the wisdom of the community of recipients she supports.

ii. Governance

The process of Shared Gifting begins with money being granted to a selected group of grantees who are then invited to review one another's proposals. At an in-person meeting, grantees hear each other's needs and discuss their organizations' histories, opportunities, and proposals. Most of the day is spent building trust and community so people can feel the human connection with these organizations. Finally, the amount of the total grant is unveiled to the group, and through a process of gifting the grantees decide together how to distribute the funds amongst themselves. This governance model, more than most, exemplifies the essence of collaborative giving.

iii. Beneficiaries

The organizations – many of them schools – that participated have developed a feeling of creative abundance and gifting among their community. The participants do not always focus on maximizing the amount of money that they will each receive. Instead, the process of fund-sharing "fosters the most efficient use of resources by requiring grantees to achieve consensus on how funds will be allocated to support their collective effort… and builds community by placing participants in relationship with each other as both grantee and grantor."[34] The idea is to avoid competition, and instead create a spirit of collaboration, a critical ingredient in movement building that NEC seeks to foster.

RSF Social Finance, a public foundation, after observing a shared gifting session of the Mid-State Waldorf schools, was inspired by the Waldorf experience and decided to experiment in implementing the model in the San Francisco Bay area around the theme of local food systems in 2011. Using $50,000 of RSF funds, it solicited nominations from the RSF community to decide who would participate in a first attempt at this shared gifting session. After interviewing applicants, it chose a core group of seven organizational leaders who were open to collaboration and experimentation. The grantees were invited to a one-day meeting, where they spent the morning learning about each other's work, their organizations and missions, and then reviewed one another's grant proposals. In the afternoon, the total grant amount was revealed: each group would receive $3,000 to keep but was also asked to give away $4,000 to the other groups as they saw fit.

The results of this experiment were striking. Some groups split the money they were to gift evenly among the other grantees while others gave more to the grantees in less affluent geographies or to those with more challenges winning government grants. After an opportunity to re-gift a share of what they had received, two of the grantees found a new way to collaborate by giving funds to another grantee to attend a course with the stipulation that the recipient would share lessons learned at that course. Three groups found the whole day's exercise so useful that they actually gave money back to RSF so that the non-profit could repeat the giving experiment. Another grantee, an educational farm, received funds to bring all participants together again six months after the meeting.[35]

IV. Toward a NEC Strategy

The many variations of collaborative funding offer lessons in designing a possible NEC strategy for creating new approaches to donor/grantee relationships. An overview of the most instructive follows.

Federated Funds such as the United Way are often focused on a particular geographical community and its needs. It is possible to imagine a federated fund focusing on a New Economy theme across geographies, such as the United Negro College Fund, which focuses on education for African-Americans.

Some argue that campaigning cooperatively benefits the whole community and that smaller but worthy non-profits may suffer if there are other non-profits running large individual campaigns. Non-profit collaboration fostered by joint fundraising can create additional benefits, and donors like to see this. However, problems that arise when collaborating on fundraising include the inconvenience of coordination, differences in organizational culture, and difficulty for donors who want to measure the impact of funds and to differentiate between strong and weak non-profits.[36] Overcoming these problems requires good governance and earnest engagement from all organizations so that large organizations do not dominate smaller ones.

The extensive administration of a complex organization such as the United Way is beyond the needs for an initial NEC-related entity. The United Way relies on staff, community members and experts to help allocate the funds to member organizations, thereby creating a donor/grantee dynamic. NEC may want an internal system of distributing funds raised that is based on panels of members that would perhaps rotate through the full NEC membership roster over time. This model has been used with great effectiveness by the New England Grassroots Environment Fund, which has created teams of grantees to evaluate new proposals.

Online giving platforms are an important part of reaching the next generation of donors and supporters of the New Economy. Integrating some kind of online system of participation would be wise, perhaps in a first round of identifying and voting for NEC priorities, or in a later round of narrowing down applicants for a round of grants.

Community Foundations often better understand a community's needs**,** though again, a traditional philanthropic model prevails because the potential grantees must ultimately cater to the foundation's priorities. But because community foundations often run donor advised funds, they may offer a potential home to a fund developed by NEC members, thus reducing the administrative burden of running it independently. NEC would want to ensure, however, that the investing of any funds held by the community foundation be invested in a manner consistent with NEC member values.

Giving circles of individuals interested in contributing to a common theme demonstrate that a growing number of individual donors are interested in learning about non-profits and donating together to achieve a greater impact. This can help inform an engagement strategy for NEC fundraising efforts, as well as reinforce an important value of the New Economy by organizing some events in various locales for education and networking in order to draw in this important donor type. Additionally, non-profits themselves may form a giving circle, learning from examples of donor-based circles.

Collaborative Networks of funders and activists can create systems change, similar to the RE-AMP network on clean energy in the Midwest, and the principles used to develop their network should be observed by any similar NEC funding priority network.

The **Shared Gifting** program with which RSF has been experimenting has important implications for creating a collaborative and mutually generous funding atmosphere among NEC members. NEC could work with foundations and other donors to match the funds raised by the NEC members or to seed the fund. To get started, each participating group could contribute some amount and then set up a process for sharing proposals via meetings of the selected groups.

In general, distribution of funds equally or at once to all 100-plus NEC members may be ill advised. Over time, and through the various NEC activities, the groups will build relationships. A process could be designed to eventually fund all members based on the evolving needs and priorities of the movement and democratic control of allocations. In fact, RSF suggested from its experience with Shared Gifting program that the first group of assembled organizations have some amount of funding, and help put forth a plan for rolling out funding for other groups in the future. Attempting to do everything in advance signals a lack of trust in the wisdom that inevitably emerges from the process itself.[37]

In light of the lessons learned from other collaborative funding models, how do we define a prototype for a new approach – something that might be called a "New Economy Fund"? In order to move forward, a series of questions merit exploration. Trusting the wisdom of the group and the process, it is prudent to leave many details to be determined at a first meeting of member organizations. However, many ideas may be drawn from the above assessment of collaborative funding models. The three initial questions that guided this assessment provide a useful framework for ordering these lessons and translating them into the design of an NEC model: Who Funds? Who Governs? Who Receives?

Who Funds?

1. All NEC members might decide to contribute in some manner. It could be a percentage of annual budgets or a fixed amount. As one benchmark, giving circles often have an exact amount each participant must donate in order to participate, so that the democratic control is maintained, while others allow any donation amount.
2. Member organizations could solicit additional donations from their own donor solicitations. For example, in an organization's donation request, they could include an option to allocate some funds (i.e., a checkbox for adding a fixed contribution of $5 or $10) to the New Economy Fund. That option would be identified as contributing to a pooled fund controlled by the coalition as a whole and intended for the creation of collaborative, movement-building projects.
3. Foundations, corporations and other businesses or organizations looking to support the New Economy would have a single place to donate and could trust that the money would be distributed in the manner that the coalition members had collectively decided was most important.
4. Individuals interested in giving to the New Economy movement could give to the fund directly. There could also be an individual membership option, similar to the Sierra Club or National Public Radio, which could provide some benefits or services to individual members (e.g., discounts at supporting businesses. regular newsletters, access to special events).
5. The New Economy Fund could run an umbrella campaign, which might take place every year at a particular time, such as New Economy Week in October.

Who Governs?

1. A democratic governing committee would be made up of NEC members, including other community members and individuals who are New Economy thought leaders as agreed upon.
2. NEC Members could prioritize the New Economy movement's funding needs as guidelines for funding cycles, rather than working only on a particular foundation's priorities. One could devise a democratic system of outlining these priorities or developing a roadmap, such as the National People's Action "Long-Term Agenda for the New Economy."[38]
3. NEC could create even stronger networks among donors and coalitions members that would benefit all parties.
4. Disbursement of funds could be made at an organizational level to collaborations between NEC organizations, or could be given to a group of NEC members who fit within a particular NEC priority to self-distribute needed funds among the groups (as in the Shared Gifting model).

5. NEC might serve as fiscal sponsor or trustee for the foundation. The fund itself could be housed at either a community foundation or another foundation, such as RSF Social Finance, which would manage the administrative and investment responsibilities in a way consistent with NEC values.
6. Investment of funds and disbursements of grants would reflect core values of the network. The funds will be dispersed under the auspices of a body democratically chosen and accountable to the movement itself.
7. Monitoring use and impact of funds will be important, not only to the NEC community, which will want to learn what works and what doesn't, but also to the foundation and individual donors who are accustomed to feedback about how their donations have created impact. NEC members, however, will have the opportunity to define the way that impact is best measured to reach the long-term goals of the movement, rather than its short-term goals.
8. The governance body should develop guidelines for conflict of interest issues and the specifics of fiduciary duty.

Who Receives?

1. NEC members would likely receive opportunities to be part of the New Economy Fund disbursements on a rotating basis, for example by issue area, theme, or other organizing principle agreed upon.
2. Other organizations or individuals that the governing committee deems capable of advancing the NEC vision would also be eligible to receive funding (e.g., sponsored research organizations, thought leaders, aligned movements).
3. Funds would be directed towards activities that build active alliances among members—for example, around a specific issue or campaign, or in a particular city. As always, the fund would prioritize activities that directly contribute to movement building.
4. Results and lessons learned from any projects funded by the New Economy Fund should be available to all NEC members in order to share the benefits among them and to create stronger community. The work should be promoted by NEC publicly, unless the work is considered sensitive if released to a broader audience (e.g., research on New Economy messaging, New Economy movement strategy).

Possible Next Steps

Advancing the exploration of a New Economy Fund will require an inclusive process that learns from existing models while designing a model suitable to the special needs of a young, growing and dynamic alliance of disparate organizations. The outline of a consultation process is as follows:

1. NEC circulates this Consultation Draft to all members and selected New Economy thought leaders in preparation for the June 2014 conference.
2. At the same time, NEC circulates the Draft to a set of donors to gather reaction from the philanthropic community.

3. A session at the June 2014 conference provides a forum for open debate and discussion of the Draft.
4. NEC revises the Draft based on conference and donor feedback.
5. Draft is discussed in detail at NEC Strategic Board retreat in July 2014.
6. If approved by the board, an NEC working Group of 6-10 members, perhaps with support of a consultant, develops a draft organizational structure for a New Economy Fund.
7. NEC convenes a donor group to discuss seed funding and participation.
8. Depending on donor feedback and interest, NEC secures a three-year commitment of funds to launch a pilot New Economy Fund.

V. A New Philanthropy

The movement for a New Economy may also require a New Philanthropy. Both donors and recipients are looking for ways to stabilize and enhance the impact of financial resources on structural change. A broad spectrum of historical examples provides evidence that models of giving, rooted in the principles of democracy, justice and appropriate scale, are valuable additions to the traditional paradigm. As the nation struggles to deal with inequality, injustice and ecological degradation, New Economy organizations are poised to play a vital role turning the corner toward a just and sustainable America. But such a role requires a substantial, stable and long-term funding model that reflects New Economy values and strengthens New Economy movement building.

The New Economy is taking shape in response to widespread disenchantment with many institutions and leadership. The drive for innovation is swirling around us. Building on the strengths and traditions of philanthropy that have already changed our society, donors and grantees seem ready to embark on a new and mutually beneficial path. With a New Philanthropy as a partner, the New Economy movement can become the force for halting our downward slide and building the visionary restorative and regenerative economy so necessary to our planetary future.

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