

## Overview of Funder Collaboratives

While funder collaborations are not new, the concept has gained currency as funders seek to have an impact on ever more complex problems, realizing that their individual giving will generally not be sufficient to make the kind of difference they desire. The current economic circumstances are a key factor prompting an increased interest in collaboration. So is the interest in “walking the talk” as funder increasingly ask nonprofits to collaborate. Some of the increased interest may be due to the younger generation becoming more involved in philanthropy. They’ve been labeled the “relationship generation” – one that leverages the power of technology to collaborate – efficiently and effectively.

### Types of Donor Collaboration

- *Information Exchange* – Forum (actual or virtual) is created for exchange of information
- *Co-Learning* – Donors agree to explore together a particular issue or problem
- *Informal Strategic Alignment* – Donors may work together and decide to align some grantmaking
- *Formal Strategic Alignment* – Donors agree to align their grantmaking and create structures to work together
- *Targeted Co-Funding* – Donors coordinate their investments but retain individual control
- *Pooled Funding* – Donors contribute to a collective fund and jointly decide on distributions
- *Hybrid Networks* – Involve some mix of the options described above
- *Joint Funder-Nonprofit collaboratives* – Designed to create shared learning across the sector

### Benefits of Participation:

- Access to pooled information and expertise
- Opportunity to develop new grantmaking strategies
- Ability to leverage philanthropic resources
- Increased public attention to critical issues
- More efficient use of available resources
- Opportunity to share the risk with partners
- Creation of additional partnerships
- Potential to achieve greater impact

### Challenges

- Additional time and energy requirements
- Control -sacrificing some individually autonomy
- Credit – need to share the glory
- Interpersonal tensions
- Institution shifts – new folks don’t necessarily embrace collaborations of the past
- Dearth of hard evidence about benefits/cost effectiveness, strategic advantages

### Good Resources (links available at AGF Website -

[www.arizonagrantmakersforum.org/resources/FunderCollaboration.aspx](http://www.arizonagrantmakersforum.org/resources/FunderCollaboration.aspx)

- *Donor Collaboration: Power in Numbers*, The Philanthropic Initiative, 2009
- *Funder Collaboratives: Why and How Funders Work Together*, Grantcraft, 2010