



Notes and Reflections on Three Guineas Fund Grantmaking 2000 – 2005

Bess Bendet, Executive Director

3GF has used a mix of methods and tools in its social justice work for women and girls. Grantmaking has been a central focus. This paper captures some of the lessons we have learned through our experience and in partnership with 3GF grant organizations. At 3GF, we have made every effort to build and model a grantmaking process that is respectful and transparent. Sharing lessons we have learned along the way is a part of this effort.

A. Process: Learning about the professional practice of making grants, including:

- Engaged Grantmaking
- Multi-year Investments
- Working with Start-up Organizations
- General Operating Grants
- International Grants
- Assessing and Investing in Leadership
- Site Visits
- Evaluation and Outcomes
- Open Inquiry Process

A. Content: Learning about women and girls & the nonprofit sector, including:

- Women's Economic Opportunity
- Girls' Programs
- Cross-Sector Partnerships
- Scalability and Dissemination
- Entrepreneurial Approaches
- Persistent Challenges

A. Process Learning

Engaged Grantmaking

An organization that does not target girls or women as its core mission and organizing principle presents partnership challenges for 3GF. It requires that we award project-specific financial support, rather than general operating support, which is our preferred investment model. Some organizations articulate a focus on women in their proposals to 3GF, but their progress reports do not articulate results in the context of gender. This makes it difficult for 3GF to integrate lessons learned into our knowledge base. When assessing 3GF fit, we ask organizations to articulate a gender strategy.

Looking beyond gender, when assessing organizational **fit** for engaged grantmaking, 3GF also considers:

Values and priorities

- Over the course of a multi-year grant, strategies evolve & shift. If an organization's values and priorities are aligned with those of 3GF, a revised work plan is likely to remain a good fit for investment.
- Given 3GF's interest in integrating business concepts and approaches, an organization that perceives business partnerships and language around entrepreneurship as "taboo" will not be a good fit for partnership.

Size of organization

- Larger organizations with established infrastructure and internal management systems can be less responsive to intensive involvement and input from 3GF's engaged model.

Stage of organization

- Although 3GF has learned an enormous amount from partnerships with mature and established organizations, 3GF typically adds more value to young organizations.

In 3GF's highly engaged relationships, our guiding and advising role can be a careful balancing act on a number of levels.

- It is tempting to offer suggestions to a start-up about how to get things done. But a suggestion from a grantmaker can be interpreted as a directive. Tone and wording make all the difference. This is especially relevant in the power dynamic of grantmaker-grantseeker relationships.
- Working closely with organizations over many years, 3GF has become involved at a level that may be more appropriate for a staff person.

Fundraising is the most frequently requested form of 3GF engagement. This includes requests to connect to 3GF's network. Efforts to help raise funds for other organizations have included co-hosting events, inviting

colleagues to fundraisers, offering written and verbal recommendations to other funders, and scouting out new potential funders. Our success in this domain has been somewhat limited.

- Even when 3GF efforts appear successful, such as when *Upwardly Global* was awarded a \$300,000 Draper Richards Foundation grant with a recommendation from 3GF, the extent to which our support played a pivotal role is not entirely clear.
- An associated challenge is that other foundations can begin to see 3GF as a fundraiser, and may be put on the defensive by the communication.

Geographic proximity of partners generally contributes to higher level of engagement, but is not essential for engaged grantmaking. Organizations based in the San Francisco Bay Area have been among our most highly engaged partnerships. But almost equal numbers of long-distance engaged partnerships have been possible by basic telephone and computer technology.

Expectations in engaged grantmaking must be actively managed. Things run more smoothly when the grant partner drives the exact level and type of engagement. It is important to recognize that high engagement will not be possible or appropriate with every partner. 3GF must communicate in advance of a grant award the desire for partnerships to extend beyond grant dollars.

- In 2002, grant award letters became more explicit about partnership expectations.
- Follow up phone calls after grant awards create an opportunity to discuss expectations about communication and define boundaries and opportunities for engagement. Such conversations laid the groundwork for 3GF organizing events for *Count Me In* and *Girl Child Network*.

Multi-Year Investments

Committing multiple years of grant funding allows for more honest sharing and learning toward a common purpose. Multi-year partners take a risk when they share tough lessons about what is not working, from failed economic models, to difficult staffing challenges and fundraising frustrations.

Multiple year investments provide opportunities for deeper learning and stronger relationships built on common goals. Longer term commitments contribute to more trusting and collaborative partnerships. These partnerships provided 3GF with:

- An opportunity to learn key lessons about how to succeed in launching a new nonprofit,
- A deepened understanding of the challenges in building successful social ventures, and
- An understanding of social change, advocacy, and legislative processes.

Three-year grants to young or mid-stage organizations require a high degree of flexibility. Young organizations experience significant change in just a few months. Due diligence must be thorough up front to ensure that changes in the program do not result in a divergence of mission alignment.

Working with Start-Up Organizations

The opportunity to add value beyond grant dollars is greater with early stage organizations, given 3GF's particular skill sets. 3GF support has included program & advising, fundraising, and board development. We produced *Gender Action's* first set of financial statements, for example.

Providing first round or seed financing to a new organization can help attract money from other funders. In addition to providing essential working capital, 3GF seed grants provide a stamp of legitimacy and validation of the model.

For young organizations, operational nuts and bolts are as important as leadership, vision, and strategies toward sustainability. The capacity to build effective infrastructure is difficult to assess when there is little in place, but comprehensive and patient due diligence make it clear where a founder's strengths and weaknesses lie. For example, a strong Founder will have a personnel and website plan before staff or a website are in place.

The transition from a home-based “kitchen-table” start up to official office represents critical organizational growth. This is a critical time to invest, requiring significant ramping up of capacity on all levels.

General Operating Support

In almost all cases, 3GF makes general operating support grants. The multi-year grant is a signal that 3GF is behind the whole organization, not just a part of it. This tends to result in more engaged and productive partnerships, and facilitates reciprocal learning. Engaging at all levels of *Whirlwind Women's* work provided an opportunity for 3GF to learn an enormous amount about nonprofit sustainability and capacity building. It also enables partner organizations to tap into the Fund's non-financial resources.

Project-specific support makes it harder for 3GF to engage with the whole organization. A project-specific partner may ask 3GF to use our connections to leverage support for a project not focused on women or girls. Advocating for a project that is not mission-aligned presents a positioning problem and is not the best use of 3GF's time and resources.

Capturing knowledge from an organization's progress report is an important part of 3GF's process. When an organization's overall mission isn't gender focused, its reports articulate lessons in terms that are not as useful to 3GF in evaluating its own effectiveness.

International Grants

Maintaining a global perspective on women and girls issues acknowledges the complexity and interconnection of systems problems. Viewing problems in a global context can also bring new insights into strategies and approaches to social change.

Investing in U.S.-based intermediaries as a vehicle for international work doesn't provide the same “touch and feel” as being there ourselves, but provides perhaps the next best thing. U.S.-based organizations working outside of the U.S. provide a way for 3GF to keep up to date on important global issues. Meeting overseas staff from *Girl Child Network* when they visit the U.S. has provided an important first-person account of their work.

Referrals from colleagues in the philanthropic sector are essential for international grants. Referral partners have strong global expertise and can often make site visits via international advisors. MamaCash, the Global Fund for

Women, and Global Fund for Children have provided key referrals to 3GF for organizations based outside of the U.S.

Relationships with direct grant partners outside of the U.S. are unavoidably different, and have a lower level of engagement. They rely heavily on email communication, making it possible to work around time differences. Written English language ability came into play in communicating ideas, questions, and objectives during our partnerships with *Katosi Women and Fishing* association in Uganda. We utilized no intermediary with this grant, and communication was challenging.

U.S.-based organizations doing international work will be more successful if they have local staff on the ground.

In war and post-war, political and security conditions are volatile. Social change work can be difficult to impossible. Even the best leadership faces incredible opposition and roadblocks to implementation. 3GF observed these challenges in Nepal, Sierra Leone, Afghanistan, and Zimbabwe.

Assessing and Investing in leadership

Leadership in an organization must be assessed beyond the Executive Director. Many organizations have visionary leaders who need a team with strong management skills. Digging below this first layer uncovers important information about the health and scalability of an organization.

Boards of Directors need to be assessed, especially in very small organizations. Research identifies a correlation between strong Boards and better Executive Director leadership. As a general practice, 3GF interviews Board members and colleagues in the due diligence process. Interviews with board members have provided critical information in 3GF's grant decision process.

Leadership transitions are par for the course, and turnover at any level within an organization can have significant impact on the pace and quality of operations and program implementation. Extending 3GF's relationship beyond one person in the organization ensured a continuous relationship with *Camino*s when the Executive Director departed. In our due diligence, 3GF now asks whether an Executive Director transition plan is in place.

Staff and Board training is key, especially for projects with young and/or new leaders. 3GF looks at an organization's investment in professional development, including budget line items for staff and board training.

Site Visits

The value of the site visit as a tool for learning cannot be overstated, especially compared with written reports or proposals.

- Organizations where English may not be the first language spoken can be much stronger on site than on paper.
- 3GF board member participation in site visits and meetings allows for increased board buy-in to the model, and stronger decision making at meetings.
- Site visits mid-way through a grant provide inspiration and play key roles in building relationships with the investment partners.

When a site visit is not possible (such as when the organization is outside of the United States), meetings with an organization's leadership provide the next best thing. This can help assess leadership beyond the Executive Director, including board and other key staff. This was made possible with the *Afghan Institute of Learning* by arranging meetings with staff and board when they travel to the U.S. These meetings built confidence in the organization's leadership and ability. Such first-person contact has been essential to 3GF grant recommendations.

Evaluation and Outcomes

Establishing benchmarks or milestones in multi-year partnerships provides a vehicle to assess a grant's progress and outcomes, and introduces a degree of accountability.

- Milestones are most appropriate and helpful when generated by a grant recipient. Milestones should represent the values and goals of the grantee.
- Reporting on milestones provides a concrete way to capture the impact of grants.

Patience! Social change is slow, as is the path to sustainability, and almost always takes longer than anticipated. The *National Women's Law Center* and *Gender Action*, both engaged in legislative and advocacy work, approach solutions in long-term (10 year) timeframes.

Documenting the results and processes of grants is an important step in capturing lessons learned. A significant time investment is required for "knowledge management" work. 3GF's customized database captures the qualitative and quantitative outcomes of our grants. The tool requires significant human capital to generate useful information for board, staff, and external audiences.

Measuring outcomes of media and web campaigns can be particularly elusive. 3GF can assess the quality of the product (the website or the publication) but it is difficult to assess the ripple effect (i.e. the transformation). An exception is *Geena Takes Aim* (Women's Sports Foundation), an interactive website for Title IX activism, that provides an unusual opportunity to quantify results. This site and model remain active years after the grant was awarded.

Open Inquiry Process

An open inquiry process offers the potential for equal access to 3GF staff, grant dollars, and expands 3GF's network. It also helps keep 3GF informed of the needs of women and girls, based on trends in the types of inquiries we receive from various regions of the world. Some of 3GF's partners, including *Rosie's Girls* (Northern New England Tradeswomen) and *CoAbode*, came to us as unsolicited inquiries. We have learned a great deal from each of these partnerships.

For a foundation that makes as few grants as 3GF, and that prefers to retain partners in its portfolio over many years, the open inquiry process may not be strategic. It may set unrealistic expectations for grantseekers. A 2005 decision to close 3GF's open inquiry process was made in recognition of the fact that 3GF's Board of Directors ultimately reviewed less than 1 out of 200 inquiries. Also, open inquiries require the allocation of limited staff time to respond to every legitimate inquiry.

B. Content Learning

Field of Women's Economic Opportunity

Globally speaking, strategies to support women's economic opportunity can be broken into three broad categories: Income Generation, Skills Training, and Labor Rights.

- With increasing globalization, investments outside of the US focused on labor rights become increasingly compelling.
- Providing women with access to information on their rights and building self-esteem helps reverse their lack of power and economic independence at home.
- Creating access to credit, skills training and economic literacy enable women to successfully run their monetary affairs.
- Linking women to local providers of technical assistance and business expertise helps ensure the sustainability of their economic ventures.
- Educating men about the value of improving the status of women and girls in the family and society can advance the position of female family members.

These findings are detailed in the *Global Fund for Women 2003 report, "More Than Money: Strategies to Build Women's Economic Power"*, a publication funded by Three Guineas Fund. (<http://www.3gf.org/links.html>)

Culturally prescribed gender roles can prohibit women's economic opportunity. In many societies, women are discouraged or prohibited from engaging in commercial activities, holding title to land or property, having say over family revenue, or leaving home unaccompanied. Organizations such as *Solar Electric Light Fund* must advocate to local leaders with sensitivity, to allow and encourage women to assume leadership and nontraditional roles installing and repairing solar panels.

Women's literacy, leadership, and self-esteem must be addressed within the context of economic opportunity programs. This 'whole girl' or holistic approach is effective with girls and women. It has been effective in the *Lower East Side Girls Club* financial literacy and entrepreneurship programs, which also address health and nutrition for low-income girls.

With the most disenfranchised women's groups, barriers to full participation in the economy are more severe, and attention to a woman or girl's other needs is all the more critical to success. For example, in the U.S., having a bank account is essential to full participation in the economy and access to housing and jobs. This represents a huge leap for very-low income women, who may not trust financial institutions. *Strategic Actions for a Just Economy (SAJE)* is linking such women with bank accounts to address this problem.

3GF views economic opportunity as a broad based societal issue & recognizes that barriers to equality exist at all economic levels and across industries. Many foundations focus their grantmaking on "poverty alleviation" and limit their grants to organizations serving low-income populations. With the *Women's Technology Cluster* and *Upwardly Global* we have learned that raising money from foundations for programs serving women that are

perceived to be less needy is difficult. Other avenues, including corporate sponsorships or partnerships, have been more effective in such cases.

Micro-finance is a crowded field with many players. Supporting the development of tools designed to accelerate the field provides a leveraged way for 3GF to invest in this critical lever to women's economic opportunity.

For earned income strategies within a nonprofit model, financial literacy and business planning are key to success. Partnered with consulting companies or alumnae from business schools can produce a business plan that allows them to confidently and strategically launch new ventures.

Policy and advocacy are key elements of ensuring women's economic opportunity. This work is cumbersome, expensive, and slow, but the results can be powerful and far-reaching. For example, *Gender Action's* advocacy could influence billions of dollars of World Bank investments that negatively impact women, but the timeframe for this change is at least 10 years.

English language competency is essential to participants' success in U.S. programs. Requiring participants to learn English while enrolled ensures that they will be market-ready when they graduate

Women's economic opportunity outside of the US is primarily focused on an access and equity agenda, and most organizations are not yet addressing "transformational" change. But the need outside of the U.S. is intense, as women's economic status is dismal in many countries.

Girls' Programs

Successful girl-serving organizations offer long-term programs and focus on quality over quantity. They offer age-appropriate support over many years as girls navigate the transition to adulthood. *GirlSource*, for example, places priority on depth of experience over numbers served. Their results, in terms of girls' college enrollment rates, suggest that this strategy works.

Creating a "girl friendly" space is critical. A girls-only space, even if temporary within a co-ed setting, creates a space that is safe both physically and emotionally, allowing girls to take bigger learning risks.

For teen women, opportunities to earn income while developing leadership skills are key to a program's success, given the competing demands on a teenager's time. Paying girls an hourly rate to participate in work-related programs at *GirlSource* and *Lower East Side Girls Club* links them to other programs within the organization, ensuring more positive outcomes for girls.

Staff development is a crucial and under-funded element of a successful girls program. Program directors and staff who are in daily contact with girls are often underpaid and under-supported. Good program staff make all the difference. Strong personal relationships between staff and girls are key to a girl's success in an organization. Staff need more support and recognition, including training. Organizations with young staff members should invest in staff training, mentoring, and other professional and personal support.

Cross Sector Partnerships

Partnerships with businesses and government provide an effective vehicle for creating change within powerful institutions. Interviews with 3GF's partners in 2004 revealed that they especially value business partnerships and invest significant energy in building them.

Corporations can be slow to come on board as non-profit partners. As we have learned from *Count Me In* and *Upwardly Global*, persistence, patience and strategic thinking can result in corporate partnerships that add significant value and can result in development of corporate clients, sponsorships, and new Board members.

Corporate partnerships require an engaged and enthusiastic champion or endorsement from upper management. But the support requires more than one key contact at a corporation. Otherwise, a hard-won partnership may be jeopardized if a primary contact leaves the company.

Cross-sector partnerships can assume multiple diverse forms, including government, businesses, other non-profits, and multi-national corporations.

Cross-Sector collaboration can evolve in surprising ways. Entities that are originally treated as adversaries can become partners producing valuable results.

A more in-depth overview of 3GF's lessons with respect to partnerships can be found in our 2004 report: "*Mission Critical: Engaging Corporations and Nonprofits in Organization Building*," (<http://www.3gf.org/links.html>)

Scalability, Replication, and Dissemination

3GF has invested in helping organizations ramp up to the "next level". Assessing an organization's capacity to go to scale is challenging. Going to scale must be defined differently for every organization.

Local projects growing to a national level need a clear hub and leader, and enthusiastic local champions or coordinators. Without these, a national project is not likely to achieve its potential. *Rosie's Girls* created an institute model with a national hub to provide ongoing technical assistance, both on-site and at the hub, with an eye towards efficient use of limited human capital.

Balancing growth with ongoing program maintenance is challenging. This process stretches staff capacity. The challenge is especially acute in younger organizations with few employees.

Dissemination plans for publication projects must be clearly articulated and managed from the start. If this is not done, dissemination may be lost in the process, especially when the desire for dissemination originates with 3GF and not the organization itself.

Entrepreneurial Solutions

Investing in entrepreneurial leadership produces creative solutions to social problems, often with unexpected positive outcomes. These unexpected results are often as interesting as the intended outcomes. For example, *Whirlwind Women* questioned its business model for wheelchair shops and turned to wheelchair distribution, in partnership with wheelchair distributors, as a more viable strategy. This influenced wheelchair distributors manufacturing practices in unexpected ways.

Earned income strategies provide important unrestricted revenue, but success, and scale of success, depends on the product or service offered. *Lower East Side Girls Club* built a small business that is enjoying measurable revenue growth over time, with one basic cornerstone product: a cookie.

Persistent Challenges

There are some challenges that persist for every one of 3GF's grant partners. Persistent operational and administrative challenges 3GF's partners have encountered include:

- Fundraising
- Staff turnover and executive transitions
- Office space, moves or evictions, and lease negotiations
- Building problems – plumbing, theft, and lack of proper heating/cooling
- Staff immigration and visa status issues
- Technology – especially data and website management.

The greatest challenge is undoubtedly fundraising. This cannot be overstated, especially in a poor economy with foundation cuts to grant budgets and portfolios. Every 3GF grant partner has expressed frustration and desire for help with this challenge, especially with respect to disrespectful practices of foundations. Organizations with one or two employees struggle with the time balance between fundraising and doing the work.