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**Grantmakers for Effective Organizations** is a community of more than 400 grantmakers challenging the status quo in their field to help grantees achieve more. Understanding that grantmakers are successful only to the extent that their grantees achieve meaningful results, GEO promotes strategies and practices that contribute to grantee success. We help grantmakers improve practices in areas which, through years of work in philanthropy, have been identified by innovators in the field as critical to nonprofit success: Learning for Improvement, Collaborative Problem-Solving, Funding Outcomes, Stakeholder Engagement and **Scaling What Works**. More information on GEO and a host of resources and links for grantmakers are available at www.geofunders.org.

Launched in 2010, **Scaling What Works** is a multiyear learning initiative of GEO to expand the number of grantmakers and public sector funders that are working together to broaden the impact of high-performing nonprofits. Through **Scaling What Works**, GEO offers training, networking opportunities, and a host of tools and resources to better equip grantmakers to help the nonprofit organizations they support to plan, adapt and grow their impact in creating sustainable benefits for people, their communities and our planet. For more about **Scaling What Works**, visit www.scalingwhatworks.org.

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INTRODUCTION

Recognizing that we can achieve more working together than acting alone, there is increasing interest among private and public sector funders, nonprofits, community organizations and corporations alike to find ways to effectively align resources to grow impact.

Strategic co-funding is a key way grantmakers of all types and sizes can expand the impact of their grants, leverage knowledge and resources (both philanthropic and public funds), and reduce administrative burdens on themselves and grantees.

Co-funding is not a new idea — grantmakers have been pooling resources and other support for a long time. However, recent efforts have contributed to a more sophisticated understanding of how to ensure that co-funding arrangements have the desired impact. REDF’s 2008 article “Out of Philanthropy’s Funding Maze: Roadmap #1, Strategic Co-Funding”¹ offered a framework to think about structural options as well as recommendations for a successful co-funding journey. From 2007 to 2012, the Edna McConnell Clark Foundation, a GEO member, has shared lessons learned from its Growth Capital Aggregation Pilot, three co-investment funds investing $120 million of growth capital over five years in three high-impact grantees. Since 2010, the federal Social Innovation Fund program has mobilized public and private resources to grow promising, community-based solutions that have evidence of compelling impact in three areas of priority need: economic opportunity, healthy futures and youth development.²

In February 2013, through its Scaling What Works initiative, GEO is hosting a convening of more than 150 grantmakers of all shapes and sizes to explore different approaches to strategic co-funding. By sharing experiences, best practices and challenges, we hope to deepen knowledge about what contributes to success and advance co-funding practice.

GEO is partnering with REDF to update and release REDF’s 2008 article on strategic co-funding as a background document for this convening. Our hope is that the frameworks and recommendations in this will serve as helpful context for participants at the convening and for the broader field as well. We look forward to continuing the conversation with GEO members and adding to the knowledge and practice base on effective strategies for co-funding.

Kathleen P. Enright
President and CEO
Grantmakers for Effective Organizations

² The Social Innovation Fund awards funds to grantmaking institutions (“intermediaries”), which provide the grantmaking mechanisms to deliver Social Innovation Fund dollars locally. Each intermediary is required to match its federal grant dollar for dollar, in cash, and then regrant the funding to “subgrantee” organizations it has selected through an open and competitive process.
MORE MONEY, MORE EFFICIENT MONEY

Foundation funding has given fuel to social sector innovation and helped fill critical emergency needs. However, by and large, the field has not developed an approach that supports long-term solutions to the long-term problems it seeks to address. The majority of grants are one-year, program restricted and a median size of $20,000 — hardly what is required for large-scale social change.3

Foundations provide a small proportion of all charitable giving in the U.S., and while contributions from individual donors make up a larger share of charitable giving, these contributions are typically in relatively small amounts.4 By aggregating these dollars, funders of all types — public agencies, private institutions and individuals — can increase the impact and efficiency of their funding.

Foundation co-funding is still a relatively new approach for many. Co-funding can take many different forms, and the field is still learning about what constitutes good practice when it comes to co-funding. This publication focuses on co-funding models that are strategic, meaning they are based on clear goals, a commitment to prioritizing what’s needed to address the problem at hand over the preferences of individual funding organizations and agreed-upon success measures. In order for co-funding to have long-term impact, these strategic criteria must be in place.

Strategic co-funding can help address two primary problems many nonprofit initiatives face: the need for more money and the need for more efficient money. By articulating primary goals, determining what’s required to achieve the goals and establishing appropriate success measures, grantmakers can aggregate dollars in ways that streamline funding sources for nonprofits, thereby easing their fundraising and reporting burden, and helping to avoid duplication of efforts for grantmakers and nonprofits alike.

More Money

Money attracts money. Grantmakers can and should use their networks and influence to bring more money to the causes they support. Just as for-profit investors seek their peers’ vetting of specific investments, grantmakers can influence each other’s funding choices. Matching grant strategies, which work well to increase fundraising returns, are an example of the effect collegial influence can have. Grantmakers’ calls for additional funds can be compelling.5 For example, a seed grant from the Conrad N. Hilton Foundation in 2011 launched the Home For Good Funders Collaborative, which aims to coordinate funding to provide permanent supportive housing for more than 1,000 chronically homeless people per year in the Los Angeles area until 2016. The Hilton Foundation required that its $1 million grant be matched by $4 million from other private funders. Eight private funders helped meet that match, which then led to an additional $100 million in public funding in the first year of the collaborative.6

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More Efficient Money
When money is aggregated via a co-funding group, fundraising and reporting are streamlined for the grantee, thereby increasing the “net grant.” Grantmakers, too, can become more efficient by decreasing due diligence and monitoring duplication while more effectively aligning funding, policy and practice. The Edna McConnell Clark Foundation’s Growth Capital Aggregation Pilot consists of three funds aggregating $120 million from 19 co-investors to provide growth capital to three high-impact grantees. Co-investors in each grantee signed a shared memorandum of understanding that outlines a joint set of terms and conditions, performance metrics to be used by all investors, shared reporting methods and a financial model that allows the grantee to draw down growth capital only if it achieves performance milestones, including the securing of reliable, renewable funding. In its role as lead investor through 2012, EMCF is providing additional support beyond grants to help grantees meet their growth goals, and coordinating performance reporting, payouts and communications on behalf of its co-investors.8

DECIDING IF AND HOW TO CO-FUND
Before a grantmaker engages in co-funding, leaders must make the right decision as to whether strategic co-funding is the right approach. Not all funding needs to be co-funding, nor should it be. Strategic co-funding requires a level of time and resource coordination that will not be appropriate in every case. Grantmakers should also consider how co-funding may affect grantees and ensure that co-funding will be a worthwhile endeavor for them as well.

A strategic co-funding initiative is shaped by solution requirements rather than funders’ needs and limitations. It has

• a clearly articulated social mission goal and
• an accompanying fundraising goal, which is based on an analysis of the total funds required to achieve the mission and includes plans for securing any additional funding that may be needed beyond what the co-funding initiative will provide.

If the initiative meets these criteria, then strategic co-funding could be a good fit.

Once a grantmaker determines that joining an existing co-funding group or starting a new one is the right approach for what it wants to accomplish, the next step is to determine which co-funding structure and role will work best. Deciding how to co-fund can be as critical to an initiative’s success as deciding whether to co-fund. From the examples we have looked at from across the field, we have found that strategic co-funding typically takes shape in three structures — pooled funding, targeted co-funding and strategic alignment or some combination thereof.

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

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

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.

In **pooled funding**, each member funder donates money to a single pool of funds. Money from the pool is then used for various aspects of the initiative without distinguishing its original donor. Organizations involved in pooled funding relinquish more control over their funds while creating a flexible pool that reduces the administrative efforts of coordinating multiple funding sources. Within a pooled co-funding group, there are two primary roles funding organizations can assume:

- **The lead funder** takes on a leadership role in deciding how the co-funding initiative will operate, the implementation methods for the initiative and the metrics that will be used to determine success. Some parts of the coordination may be delegated to an intermediary.
- **A participating funder** (or minority investor) contributes to the pool and may offer expertise and advice but does not assume primary responsibility for initiative implementation and fund allocation. Participating funders trust the lead funder’s expertise and leadership and see this as a more efficient approach for them.

In response to human service budget cuts and a simultaneous increase in demand for services in New York City, Nonprofit Finance Fund is in the process of launching a pooled funding effort that aims to build the capacity of 100 social service agencies in the city and enable them to thrive in a dramatically
different funding environment. The NYC Community Resilience Fund aims to mobilize and deploy $110 million over four years as a customized blend of grants, loans and public sector support and advisory services.

“These organizations — soup kitchens, homeless shelters, afterschool programs, etc. — are on a slow path to bankruptcy because of the rough economic climate and structural problems in their business model,” said Antony Bugg-Levine, CEO of Nonprofit Finance Fund. “We don’t believe we can enable them to sustain themselves and thrive unless we bring a complete capital approach that puts impact investing alongside intelligent grantmaking and brings government in as a partner to help reduce the risk for investors.”  

The target launch for the fund is March 2013 with anticipated commitments of $50 million of senior debt from a commercial bank, $12 million of credit enhancement from a city government and $3.2 million of grant funding from national and local foundations.

In targeted co-funding, participating funders make a commitment to the same initiative or same set of grantees, but each separately donates money directly to the grantees to fund a portion of that initiative. Because the funds are never pooled, each organization retains more control over the destination and purpose of its funds; however, a targeted co-funding model requires more administrative effort to coordinate the grants of multiple donors toward a single initiative. Within a targeted co-funding group, there are two primary roles funding organizations can assume:

- The lead funder takes on a leadership role in coordinating funding commitments. Sometimes the lead funder does the due diligence and coordination; sometimes this is delegated to an intermediary organization.
- A participating funder takes on a more secondary role in selecting and contributing to funds to the recipients of the initiative but has say in the implementation and measurement plans for the portion of the initiative it is funding.

100Kin10 is a multi-sector network that is responding to the national imperative to train 100,000 science, technology, engineering and math (STEM) teachers by 2021. Participating funders commit a minimum of $500,000 over three years to support any of the network’s more than 100 partner organizations. Participating funders can independently select grantees from more than 100 vetted organizations found in an online collaborative platform. The initiative surpassed its first fund goal of $20 million and will begin recruiting for a second fund in the fall of 2012. The University of Chicago Urban Education Institute oversees the 100Kin10 vetting process and is also developing tools for partners to measure the quality and impact of their commitments. (For more on 100Kin10, see page 12.)

In strategic alignment, funders adopt joint or complementary strategies in pursuit of a common goal and put their resources toward aspects of it. Strategic alignment is typically more loosely structured than pooled funding or targeted co-funding. Participants all agree to a set of priorities, but each individual funder administers its own grantmaking processes and decision making. Governance and administration requirements are typically less in strategic alignment than in other co-funding structures, and because of the looser structure, there often is not one foundation playing a lead funder role. Administrative and/or facilitative support can be handled by a staff member at a participating foundation, a consultant or a staff member from an affinity group.

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California Civic Participation Funders is a collaboration of 10 foundations that have come together around a shared goal of increased civic participation among underrepresented populations. The group comprises a range of foundation sizes and includes both 501(c)3 and 501(c)4 funders. Participants came to the effort with a range of issue and mission interests, but since all are committed to social justice issues, they have been able to successfully identify a common vision and goals for the work they are doing together. Early in the process, funders agreed on a broad set of strategies to be covered by grants for the work in each target county (e.g., legal, organizing, community outreach and education, etc.). Each year, point people in the funders group volunteer to work closely with each set of county-based partners and identify specific grant needs for each county. Those specific grants are then covered by the various foundations participating in the funders group, who invite full proposals and execute grants. In this way, each participating foundation makes independent decisions about which parts of the larger group’s goals and strategy to support. “The approach here is to allow everyone to approve their own grants in service of the bigger goals,” said Tim Silard, president of the Rosenberg Foundation. (For more on California Civic Participation Funders, see page 10.)

TIPS FOR A SUCCESSFUL JOURNEY WITH STRATEGIC CO-FUNDING

Once a grantmaker has determined the right structure for co-funding, it must then take steps to ensure success with this arrangement. Because strategic co-funding is a long-term commitment, grantmakers should consider it a journey. Past funder collaborative groups have identified a number of success factors, including the following:

- Establishing clear and mutual values, goals and methods
- Being transparent about foundation interests and decision-making authority
- Being willing to negotiate and accommodate
- Devoting sufficient time for working out logistics
- Committing the level of resources needed to accomplish what you want
- Being a strong partner through implementation
- Strengthening relationships
- Communicating clearly and frequently

Grantmakers should follow three steps to help ensure success with co-funding:

1. **Agree on the destination.** *(Reach consensus on clear goals.)*
2. **Pack for the whole trip.** *(Invest time and resources commensurate with the results you want to achieve.)*
3. **Watch for road signs.** *(Articulate measures of success.)*

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1. **Agree on the destination**
   a. **What is our goal?**
   b. **Is it broad enough to be compelling yet specific enough for action?**
   c. **Can we clearly convey the actions and outcomes we expect?**

A clearly articulated goal is vital to attracting co-funding partners. When grantmakers clarify where they are going and how they plan to get there, they are more likely to attract like-minded grantmakers and grantees. Having a clear, specific end goal paves the way for agreement on interim milestones.

A good goal inspires, focuses and leads to action. The Skillman Foundation’s Good Neighborhoods initiative is guided by a theory of change that “young people are more likely to be safe, healthy, well-educated and prepared for adulthood (1) when they are embedded in a strong system of supports and opportunities, (2) when they attend high-quality schools, (3) when their neighborhoods have the capacities and resources to support youth and families, and (4) when broader systems and policies create conditions under which youth can thrive.” From this theory of change, the foundation devised five strategies for the initiative: (1) build resident leadership on behalf of kids, (2) strengthen neighborhood capacity to execute a children’s agenda, (3) concentrate high-quality programs and services for children in the neighborhoods, (4) attract major investors and champions, and 5) improve neighborhood schools and preparedness for college and work. (For more on Good Neighborhoods, see page 11.)

2. **Pack for the whole trip**
   a. **What and how much impact do we seek?**
   b. **What is needed for the whole plan to succeed?**
   c. **Is the potential payoff worth the investment required?**

In strategic co-funding, funders come together to address ambitious goals. For the most part, co-funding does not set out to support short-term projects; instead, co-funding tends to be targeted at identifying new or scaling successful solutions to complex problems.

This is a contrast from traditional forms of philanthropic funding. Most nonprofit practitioners and funders shy away from estimating the total resources required to accomplish their larger social goals, and instead limit their view to specific projects, creating a funding environment that is predominantly project-oriented. But a project, no matter how valuable, can fail if there is not a strong organization or group of organizations behind it. Addressing complex challenges requires significant investments of resources and time.

The Forever Costa Rica project brought together a group of international conservationists, funders and the Costa Rican government to permanently protect 5.7 million acres of habitat. The deal included a $57 million funding package that funders characterized as Project Finance for Permanence. Funders agreed to fund all the necessary components of the project, the funding was contingent on all the other elements of the project being in place, and all the funding was disbursed simultaneously. This approach of mobilizing all the resources needed for success at once is different from the piecemeal approach typically seen in philanthropy, and the impact can be great. As one conservation leader described the piecemeal approach, “Our goal this year is to hold off disaster, and to raise the money for next year so

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12 According to Grantmakers for Effective Organizations, Is Grantmaking Getting Smarter?

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Grantmakers for Effective Organizations
that we can live to fight another day.”13 Now, the Project Finance for Permanence approach has established a $50 million permanent trust, which, combined with the Costa Rican government’s ongoing funding of $19 million annually, will provide the long-term funding needed for protected areas.14

A second consideration when packing for the whole trip is the care and feeding the co-funding initiative itself will require. Successful collaboration needs some level of infrastructure behind it. Significant co-funding requires staffing and time, and sometimes it requires particular expertise. It is important to ensure that the co-funding group’s fundraising targets are set high enough to factor in the costs of the co-funding initiative itself and leave enough money to make the effort worthwhile.

In a similar vein, it is important to remember that a key goal of co-funding is to attract more money. Funders should ask themselves, “Will the co-funding bring in new money, or will it simply reroute existing funding?” One self-identified cynic assessed a funders’ collaborative in her field as “just two more layers of overhead” and questioned whether anybody had done the math before starting it.

The Los Angeles Urban Funders, a 1990s-era consortium of 30 foundations that pooled funding focused on three low-income geographic areas, collectively mapped their diverse funding streams. They were able to quantify available public and private resources, the duration of support, and the purposes assigned to each stream. From this bird’s-eye view, LAUF drew conclusions about what program areas were underfunded (or overfunded) and how they could fill the gaps. Individual donors were able to see their giving in the larger ecology of funding sources and determine how their funds could be spent most effectively.15

3. Watch for road signs
   a. How can we measure the success of our efforts?
   b. What milestones will tell us if we’re on the right track?
   c. When should we reach our milestones?

Measuring the success of social change efforts is always a challenge, and the long-term and collaborative nature of strategic co-funding presents additional complexity. Funders should ensure that the outcomes they hope to see from strategic co-funding are appropriate for the time frame of the commitment. Funders will also need to establish intermediate outcomes that will allow them to gauge whether the initiative is on the right track. Finally, funders in a strategic co-funding arrangement should agree to common measures to help ensure that all parties are indeed working toward a common vision and to minimize the evaluation and reporting burden on grantees and grantmakers as well.

In 2005, a group of local grantmakers, corporations, school systems, colleges and universities and nonprofits in Cincinnati came together around a common vision of supporting “every child, every step of the way, cradle to career,” and the now well-known Strive Partnership was born. In 2011, $2 million in funding from the federal Social Innovation Fund grant program led to the development of the Cincinnati/Northern Kentucky Social Innovation Fund, which includes more than a dozen local funders and is building an even larger base of support for local organizations working to improve the lives of Cincinnati’s youth.

Six overarching goals guide the initiative: (1) every child is prepared for school, (2) every child is supported both in and out of school, (3) every child succeeds academically, (4) every child enrolls in some form of postsecondary education, (5) every child graduates, and (6) every child enters a career. From the start, there has been an emphasis on using data to drive decision making. Participants have agreed to a specific set of outcomes for young people that identify where they want to see the needle move and understand how their individual organizations are contributing to the broader goals. The Strive Partnership releases annual report cards that capture the region’s progress according to eight priority outcome indicators (comprised of 34 individual measures) of success. Collaboratives targeting those outcomes are able to receive technical assistance from the partnership for facilitation, communication and advocacy, and to build their capacity to collect and use data for continuous improvement. Strive partners are seeing some positive intermediate outcomes that suggest this work is on the right track. More children are entering kindergarten ready to learn, Cincinnati’s public school district has become the highest-rated urban school district in the state, and the region’s colleges and universities are seeing improvements in student retention and degree completion.\footnote{Grantmakers for Effective Organizations, \textit{Collaborative Funding for Greater Impact: A Case Study of the Cincinnati Experience} (Washington, DC: GEO, 2012). Available at www.scalingwhatworks.org/resources/scaling-what-works-publications/lessons-learned-guides#guide_2_cincinnati.}

**STRATEGIC CO-FUNDING: ARE WE THERE YET?**

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 geography of today’s philanthropy is unlikely to change overnight, but it is changing. The emergence of federal programs such as the Social Innovation Fund, the success of co-funding projects such as the Edna McConnell Clark Foundation’s Growth Capital Aggregation Pilot and the True North Fund (which aggregated $120 million in capital for a new portfolio of grantees in 2012), and the heightened interest in collaborative approaches such as supporting networks and streamlining fundraising processes for grantees suggest that the field is starting to embrace new ways of working for greater impact. A scan of the field for examples of strategic co-funding to inform GEO’s 2012 grantmaker convening found dozens of examples. Strategic co-funding can streamline philanthropy’s circuitous paths, attract new funders and lead to greater impact.
STRATEGIC CO-FUNDING IN ACTION: THREE CASE EXAMPLES

**California Civic Participation Funders**

<table>
<thead>
<tr>
<th>Co-funding structure:</th>
<th>Strategic alignment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Issue area:</td>
<td>Public affairs, civic participation and civil rights</td>
</tr>
<tr>
<td>Investment size, duration:</td>
<td>$1.5 million, open ended</td>
</tr>
<tr>
<td>Participating funders:</td>
<td>The California Endowment; Color of Democracy Fund; Evelyn and Walter Haas, Jr. Fund; The James Irvine Foundation; The McKay Foundation; Mitchell Kapor Foundation; PowerPAC Foundation; Rosenberg Foundation; Tides; the Women’s Foundation of California</td>
</tr>
<tr>
<td>Geographic reach:</td>
<td>Orange, Riverside, San Bernardino and San Diego counties</td>
</tr>
<tr>
<td>For more information:</td>
<td><a href="http://www.haasjr.org/what-were-learning/resource/bolder-together">www.haasjr.org/what-were-learning/resource/bolder-together</a></td>
</tr>
</tbody>
</table>

After frequently asking grantees to form partnerships, a group of 10 foundations in California decided to lead by example, forming a funders’ collaborative that works toward the goal of increasing civic participation in communities of color and among underrepresented populations. After considering community needs, as well as nonprofit and funder capacity, the group identified four counties and a set of priority areas in which to focus its support. By early 2012, collaborating funders had invested a total of $1.5 million in these four counties, working on a range of issues such as advancing immigrant rights and integration, promoting racial justice and getting a broader cross section of the public involved in health care advocacy.

Key elements of the collaborative’s design include the following:

- **A commitment to “broadening the table.”** “A big part of the strength of this collaborative is that we span a lot of different issue areas, a lot of types of different funding and a lot of different geographic areas,” said Latonya Slack, senior program officer at the James Irvine Foundation.

- **A commitment to community engagement.** “We didn’t want to develop strategy in a closed room. The idea was to co-conceive this work with others from the get-go as we began to focus on these four counties,” said Mary Manuel, managing director of the McKay Foundation.

- **A high level of autonomy for participants.** Each foundation maintains full autonomy in its decisions about funding and about which parts of the larger group’s goals and strategy to support. However, individual funders align their grantmaking with the collaborative’s goals, allowing them to leverage their influence and resources where they are most effective.

- **Shared assumption of risk.** Through this collaborative, funders are able to spread out the risk while reducing the amount of resources and time they would need to spend on determining the best approach and finding partners.

- **A focus on learning together.** “The most rewarding aspect of this is the opportunity to do a deeper dive with some smart colleagues into the strategic issues around what it takes to increase civic participation among the groups we care about,” said Judy Patrick, president and CEO of the Women’s Foundation of California.

- **Diligent management with a “light touch.”** The collaborative does not have a formal management structure. Participants say this allows them to get involved in the ways that make

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most sense for their organizations. Strong communication ensures that everyone knows what everyone else is doing and can tailor their work accordingly.

While it has been a challenge for funding partners to be able to invest the time needed to ensure that communication and coordination of the work is happening smoothly, funders agree the successes they have achieved so far make it worth the time invested. Among the successes — more than $2 million raised for collective efforts in the four counties, implementation of civic engagement capacity-building programs that are tailored to the different needs in each county, and stronger relationships and greater trust among funding partners that fosters greater alignment.

Good Neighborhoods

Co-funding structure: Combination of pooled funding and strategic alignment
Issue area: Education, youth development and community development
Investment size, duration: $100 million, 10 years
Geographic reach: Targeting six neighborhoods in Detroit
Lead funder: The Skillman Foundation
Participating funders: Max and Marjorie Fisher Foundation; United Way of Southeastern Michigan; General Motors Foundation; Ford Foundation; DTE Energy Foundation; W.K. Kellogg Foundation; The Kresge Foundation; Local Initiatives Support Corporation and Living Cities
For more information: www.skillman.org/Good-Neighborhoods

The Skillman Foundation in Detroit began a comprehensive placed-based neighborhood initiative, Good Neighborhoods, in 2006 with the primary goal of transforming communities into healthy environments for children. The commitment is 10 years with an investment of $100 million. The program focuses on six Detroit neighborhoods where nearly 60,000 children live, roughly 30 percent of the city’s child population.

Leveraging resources was a key strategy in the Skillman Foundation’s approach to transforming neighborhoods. Recognizing that Skillman’s resources alone were not enough to achieve the level of change sought, the foundation decided to seek out opportunities to attract new resources and partnerships to advance its goals. In 2010, Good Neighborhoods forged a new partnership. Living Cities, a philanthropic collaborative of 22 of the world’s largest foundations and financial institutions focused on improving the lives of low-income people and the cities where they live, designated Detroit as one of five sites for its Integration Initiative. This brought $20 million in loans, grants and program-related investments.

The Skillman Foundation has also leveraged partnerships and resources in a variety of other ways, such as aligning local funders to create a robust set of Centers for Working Families, centers that provide workforce and asset-building services for low-income families; aligning a family foundation and a

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Corporation to improve early childhood services in specific neighborhoods; and aligning national, corporate and regional foundations to execute a community arts program.

Recognizing that resident engagement and leadership is essential in achieving their goals, Good Neighborhoods is anchored in a community partnership process. The process is designed in three stages:

1. **Community Planning (2006 – 2007).** The Skillman Foundation convened neighborhood stakeholders and residents in a series of meetings to decide on the key goal and strategies for improving the lives of children in their neighborhoods.

2. **Readiness (2008 – 2010).** During this stage, the emphasis was on strengthening the leadership and capacity of neighborhoods so they could make and sustain the changes sought.

3. **Transformation (2011 – 2016).** During this final stage, the foundation is working in partnership with community stakeholders and other funders to align resources, implement community strategies, scale successful activities and demonstrate results.

A 2011 review of evaluation findings from Good Neighborhoods’ first five years noted several accomplishments. Among them, the initiative has forged new partnerships in the neighborhoods, and efforts to leverage other funds for neighborhood transformation exceeded Skillman’s five-to-one target.

“Co-funding is critical to our work in Detroit,” said Tonya Allen, chief operating officer and vice president, programs. “Our efforts to broker additional funders and investors help the neighborhoods to improve, scale and sustain the financial, political and social investments made on behalf of children. It challenges us to be innovative and inclusive, and reinforces the African proverb, ‘If you want to go fast, go alone. If you want to go far, go together.’”

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### 100Kin10

**Co-funding structure:** Targeted co-funding  
**Issue area:** Education  
**Investment size, duration:** $20 million +, 10 years  
**Geographic reach:** Nationwide  
**Funding partners:** S. D. Bechtel, Jr. Foundation; CA Technologies; Carnegie Corporation of New York; Michael & Susan Dell Foundation; Dow Chemical Foundation; Freeport McMoran Copper & Gold Foundation; Bill & Melinda Gates Foundation; Google; Greater Texas Foundation; Heising-Simons Foundation; The William and Flora Hewlett Foundation; JPMorgan Chase Foundation; New Schools Venture Fund; Charles and Lynn Schusterman Family Foundation  
**For more information:** www.100kin10.org
In January 2011, a diverse group of organizations came together to respond to the national imperative to train 100,000 excellent STEM teachers over the next 10 years to keep America competitive. From this gathering, Carnegie Corporation of New York and the Opportunity Equation initiative co-founded 100Kin10, which they describe as “an experiment in a networked approach to catalyzing big social change.”

100Kin10 partners are united by a single goal: “to prepare all students with the high-quality STEM knowledge and skills needed to tackle the most pressing national and global challenges of tomorrow. We aim to meet this goal by responding to our country’s need for 100,000 new, excellent STEM teachers over 10 years.” The network includes more than 100 partner organizations, including corporations, school districts, museums, higher education institutes, federal agencies, foundations, states and nonprofits. More than a dozen funding partners each have committed a minimum of $500,000 over three years to support 100Kin10 partners. Funding recipients have been vetted against agreed-upon criteria by the University of Chicago Urban Education Institute. The 100Kin10 Registry helps connect partners with participating funders likely to support their work.

Over the past year, 100Kin10 has engaged its partners in a series of events that have built capacity and fostered meaningful connections. These events include a partner summit that included representatives of more than 110 partner organizations, a strategic communications and leadership workshop and three regional Solution Sessions that tapped into the expertise of partners to collectively address shared areas of concern. Targeted, small grants are also available to partners who wish to work across the 100Kin10 network in collaborative ways that build on each other’s commitments.

100Kin10 is engaging all partners in the process of designing shared measures for success, and all partners will agree to fulfill a piece of them. Through this process, the participants will define the key goals of 100Kin10 and ensure that each organization’s work both individually contributes to the overall goal of 100Kin10 and complements the other work, so that together the partners can track progress toward and ultimately reach the goal of training 100,000 excellent STEM teachers.

Former President Bill Clinton applauded the effort at an April 2012 gathering. “If all you do is give us 100,000 teachers to assure America’s continued prosperity and growth for the next 30 years, that may be worth a lifetime,” he said. “But if you do it in a way that causes more people to understand the role of nongovernmental organizations and the essential characteristic of cooperation in building alliances so that everybody’s money goes farther and good ideas get spread and our not so good ideas get dropped, you may literally change the future of this country and the future of the nongovernmental organization movement and the world.”
Thanks to the many contributors to REDF’s 2008 article “Out of Philanthropy’s Funding Maze: Roadmap #1, Strategic Co-Funding,” found at www.redf.org/learn-from-redf/publications/548. Thanks to Lynn Coriano and Mary Mountcastle for editorial review and feedback.

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