trust-based philanthropy project

HOW IS TRUST-BASED DIFFERENT
from Conventional Philanthropy?

While two institutions may share the same mission, *how* they carry it out can vary widely. Trust-based philanthropy flips the script on conventional philanthropy by promoting a culture of sharing power, centering relationships, and fostering mutual accountability. While the two approaches are not always diametrically opposed, this overview highlights some key areas of distinction wherein trust-based philanthropy reimagines conventional norms:

4 DIMENSIONS	CONVENTIONAL PHILANTHROPY*	TRUST-BASED PHILANTHROPY*
PRACTICES *What you do & how you show up as a grantmaker*	Little to no transparency around grant priorities, decisions, & eligibility	Greater transparency around grant priorities, decisions, & eligibility
	Single year, project-specific grants	Multi-year, unrestricted grants
	Extensive pre-proposal requirements	Funders do the homework to collect publicly available information in pre-proposal stage
	Lengthy applications with long waiting periods	Streamlined applications & timely responses
	Extensive reporting requirements, often multiple times a year	Streamlined & alternative reporting options
	Limited opportunities for open communication & feedback from grantees	Consistent opportunities for open communication & feedback from grantees
CULTURE *An organization's general way of being*	Overall culture of mitigating risk, producing outputs, proving impact, & reporting "up"	Culture that invites learning & iteration, and encourages individuals' contributions
	Grantmaking strategy exclusively driven by funders and consultants	Grantmaking strategy guided by experiences of nonprofits and communities
	Grantmaking mindset of enforcement, compliance, & reporting	Grantmaking mindset of collaboration, learning, & service
	One-way accountability	Mutual accountability
STRUCTURES *Systems, protocols, policies, & technologies*	Structures reinforce compliance & enforcement	Structures create conditions for learning & evolving
	Funder-defined impact metrics	Nonprofit-defined indicators of success
	Reliance on quantitative metrics to prove the impact of individual grants	Focus on big picture learning to inform a broader understanding of social impact
	Grants management systems designed predominantly with funders' needs in mind	Grants management systems designed with grantees' experience & needs in mind
	Job descriptions reinforce compliance & accountability to trustees & donors	Job descriptions reinforce values-alignment & community accountability
	Lengthy grant agreements with prohibitive and punitive clauses	Clear, concise grant agreements supporting the mutuality of the relationship
LEADERSHIP *The ability to aspire and align around shared values*	Leadership generally tends to be hierarchical, top-down, & risk-averse	Leadership encourages individuals' contributions, embraces risk, & encourages learning & growth
	Board is heavily involved in approving grants & grant decisions	Board sets values and direction (while trusting the staff to make grant decisions)
	Boards prioritize minimum payout & building/maintaining wealth	Boards make financial decisions with organizational values in mind

While conventional philanthropy is not a monolith, its usage here refers to the dominant culture and practices of U.S. philanthropy, often heavily informed by the banking, private equity, and venture capital industries.

Trust-based philanthropy is an iterative journey rather than an all-or-nothing checklist. This represents a set of considerations as part of embodying a holistically trust-based approach.