

Dimensions of the Field



An In-Depth Analysis of the Community
Foundation Movement

Community Foundation Atlas

Dimensions of the field

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This report

This is a special study of 478 community foundations from 52 countries. Data are drawn from an online survey for the Community Foundation Atlas, which has produced the single most comprehensive database of community foundations ever assembled.

The Community Foundation Atlas forms part of the centenary celebrations of the first community foundation ever to be founded – in Cleveland, Ohio, in 1914. The occasion offers community philanthropists across the world the opportunity to reflect on the achievements of a field that has come of age.

A key function of the Community Foundation Atlas is to show the global distribution of community foundations, while the purpose of this special study is to investigate the main dimensions of the work. The Cleveland Foundation has led this study in partnership with the Foundation Center, the Global Fund for Community Foundations, CENTRIS (Centre for Research and Innovation in Social Policy) and WINGS (Worldwide Initiatives for Grantmaker Support). The Charles Stewart Mott Foundation funded the project and provided guidance based on its experience of support for community foundations over many decades.

The current study is designed to improve our knowledge about the community foundation field. To date, the main source of systematic information about the field has been the WINGS Global Status Reports on Community Foundations, which were published every two years from 2000 to 2012. These reports have charted the growth of the field and have been well used by the field.

At the same time, the WINGS Global Status Reports on Community Foundations largely relied on information from support organisations, rather than community foundations themselves. There was some attempt to collect information from community foundations for the 2010 report, but insufficient responses were obtained to enable a valid picture of the field. A recent review of

the literature on community foundations by the Global Fund for Community Foundations concluded that the evidence base for the sector is patchy.¹

The current study is based on what community foundations say about themselves. It aims to generate a systematic architecture for understanding the field and to generate hypotheses for future research. If the current research is conceived as a 'baseline', this study could form the basis for a longitudinal study.

Methodology

The first task was to identify candidates for inclusion. This was done through a variety of techniques, including examining the databases of atlas project partner organisations (the Foundation Center, the Global Fund for Community Foundations and WINGS) and support organisations around the world – from the Council on Foundations to TÜSEV to the African Grantmakers Network and many others.

The second task was to develop a questionnaire. This was intended to study the work of community foundations from many different angles. The questionnaire asked about size, finances, staff, board, year of incorporation, origins, key operational characteristics including grantmaking and other types of activities, spheres of work and programming, and types of partnership. The survey probed different kinds of achievements, relating these to trends in the community, and factors such as the engagement of local people. The survey asked about challenges faced and what would help to overcome them. Finally, organisations were asked to describe the most meaningful change that had resulted from their actions.

In developing the questionnaire, there was much learning from other work already done in the field. For example, questions emerged from indicators developed by the Global Fund for Community Foundations, by WINGS in their earlier Global Status Reports and by the Mott Foundation in its Civil Society Program. Some questions were derived from the literature on civil society and participation. For example, one section on the involvement of local people was based on Sherry Arnstein's 'ladder of participation'.²

The questionnaire was carefully structured so that people could check boxes to place themselves on a particular scale point for each question. This approach enabled statistical analysis to compare answers in one part of the questionnaire with answers in another. This enabled, for example, questions about community foundation origins to be related to questions about achievements.

The survey was sent to all community foundations known at that time. A link to the survey was published on <http://communityfoundationatlas.org> and on websites of support organisations, such as the Global Fund for Community Foundations and WINGS. Invitations were included in newsletters of support organisations and presentations were given at relevant conferences. Data was collected in accord with the WINGS Global Philanthropy Data Charter.³

¹ Avila Kilmurray (2014), *Literature Review of Community Foundations*, Global Fund for Community Foundations, Johannesburg.

² Sherry R. Arnstein (1969,) 'A Ladder of Citizen Participation', *JAIP*, Vol. 35, No. 4, July 1969, pp. 216-224.

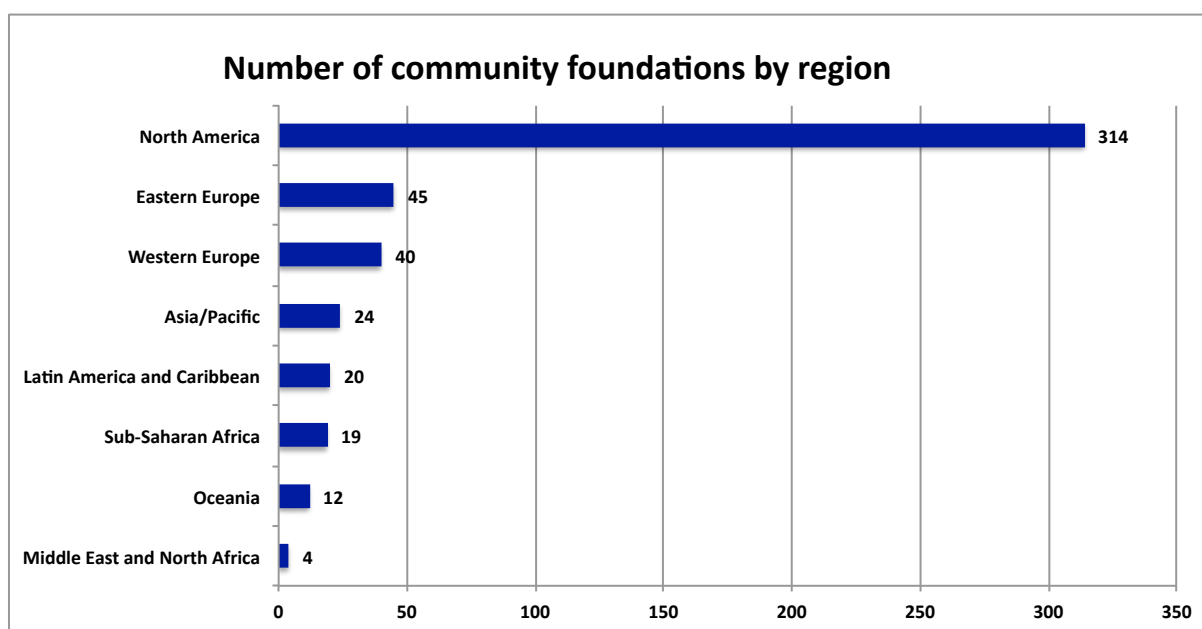
³ <http://philanthropydata.wingsweb.org/>

The survey remained open from October 2013 to April 2014, and the dataset it produced is current as of that timeframe. Much effort went into persuading target organisations to complete it.

The sample

A total of 478 community foundations filled out the survey from a population of 1,827 identified by the Community Foundation Atlas at the time of this report's publication. The response rate was therefore 26.1 per cent. This means that the confidence interval for the results is 4 per cent at the 95 per cent level of confidence.

The 478 community foundations came from 52 countries. Their distribution across regions of the world is displayed in the following chart.



This geographic distribution of community foundations allows basic comparisons between regions. Findings from the Middle East and North Africa need to be interpreted with much caution because of the small number of community foundations included in the study.

Type of organisation

We asked each organisation to say: 'How do you describe your organisation?'

Of 478 in the sample, 406 answered the question. The overwhelming majority (87.9 per cent) described themselves as a 'community foundation'. The remainder described themselves as a 'community philanthropy organisation' (4.7 per cent), a 'non-profit organisation' (2.7 per cent) or 'other' (4.7 per cent).

Although we are aware that the nuances between the different names are important, for the sake of simplicity in this report we will refer to the population as 'community foundations', though we are aware that a minority would not use this terminology. At the same time, we are conscious that, in the past, the field has sometimes tied itself up in knots in a fruitless debate about what names to use and who is 'in' or 'out'.

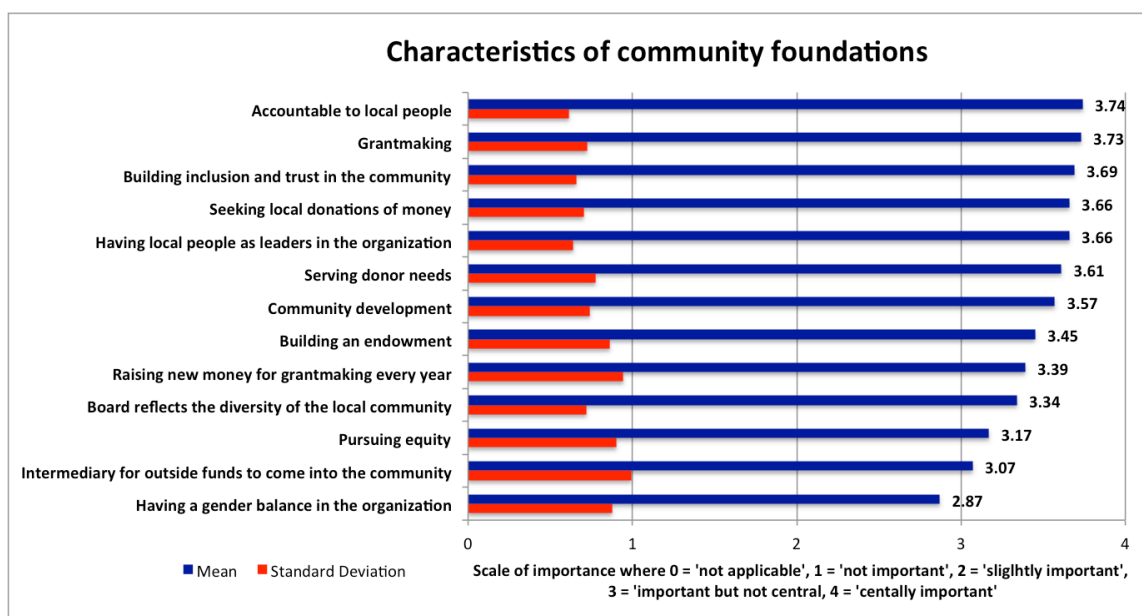
The premise for the current study was to reach out to relevant local placed based philanthropies using criteria of inclusion developed during a consultation by the Aga Khan Foundation (USA) and the C.S. Mott Foundation. This relies on a definition by characteristics rather than a definition by essence.⁴

Defining characteristics of a community foundation

To produce a definition of community foundation by characteristics, we asked: ‘Thinking about how your organisation actually works, please rate each of the following characteristics: grantmaking, having local people as leaders in the organisation, seeking local donations of money, having a gender balance in the organisation, board reflects the diversity of the local community, building an endowment, serving donor needs, acts as an intermediary channel for outside funds to come into the community, building inclusion and trust in the community, pursuing equity, accountable to local people, raising new money for grantmaking every year, and community development?’

Answer options included: ‘not applicable’ (0), ‘not important’ (1), ‘slightly important’ (2), ‘important but not central’ (3), or ‘centrally important’ (4).

The distribution of responses is shown in the following chart.



The chart shows two measures. The first is the mean score (the arithmetic average) for the whole sample. The second is the standard deviation. This is a measure of disagreement between respondents. To interpret the chart, the longer the blue line, the greater is the average importance of the characteristic concerned. Therefore, the most important characteristic shown is accountability to local people (with a mean score of 3.74 out of a maximum of 4), closely followed by grantmaking (mean score of 3.73).

⁴ Barry Knight (2012), *The Value of Community Philanthropy*, Aga Khan Foundation (USA) and Charles S. Mott Foundation with the Global Fund for Community Foundations, Washington D.C.

It is noteworthy that all the scores – with one exception – have means in excess of 3.0. From this we can conclude that all of the characteristics save for ‘having a gender balance’ are seen as important characteristics of community foundations.

At the same time, by looking at the red line (which measures the standard deviation), we can assess the amount of disagreement on an issue. For example, if we take the question of being ‘an intermediary for outside funds to come into the community’, the red line is the longest, which suggests that this is a characteristic felt to be important by some but unimportant by others.

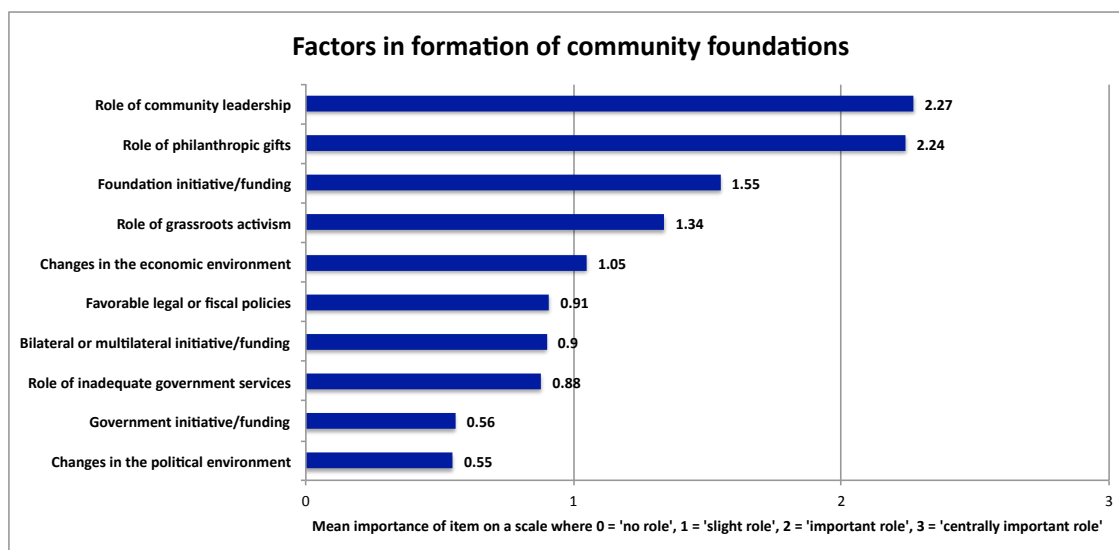
What defines a community foundation is a composite of these different characteristics. Community foundations on this analysis are organisations that typically (the word ‘typically’ is important because we are not dealing in absolute ‘in’ or ‘out’ criteria) are grantmakers that are highly accountable to local people, playing key roles in building trust, inclusion and equity in communities, while strengthening the capacity of civil society and building assets for the benefit of the community. The key words are ‘trust’, ‘assets’ and ‘capacity’.

Origins

We sought information about the origins of organisations. We asked: ‘In thinking about the origins of your organisation, please tell us whether the following factors played a role: community leadership, philanthropic gifts, grassroots activism, inadequate government services, changes in the political environment, changes in the economic environment, government initiative/funding, foundation initiative/funding, bilateral or multilateral initiative/funding, and favourable legal or fiscal policies.’

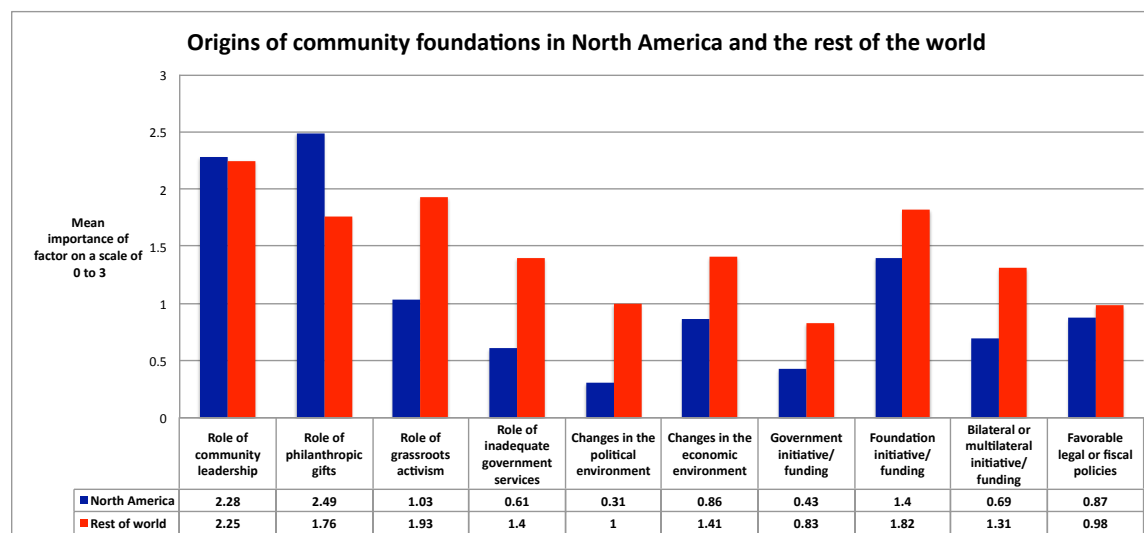
Answer options included: ‘no role’ (0), ‘slight role’ (1), ‘important role’ (2), or ‘centrally important role’ (3).

The mean scores for the answers to this question are shown in the following chart.



This chart tells us that – across the whole sample – the standout factors are community leadership and philanthropic gifts. While foundation initiatives and grassroots activism are important, government – whether as a positive support or as a result of failed services – plays little part. Bilateral or multilateral aid is also relatively unimportant.

The chart gives us important insights, but fails to tell us the whole story. It neglects, for example, to detect important differences between regions. The sample is heavily weighted towards the United States and Canada, where there is a tradition of community leadership and philanthropy, but almost no government or official aid for work of this kind. To investigate this, we split the data shown in the earlier chart into two regions: North America and the rest of the world. Results are shown in the next chart.



Comparing the results for North America and the rest of the world, we find that the differences are statistically significant in all cases save for two factors: community leadership and a favourable legal and fiscal environment. Philanthropic gifts play a more significant role in North America than the rest of the world, whereas grassroots activism and the failure of government services combined with programs by government, foundations and aid agencies are much more significant in the rest of the world.

The analysis so far, although revealing about the importance of different influences, tells us little about the way that individual foundations have come into being. Each organisation will have resulted from a complex process as a result of a combination of different factors, such as those enumerated in the above list.

To begin to understand such complex histories, we employ a statistical technique called ‘factor analysis’. This examines the interrelationships between different items and clusters together those items that typically occur together. In so doing, the analysis reduces the number of items by grouping the items together into complex variables of interrelated items. These complex variables are called ‘factors’. In this way, the analysis simplifies and locates the underlying structure that explains the relationships in the dataset.

As a result of the factor analysis, we find three characteristic ways in which community foundations come into being.

The first of these relates to **grassroots activism**. These foundations result when people organise themselves in response to changes in the political environment, changes in the economic environment, and inadequate government services. Community leadership plays a role, but there is typically little money to start and no philanthropic assistance.

The second characteristic way in which community foundations come into being is as a result of taking advantage of **external funding opportunities**. Government, foundations, and foreign

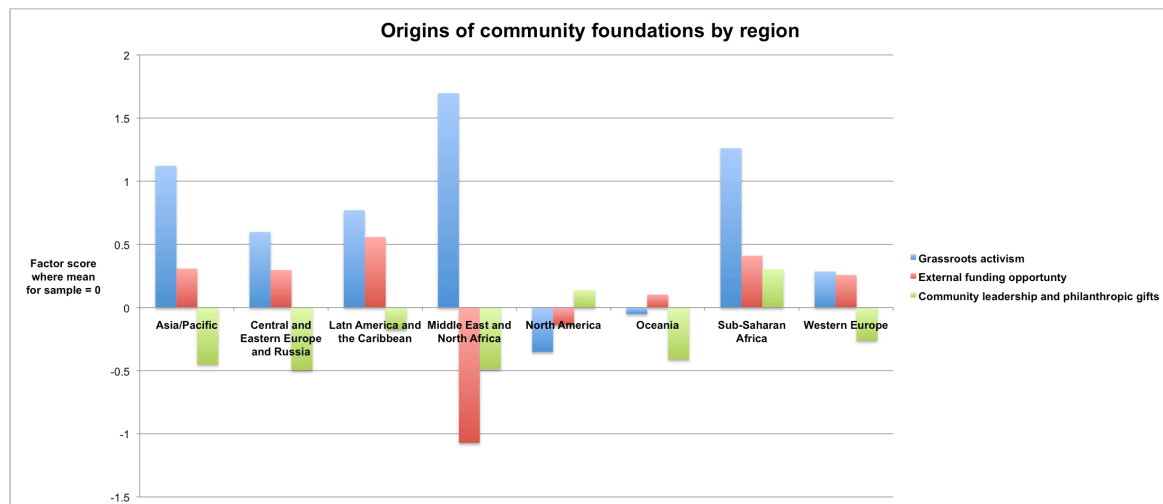
development aid are common sources of catalytic funding. A favourable legal and fiscal environment is typically present in these cases.

The third type of origin is a combination of strong **community leadership and philanthropic gifts**. Again, such initiatives benefit from a favourable legal and fiscal environment.

We can give a score (known as a ‘factor score’) to each foundation in the sample that measures the extent to which it possesses each of the factors, namely grassroots activism, external funding opportunities, and community leadership and philanthropic gifts. We will use each of these factors to see whether the three kinds of origins have a bearing on the subsequent development of the organisation.

Using these new variables (or, more correctly, ‘factors’), we find significant variations according to the year of incorporation of the foundation. It seems that the motives for formation have changed over the years. While grassroots activism is significantly more likely among newer organisations, community leadership and philanthropic gifts are significantly more likely among older organisations, while external funding opportunities is unrelated to age.

Disaggregating factor scores by regions, we find significant differences. The variations between regions are shown in the following chart.



We can see that grassroots activism is highly important in the Middle East and North Africa, Sub-Saharan Africa, and the Asia/Pacific and relatively unimportant in Oceania and North America.

While external funding is an important factor behind the establishment of foundations in Latin America, and Sub-Saharan Africa, it is much less important in North America and the Middle East.

The combination of community leadership and philanthropic gifts rank as the highest factors in Sub-Saharan Africa and North America, but are relatively unimportant elsewhere.

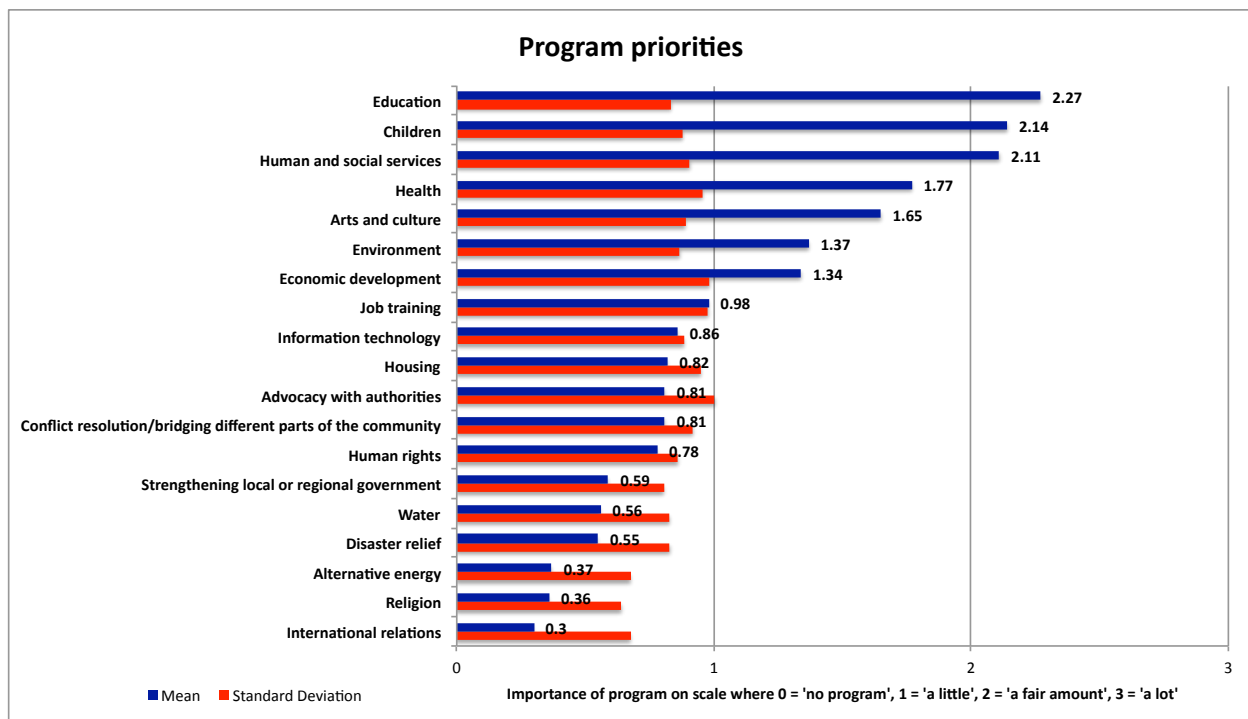
These findings show the importance of local context in driving development. It is striking that only in Sub-Saharan Africa are the three factors acting together to help to bring community foundations into being.

Program priorities

Turning now to what community foundations do, we sought to determine the program areas of greatest priority. We asked: 'In the last year, to what extent has your programming and/or grantmaking involved work in the following areas: arts and culture, education, environment, health, human and social services, human rights, international relations, religion, economic development, conflict resolution/bridging different parts of the community, information technology, strengthening local or regional government, housing, children, water, alternative energy, disaster relief, advocacy with authorities, and job training?'

People were asked to check one of the four answer options: 'no program' (0), 'a little' (1), 'a fair amount' (2), or 'a lot' (3).

The mean and standard deviation for the responses are shown in the following table.



The chart illustrates the protean nature of community foundations, confirming that no matter what the particular needs of their communities may be, they are able to be responsive.

This shows that the three most common areas of work are education, children, and human and social services. Health, arts and culture, and the environment are important too. Certain program areas are important for some, but not others. For example, economic development has a high standard deviation, which suggests that some organisations are heavily engaged with this priority, while many others have no active program in this area.

For those program areas on the list where the standard deviation exceeds the mean score, we can conclude that the area concerned is a relatively unusual priority.

Community foundations typically focus on more than one program priority. The question therefore arises about whether there are patterns in the ways that community foundations organise their programs. Using factor analysis, we were able to reduce the 19 program areas to

four main ones, which is very ‘clean’ from a statistical point of view. The analysis is contained in the following table.

Factor Analysis of program priorities

Program area	Factor 1	Factor 2	Factor 3	Factor 4
Arts and culture		0.48	0.35	-0.42
Education	0.64			
Environment			0.77	
Health		0.70		
Human and social services		0.73		
Human rights	0.66			
International relations	0.66			-0.35
Religion			0.33	
Economic development	0.57			
Conflict resolution/bridging different parts of the community	0.68			
Information technology	0.62			
Strengthening local or regional government	0.69			
Housing		0.50	0.44	0.34
Alternative energy			0.65	
Disaster relief				0.72
Advocacy with authorities	0.73			
Job training	0.59			
Children		0.77		
Water			0.75	

Extraction Method Principal Component Analysis.

Rotation Method Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

Factor 1, which appears to be about **community development**, is composed of a number of economic items (‘job training’, and ‘economic development’, and ‘information technology’); issues that touch on power in relationships (‘conflict resolution/bridging different parts of the community’, ‘human rights’ and ‘international relations’); and governance issues (‘strengthening local or regional government’ and ‘advocacy with authorities’).

Factor 2 appears to be about **staple services**. Included here are ‘human and social services’, ‘education’, ‘health’, ‘children’, ‘arts and culture’ and ‘housing’.

Factor 3 appears to be about **the environment**. Programs included here are ‘water’, ‘alternative energy’, ‘environment’, and ‘housing’. ‘Arts and culture’ and ‘religion’ are also included.

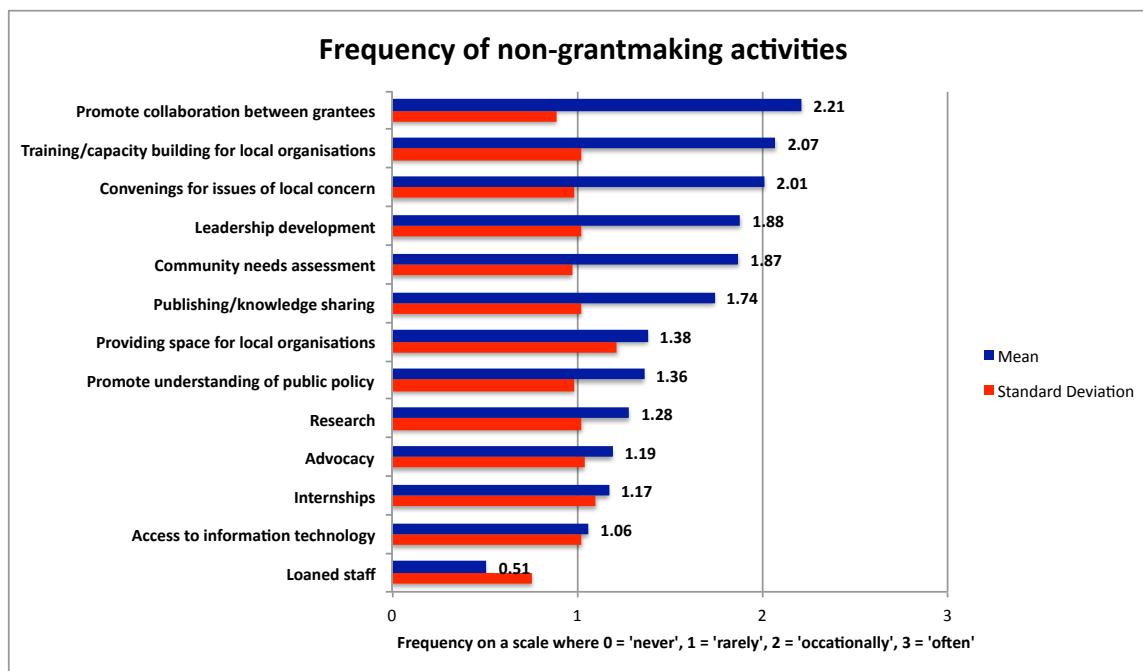
Factor 4 is clearly about **disaster relief**.

We will see later that these four main program areas have an important role to play in understanding the achievements of community foundations.

More than money

We saw earlier that one of the most important characteristics that community foundations have in common is grantmaking. In many cases, however, foundations offer other services and play other roles. We asked: ‘In recent years has your organisation offered any of the following non-grantmaking services to your community: convenings for issues of local concern, promote collaboration between grantees, promote understanding of public policy, training/capacity building for local organisations, advocacy, loaned staff, research, community needs assessment, leadership development, internships, providing space for local organisations, access to information technology, and publishing/knowledge sharing?’

Respondents were asked to say whether their foundations engaged in these activities: 'never' (0), 'rarely' (1), 'occasionally' (2), or 'often' (3). The mean and standard deviations of the answers are shown in the following bar chart.

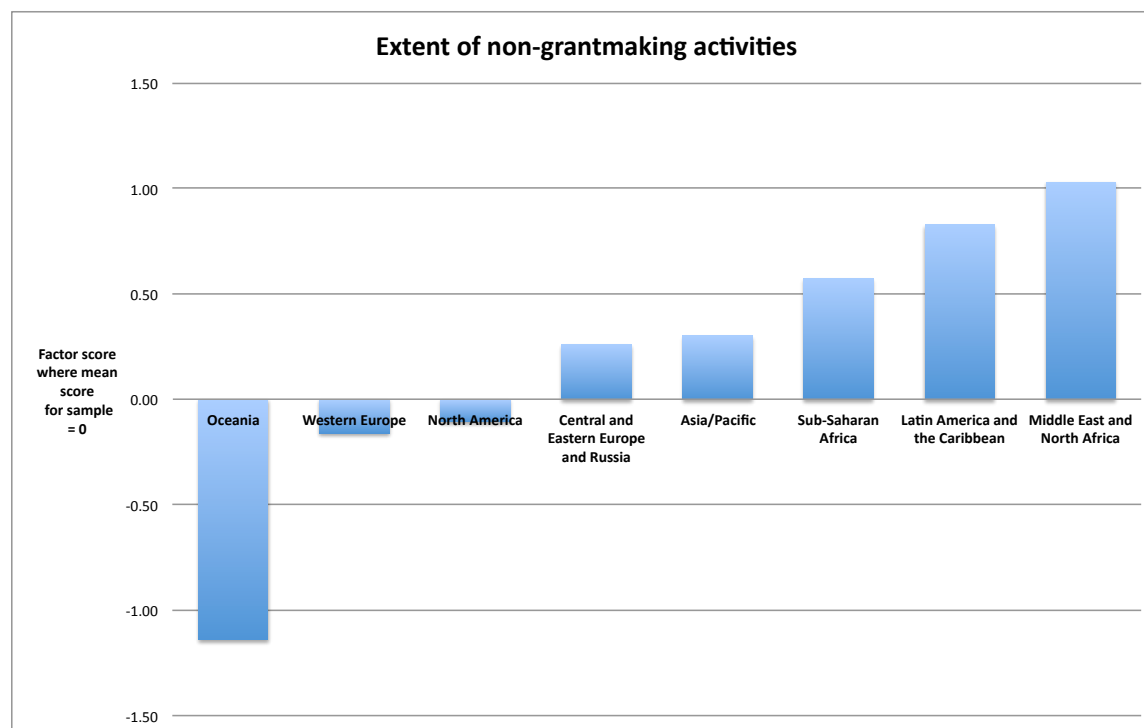


The chart shows that many community foundations do many things over and above their grantmaking. Many are highly active in promoting collaboration between grantees, improving the capacity of organisations, and convening on issues of local concern. The chart shows the other activities that have some importance, too.

The most notable finding is that, if an organisation undertakes any one of the listed non-grantmaking activities, it is likely to engage in others to a significant degree. Indeed, the likelihood is so strong, there is only one factor underlying all non-grantmaking activities. Using factor analysis, we are able to compute a single score for all of the organisations in the sample that shows the extent to which they engage in non-grantmaking activities.

Community foundations that score highly on the scale of non-grantmaking activities tend to have been formed by grassroots activism ($r=0.251$, $p<0.0001$) or community leadership and philanthropic gifts ($r=0.273$, $p<0.0001$), rather than as a result of external funding, where there is no effect on non-grantmaking activities. This suggests that an underlying factor of community participation may drive a wide range of activities over and above grantmaking.

There are significant regional variations, as shown in the following table.



We can see that there are quite wide regional differences in the extent to which community foundations engage in non-grantmaking activities. Those in Oceania are far below average, while those in Western Europe and North America are slightly below average. Organisations in all other parts of the world are above average, and it is here that the newer community foundations tend to be found.

We will see later that non-grantmaking activities are highly relevant to the achievement of some of the goals of the organisations.

Staff and board

We asked a number of questions about numbers of paid and unpaid staff and about the size of foundation boards. The numbers of full-time equivalent staff members and board members are shown in the following table.

Key facts about staff and board

Statistic	Paid staff	Unpaid staff	Board members
Number answered	400	384	401
Missing	78	94	77
Mean	8.1	6.6	13.6
Median	3.5	0	13
Std. Deviation	13.6	29.1	9.1
Minimum	0	0	2
Maximum	131	320	130
25th Percentile	1.26	0	9
75th Percentile	8	2	16

It is evident that community foundations are typically small. The median size for paid staff is 3.5, and 75 per cent of organisations have 8 or fewer staff members. A small number of

organisations have large staffs. Ten have more than 50 staff members, and the largest organisation has 131 full-time paid employees (or the equivalent).

Having an unpaid staff is much more of a rarity. The median size of unpaid staff is zero. Seventy five per cent have two or fewer unpaid staff members, though a small minority have many volunteers – the largest number being 320.

When it comes to board size, the median is 13 and the mean is 13.6, suggesting a normal distribution. Seventy-five per cent of community foundations have 16 or fewer board members. Again, some exceptional cases have very large boards, with one foundation having as many as 130.

Finances

We asked three questions about the foundation's finances in the past fiscal year. 'What was your organisation's total income?' 'What was your organisation's total expenditure?' 'What was your organisation's grantmaking budget?' We asked for answers in U.S. dollars.

Key descriptive statistics are shown in the following table.

Key facts about finances

Statistic	Total income	Total expenditure	Total grantmaking budget	Value of endowment
Number answered	367	365	366	290
Missing	111	113	112	188
Mean	\$12,542,975	\$9,486,595	\$5,987,561	\$64,926,592
Median	\$870,026	\$433,277	\$230,986	\$3,000,000
Std. Deviation	\$42,413,300	\$52,925,105	\$25,943,192	\$220,100,000
Minimum	\$0	\$0	\$0	\$0
25th percentile	\$110,000	\$69,500	\$23,219	\$400,000
75th percentile	\$5,000,000	\$2,395,644	\$1,688,129	\$27,967,815
Maximum	\$434,817,355	\$873,987,293	\$394,283,490	\$2,000,000,000

The most striking finding is the variability of budgets, which range from the very small to the very large. In every case the size of the standard deviation is more than three times the value of the mean. This suggests that all measures of central tendency, including the mean and the median, have little value in describing the sample, as it includes organisations that command very large resources and others having very little indeed.

It was also striking that the three measures – income, expenditure and grantmaking budget – were very highly related statistically. The result was that we were able to create a factor score measuring financial strength.

As might be expected, financial strength was very highly correlated with age.⁵ Time had allowed older community foundations to build assets. The better off community foundations were nearly all from North America.

⁵ $r = 0.525$; $Rho = 0.630$.

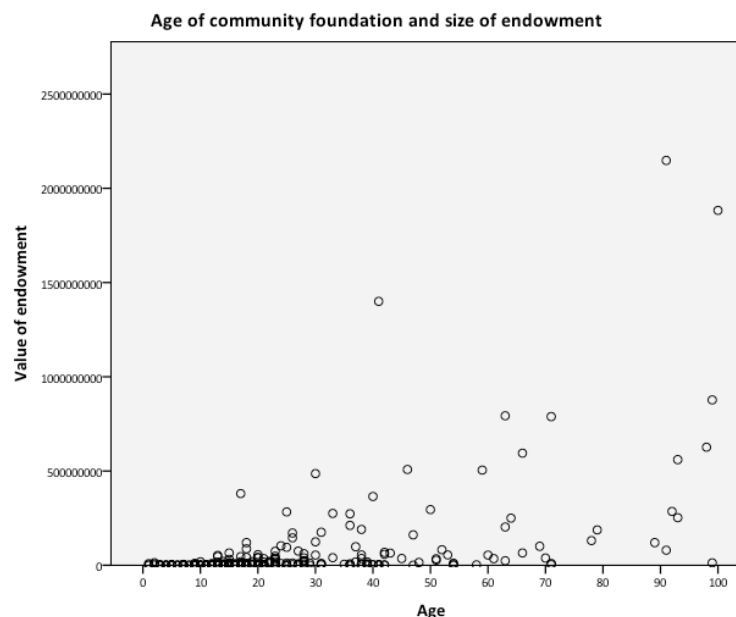
Turning to endowments, we asked two questions. The first question was: ‘Do you have an endowment?’ Answer options were: ‘yes’, ‘no but intend to build one’, or ‘no and do not intend to build one’.

Of 398 community foundations that answered the question, 309 (77.6 per cent) had an endowment, 70 (17.6 per cent) did not have one but intended to build one, and 19 (4 per cent) did not have one and had no current intention of building one.

For those with an endowment, we asked ‘Please give the value of your endowment (or financial reserves) as of the end of your last fiscal year.’ Again, respondents were asked to give their answers in U.S. dollars.

As with other financial measures, the size of the endowment varied considerably. The median was \$3 million. The lowest 25 per cent had less than \$400,000 and the highest 25 per cent more than \$28 million.

As might have been expected, large endowments were highly correlated with age ($r = 0.54$), and were almost entirely restricted to North America. At the same time, the correlation is far from perfect. In the following scatterplot, we compare age of the foundation with the size of the endowment. Each dot on the chart represents a particular foundation.

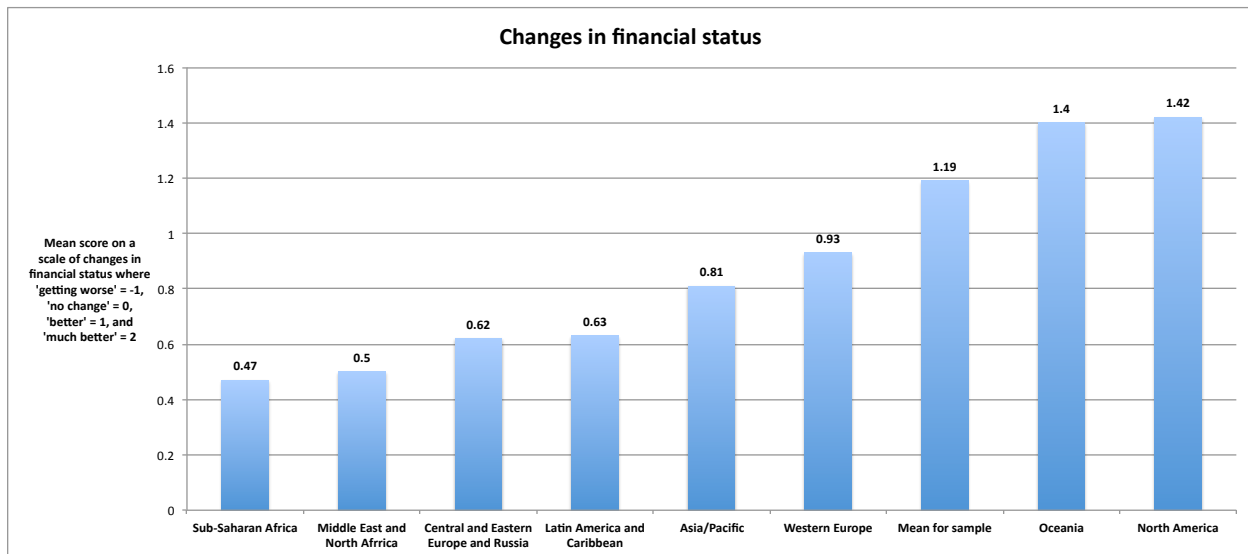


Although there are patterns in the chart, they are far from clear-cut. It is evident that the foundations with larger endowments are nearly always older, rather than younger, and it seems from the figures that it is almost impossible to build up an endowment of any size within 15 years. At the same time, there are quite a number of foundations that ‘bump along the bottom’, getting quite old but without building up a significant endowment. Most community foundations have only a modest accumulation of assets.

Finally, community foundations were asked to say ‘How has your organisation’s financial status changed in the last three years?’ Answer options were: ‘declined’, ‘stayed about the same’, ‘a little improvement’, or ‘significant improvement’.

The answers were encouraging. The majority of organisations reported that their financial status had improved. Of 401 organisations that answered the question, 46.6 per cent said that their finances were 'very much better' and 32.2 per cent were 'better', while 15.0 per cent said 'no change' and only 6.2 per cent said 'worse'.

There were regional variations. These are shown in the next chart.

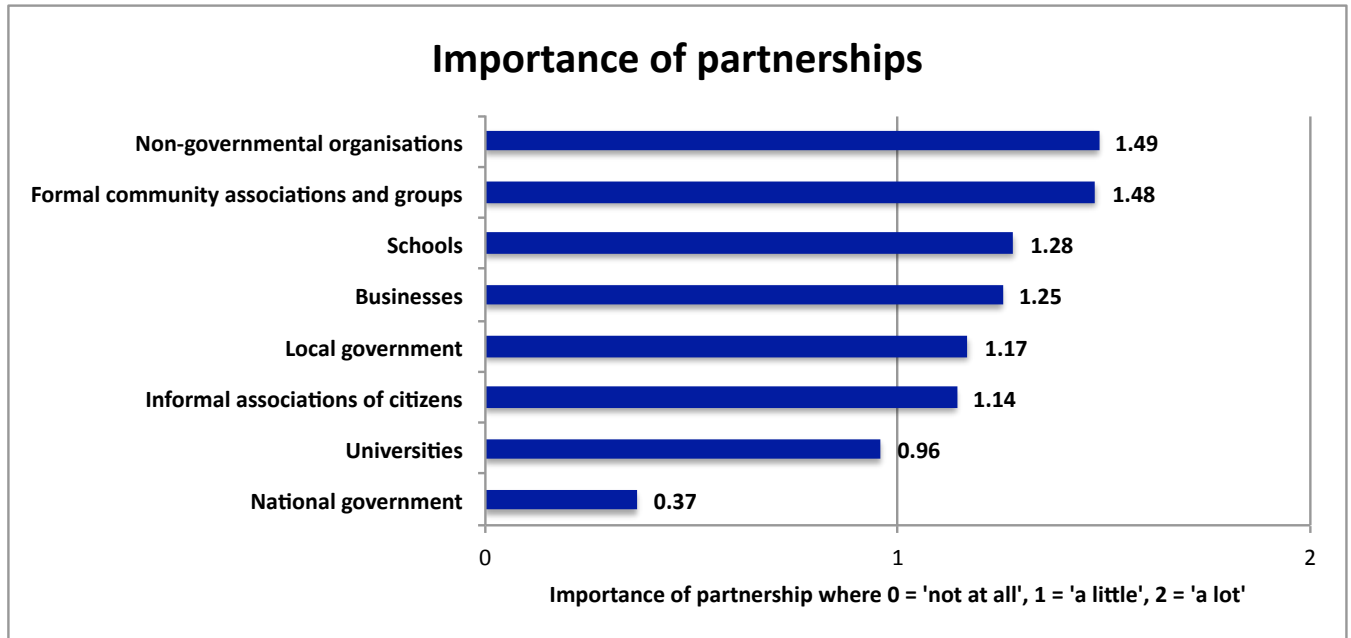


Digging deeper, it appears that a number of factors determine whether a foundation's finances are getting better or worse. Organisations that are already strong appear to be those most likely to report financial improvement. Having larger numbers of paid staff, with high income and expenditures and a large endowment, are all associated with improving finances. Origins matter, too. Those organisations whose origins were a result of combined community leadership and philanthropic gifts are significantly more likely than other types of organisations to show strong financial gains. On the other hand, organisations that lack a strong financial base and trace their origins to grassroots activism are among those whose finances are typically getting worse.

Partnerships

Because community foundations exist as part of a nonprofit ecosphere in their local communities, it is important to understand the nature of their partnerships with other organisations. We asked: 'In thinking about your day-to-day working relationships, how actively do you partner with the following organisations: formal community associations and groups, informal associations of citizens, non-governmental organisations, local government, national government, universities, schools, and businesses?'

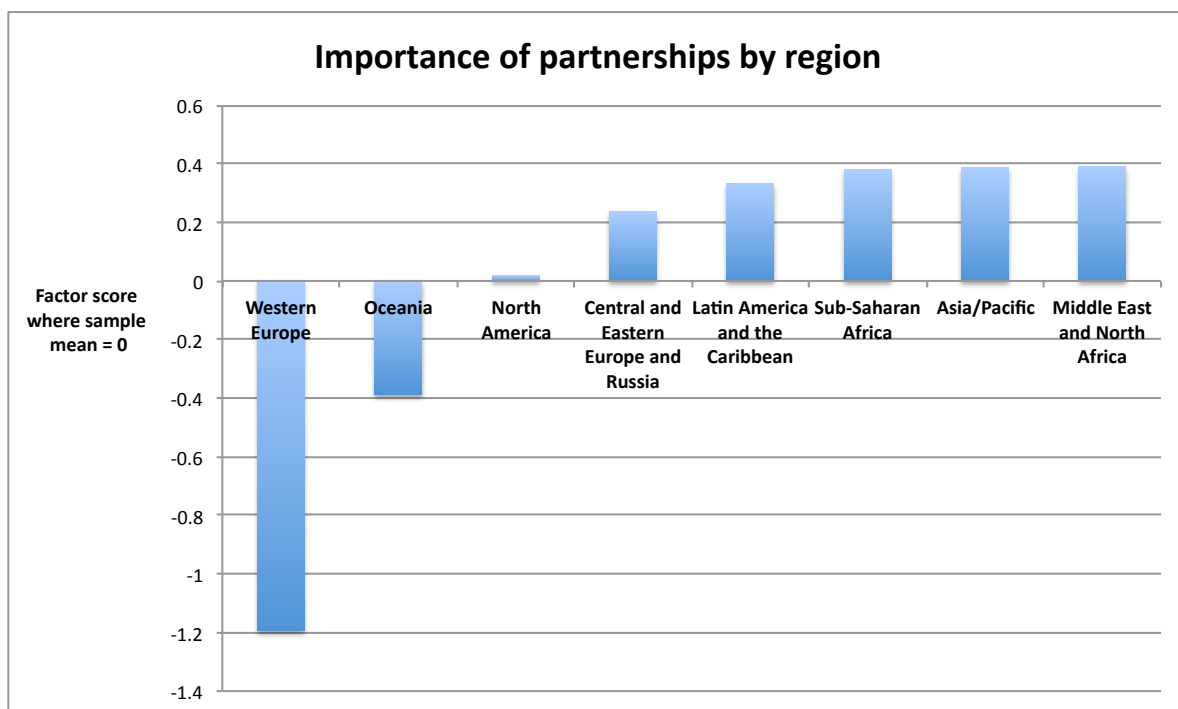
Answer options included: 'not at all' (0), 'a little' (1), or 'a lot' (2). Mean scores are shown in the following table.



Not unexpectedly, community foundations most frequently partner with local nonprofit organisations, followed by schools and businesses. Partnerships with local government also figures in the mix, but ties with universities are less important, and relationships with national government hardly present.

The propensity to form partnerships in one sphere, we found, is highly correlated with the propensity to form partnerships in others. The correlations are so large that it is possible to derive a single combined variable on 'partnerships' for each organisation in the sample.

Such an analysis enables us to examine the strength of partnerships formed in each region of the world. Results are shown in the next chart.



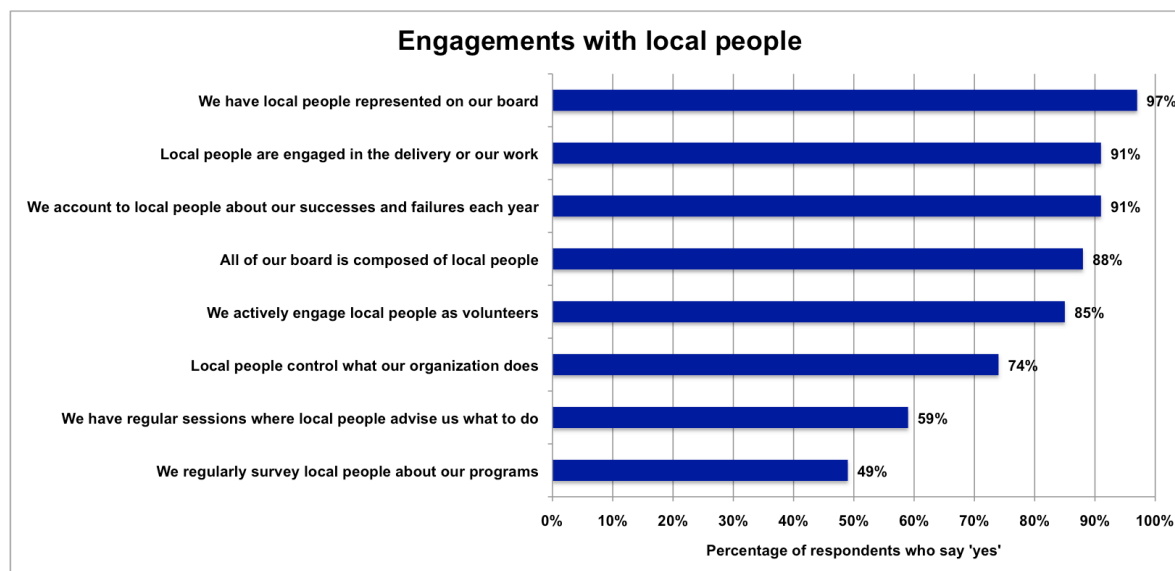
We can see wide disparities between regions. The most dramatic finding is the relative weakness of partnership formation in Western Europe. In areas of the world where community foundations tend to be newer, partnership formation is a much stronger feature of their work.

Engagement with local people

The above chart illustrates foundation relationships with other organisations. We can now probe more deeply and examine their engagement with people. Modelling our query after Sherry Arnstein's 'ladder of participation', the survey asked 'Please say whether you involve local people in your work in the following ways.'

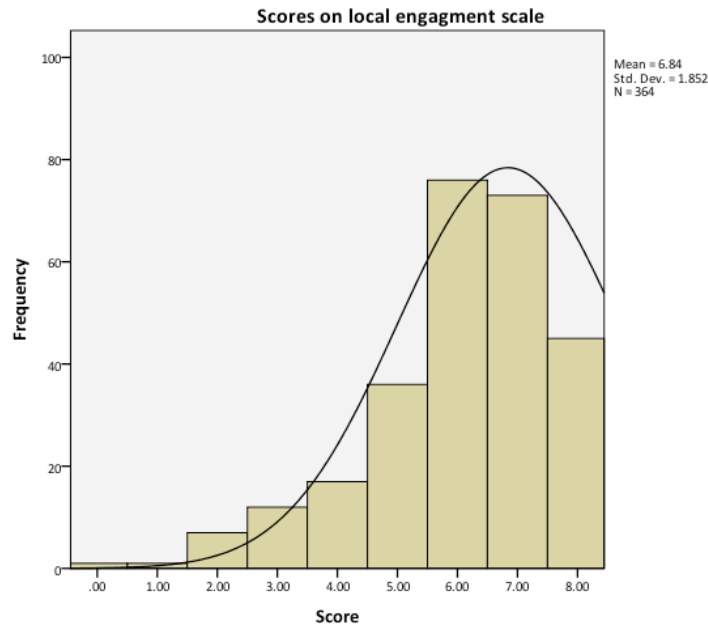
- We regularly survey local people about our programs
- We have regular sessions where local people advise us what our programs should do
- Local people control what our organisation does
- We actively engage local people as volunteers
- All of our board is composed of local people
- We account to local people about our successes and failures each year
- Local people are engaged in the delivery or our work
- We have local people represented on our board

Answer options were 'yes' or 'no'. Results are presented in the following table.



It is clear that local people are highly engaged in the governance and work of community foundations. This is critically important. Otherwise, the promises of community foundations to be of and for the people would be somewhat empty. Of course, one may question the prevalence of certain interactions. For example, the majority of community foundations report asking local people to advise about programs, a practice that is not followed by a significant minority (41 per cent) of their peers.

To get a better measure of the extent to which community foundations are open to listening to the needs and interests of local people, we combined all the measures into a scale, awarding one point for each 'yes' answer and no points for each 'no' answer. The distribution of the scale across the sample is shown in the following histogram.



The chart shows that the distribution of scores from 0 to 8 is weighted towards the top end of the scale, with a mean of 6.84 and a mode of 6. From this, we can conclude that – by and large – community foundations see themselves as institutions in which local people should take an active part.

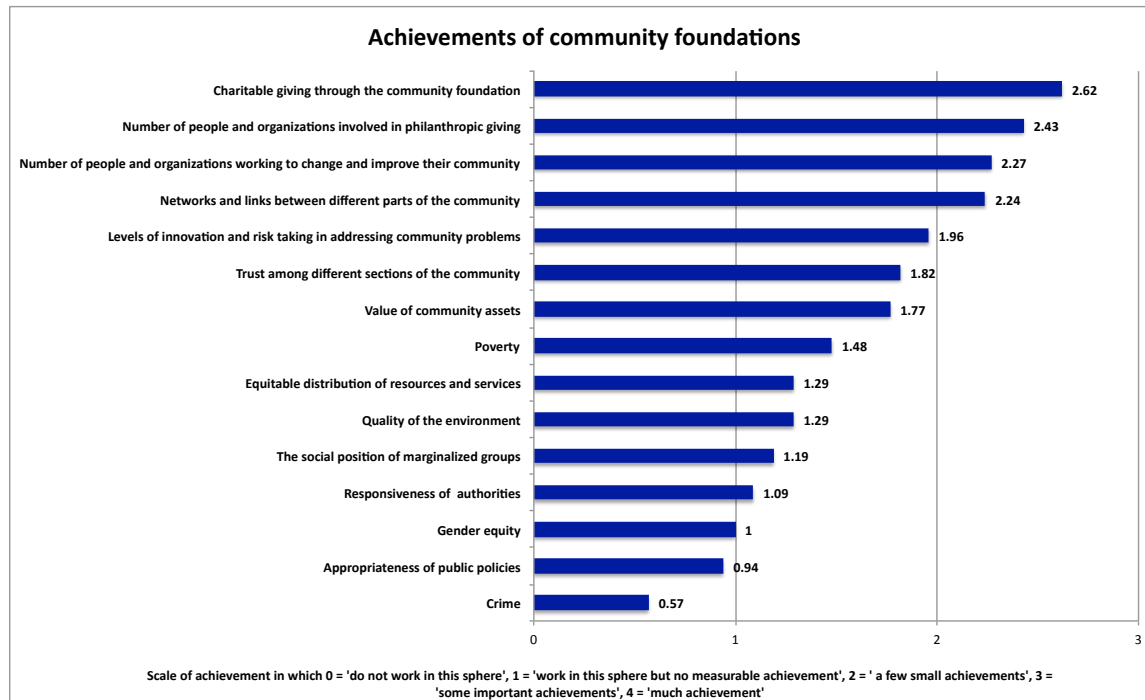
We need to make two qualifications to this observation. The first is that there are some community foundations where attempts to ensure local participation is much less common. The second is that our scale by no means proves that ordinary people are engaged in the foundation's work, since participation may be restricted to elites.

Achievements

We were interested to know how foundations viewed their achievements. We asked: 'To what extent is your organisation able to claim tangible and measurable achievements in the following areas over the past three years: poverty, crime, trust among different sections of the community, equitable distribution of resources and services, the social position of marginalized groups, responsiveness of authorities, appropriateness of public policies, value of community assets, quality of the environment, number of people and organisations working to change and improve their community, levels of innovation and risk taking in addressing community problems, networks and links between different parts of the community, gender equity, charitable giving through the community foundation, and number of people and organisations involved in philanthropic giving?'

Answer options included: 'do not work in this sphere' (0), 'work in the sphere but no measurable achievements' (1), 'a few small achievements' (2), 'some important achievements' (3), or 'much achievement' (4).

The mean scores on these criteria of achievement are shown in the following table.



We note with some surprise that claims are relatively modest. None of the mean scores reach scale point 3 ('some important achievements'), let alone scale point 4 ('much achievement'). Reticence about their accomplishments seems to be characteristic of community foundations. The WINGS 2010 Global Status Report for Community Foundations found a similar modesty in claiming results.

Yet, it is also clear that, across the whole sample, community foundations are indeed making important contributions in three main spheres: enlarging their community's assets, developing a culture of giving, and building networks and trusting relationships. These achievements lie firmly within the essential community foundation mission of strengthening civil society described in seminal earlier work by the Global Alliance for Community Philanthropy.⁶

When it comes to describing the impact they are having on social problems, foundations are even less willing to take any credit for positive change. Reported achievements in improving poverty, equality, environment, gender equity, and crime are much lower down the scale. It seems that community foundations see their main contribution as building the architecture for solving social problems, rather than solving the problems directly.

Probing deeper into achievements, we will once more use factor analysis to discern the underlying structure of the data. The key findings are given in the following table.

⁶ Global Alliance for Community Philanthropy (2013), *The Case for Community Philanthropy: How the practice builds local assets, capacity and trust – and why it matters*, available from <http://www.globalfundcommunityfoundations.org/information/the-case-for-community-philanthropy-how-the-practice-builds.html>

Factor analysis of achievements

Item	Factor 1	Factor 2	Factor 3
Poverty			0.78
Crime			0.80
Trust among different sections of the community	0.65		
Equitable distribution of resources and services			0.64
The social position of marginalized groups			0.74
Responsiveness of authorities	0.44		0.38
Appropriateness of public policies	0.35		0.40
Value of community assets	0.69		
Quality of the environment	0.50		
Number of people and organizations working to change and improve their community	0.92		
Levels of innovation and risk taking in addressing community problems	0.82		
Networks and links between different parts of the community	0.84		
Gender equity			0.64
Charitable giving through the community foundation		0.95	
Number of people and organizations involved in philanthropic giving		0.88	

Extraction Method: Principal Component Analysis.

Rotation Method: Oblimin with Kaiser Normalization.

a. Rotation converged in 8 iterations.

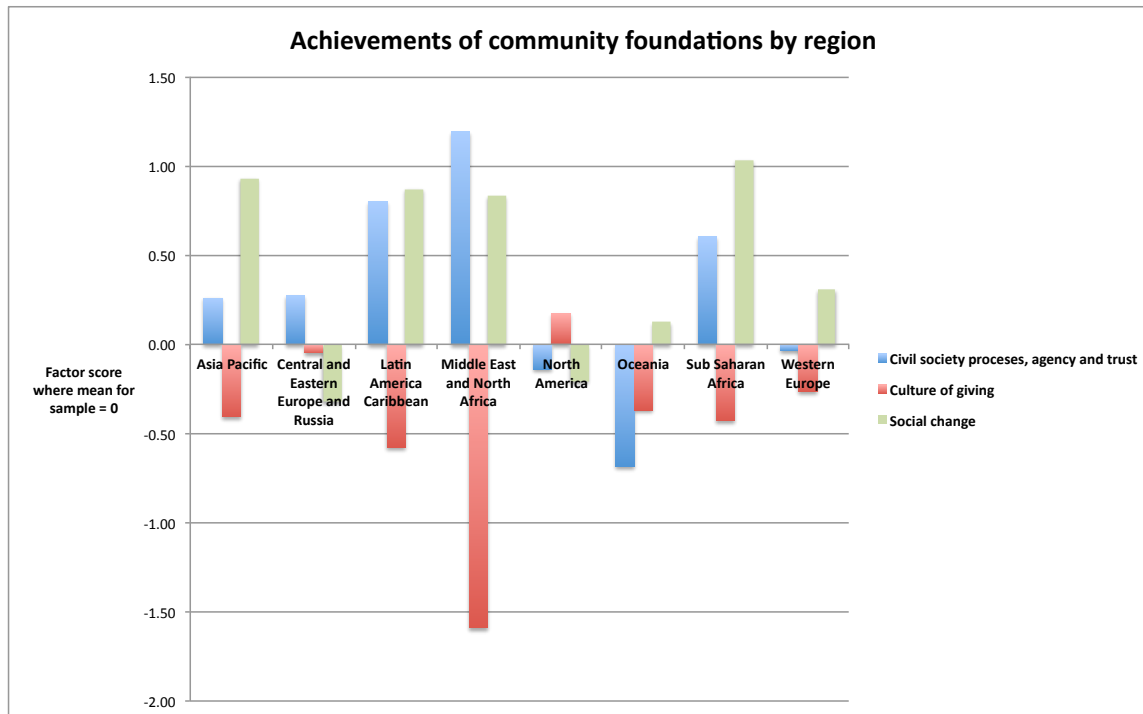
Results suggest a three-factor solution to the question of achievements. Factor 1 is about strengthening civil society; Factor 2 is about developing a culture of giving; and Factor 3 is about effecting social change.

Factor 1 is composed of ‘numbers of people and organisations working to change and improve their community’, ‘networks and links between different parts of the community’ and ‘levels of innovation and risk taking in addressing community problems’. These objectives are all about active citizenship. Objectives that are important though not quite so significant are the ‘value of community assets’ and ‘trust among different sections of the community’. Taken together, this powerful mix of activities indicates the strength of **civil society processes, agency and trust**.

Factor 2 is composed of ‘charitable giving through the community foundation’ and ‘number of people and organisations involved in philanthropic giving’. This adds up to an indicator of the **culture of giving**.

Factor 3 is composed of items relating to social problems: addressing crime, poverty, the social position of marginalized groups, and the equitable distribution of resources and services. This adds up to an indicator of **social change**.

Once more, we can derive ‘factor scores’ to rate each foundation in the sample on each of the three factors. In the following chart, we show the three factors measuring achievement by regions of the world.



No region has positive scores on all three factors. It may be that two out of three is the maximum possible.

We find that foundations in the Middle East and North Africa, Latin America and the Caribbean, and Sub-Saharan Africa score highly on civil society processes, assets and trust, while those in Western Europe and North America generally score less well. As with other figures in this report, we need to be aware that the extreme scores in the Middle East and North Africa may be unreliable because of the small number of community foundations based there.

North American foundations score highly on their efforts to develop a culture of giving, while foundations in Middle East, Latin America and the Caribbean, and Sub-Saharan Africa score relatively low.

Sub-Saharan Africa, Asia/Pacific, and Latin America foundations score highly on social change; the lowest scores are recorded in Central and Eastern Europe and North America.

Origins have an effect on achievements. Grassroots origins have the strongest effect on civil society processes, assets and trust and some effect on social change, but no effect on a culture of giving.

Community and philanthropic leadership have the biggest effects on a culture of giving, and some – though weaker – effects on civil society and social change.

External funding has the biggest effect on social change and some effect on civil society, but no effect on a culture of giving.

Involvement of local people in the work of the community foundation matters. The scale of local engagement is significantly associated with all three types of outcomes: most particularly with civil society processes, assets and trust ($r = 0.260$, $p < 0.001$) and social change ($r = 0.221$, $p < 0.001$), but also to some extent in developing a culture of giving ($r = 0.121$, $p = 0.029$).

Size matters, too. Size of staff is significantly associated with all three outcomes, so that the more the staff, the greater the outcome. Finance matters in delivering social change and a culture of giving, with size of income and size of endowment increasing with high scores on both. Gains in civil society, however, occur quite independently of such financial considerations.

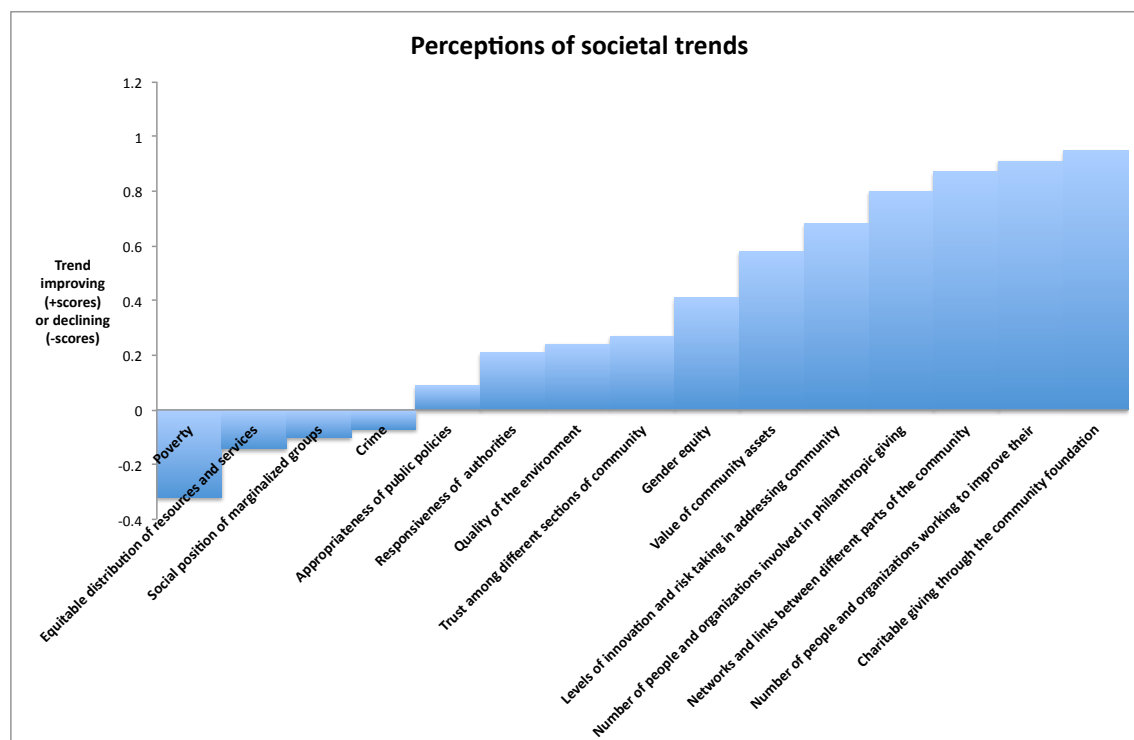
The non-grantmaking role of community foundations plays a highly important role in determining achievements. It will be recalled that we were able to develop a single factor score called 'non-grantmaking activities'. This measure is very highly correlated with the strengthening of civil society processes, assets and trust ($r = 0.646$, $p < 0.0001$) and effecting social change ($r = 0.471$, $p < 0.0001$), though not correlated with producing a culture of giving. Indeed, there appears to be a virtuous circle between high scores on the three scales of non-grantmaking activities, partnership formation scale, and engagement of local people and the attainment of high scores on civil society outcomes and social change outcomes. It seems that the key concept in the idea of a community foundation is 'community'.

We found that program priorities also had a significant effect on achievements. Earlier we found four main types of program priorities: community development, staple services, the environment and disaster relief. A high score on development was highly correlated with positive civil society processes, agency and trust outcomes ($r = 0.563$, $p < 0.0001$) and positive social change outcomes ($r = 0.527$, $p < 0.0001$). A high score on staple services was correlated with positive improvements in the culture of giving ($r = 0.327$, $p < 0.0001$). A high score on environment led to modest gains in civil society processes, agency and trust ($r = 0.206$, $p < 0.0001$) and social change ($r = 0.193$, $p = 0.001$). A high score on disaster relief was not correlated with any specific achievements.

Societal trends

So how do foundations' reported achievements relate to the wider trends in society? To discern possible correlations, we asked: 'Over the past year, what would you say are the main trends in the geographic area that you work in?' The criteria used for achievements were repeated.

Answer options included: 'getting much worse' (-2), 'getting worse' (-1), 'no change' (0), 'getting better' (1), or 'getting much better' (2). Mean scores are shown in the following chart.



The chart shows that the areas of greatest perceived progress are in civil society and giving, while trends are perceived to be worsening in such areas as poverty, inequality, and crime.

It is striking that positive trends correspond to the areas where community foundations are making their greatest contributions. The following table shows the correlations between respondents' assessments of community foundations' achievements and their assessment of trends.

Correlations between societal trends and achievements of community foundations

Social indicator	Spearman's Rank Order Correlation Coefficient	Level of statistical significance
Number of people and organisations involved in philanthropic giving	0.53	0.0001
Charitable giving through community foundations	0.52	0.0001
Levels of innovation and risk taking in addressing community problems	0.47	0.0001
Networks and links between different parts of the community	0.36	0.0001
Number of people working to improve their communities	0.35	0.0001
Trust among different sections of the community	0.32	0.0001
Gender equity	0.3	0.0001
Quality of the environment	0.27	0.0001
Value of community assets	0.25	0.0001
Responsiveness of authorities	0.24	0.0001
Appropriateness of public policies	0.24	0.0001
Equitable distribution of resources and services	0.13	0.05
Social position of marginalised groups	0.13	0.05
Poverty	0.11	0.05
Crime	0.08	Not significant

All but one of the correlations is statistically significant. This suggests that respondents have a sense of agency when it comes to affecting perceived trends in their communities. Clearly, respondents see positive relationships between achievements and trends when the conditions under consideration are the core business of the community foundation. Hence, there are close relationships between achievements and trends in the areas of charitable giving, innovation and risk in solving community problems, networks and links between different parts of the community, levels of trust and numbers of people working to improve their community.

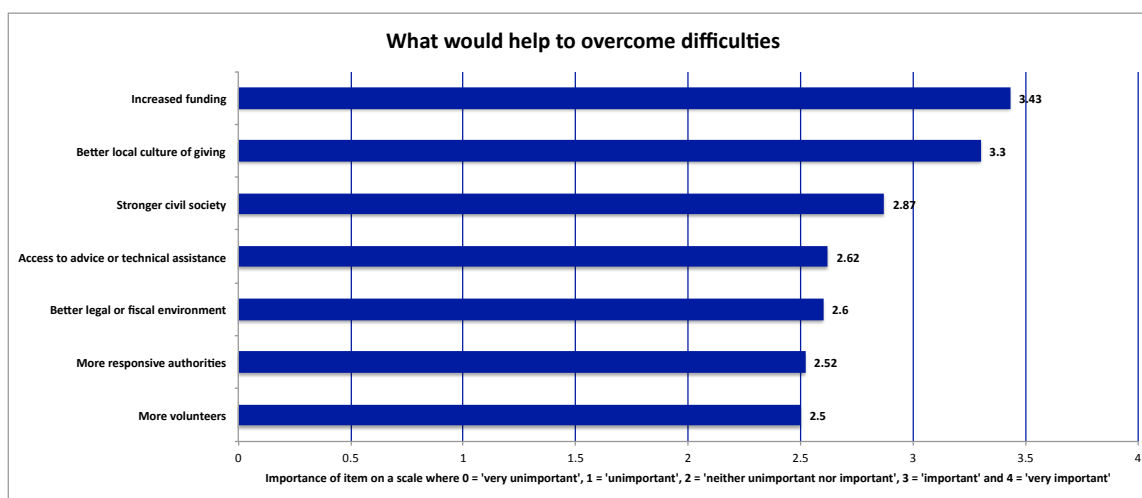
On the other hand, correlations between achievements and trends on core social indicators, such as poverty, crime, inequality and social marginalization, are much weaker, which suggests that the foundations' sense of agency is much weaker on these issues.

Overcoming hurdles

We were interested to know what factors restrained the continuing development of community foundations. We asked: 'What would help you to overcome the main difficulties you face in developing your organisation further?' Factors included: increased funding, better legal or fiscal environment, more volunteers, access to advice or technical assistance, better local culture of giving, and a stronger civil society.

Answer options included: 'very unimportant' (0), 'unimportant' (1), 'neither important nor unimportant' (2) 'important' (3) or 'very important' (4).

Mean scores are included in the following chart.



As can be seen from the table, the standout hurdles were the unavailability of funding and a weak culture of giving.

Community foundations in every region said that funding was a big hurdle. On other questions, however, there were important regional differences.⁷

In Central and Eastern Europe and Russia, a better legal and fiscal environment, more volunteers, a stronger civil society, and more responsive authorities were reported as requirements for development. Community foundations in Latin America and the Caribbean hoped for a better legal and fiscal environment, technical assistance, a stronger civil society, and more responsive authorities. In the Asia/Pacific region, there was a need for more volunteers, technical assistance, a stronger civil society, and more responsive authorities. In Africa, it was more volunteers, technical assistance, and more responsive authorities. In both Oceania and Western Europe, the priority was for a better culture of giving.

⁷ These analyses are based on an analysis of variance and all results reported here are statistically significant.

Sources of help

Over the past twenty years, there has been a growth in organisations that support philanthropy across the world, and the vast majority of these are members of WINGS, our atlas research partner. We were interested to know the extent to which support organisations have been helpful to community foundations. We asked: 'Thinking about the following institutions, how helpful have they been in your work?' We asked about 'your national associations of grantmakers', 'your regional associations of grantmakers (e.g. the European Foundation Centre or Southeast Council of Foundations)', the 'Global Fund for Community Foundations' and 'a particular foundation'.

Answer options included: 'very unhelpful', 'unhelpful', 'neither helpful or unhelpful', 'helpful', or 'very helpful'. There was also a 'not applicable' category for organisations without access to a support organisation.

Answers to this question are difficult to interpret because different respondents assessed different organisations. In other words, we are not comparing like with like. To conduct a thorough analysis of the findings here would involve matching respondents from different countries with relevant organisations. As WINGS intends to conduct this detailed analysis, we will simply give overall findings from the survey.

The first point to note is that many community foundations have no access to a support organisation. For example, 16.5 per cent of 363 who answered the question had no access to a national association of grantmakers, 24.9 per cent no access to a regional association, and 43.2 per cent no access to the Global Fund for Community Foundations (which is most active in the Global South).

For those organisations that did have access, however, results are by and large positive. For example, 63.7 per cent of 303 community foundations that had access to their national association of grantmakers found their support helpful or very helpful, while 8.3 per cent found the support unhelpful or very unhelpful. Using the same criteria, affiliations with a regional association of grantmakers were 57.9 per cent positive and 8.1 per cent negative.

For our atlas research partner, the Global Fund for Community Foundations (GFCF), the proportions were 32.4 per cent positive and 11.2 per cent negative. However, closer examination of these figures reveals that many of these responses came from areas where GFCF is not active, most notably from North America. When the comparison is restricted to those areas where the Global Fund for Community Foundations works, 92.9 per cent of relevant respondents are positive and only 7.1 per cent negative.

These results demonstrate the need for a more fine-grained analysis of the helpfulness of support organizations to community foundations that will be conducted by WINGS, drawing on both the data from here and from other sources.

Conclusions and next steps

This report has mapped out some of the dimensions of the growing field of community foundations based on survey returns from the field. Its goal has been to illuminate some of the qualities of the field to stimulate discussion.

Every study has inbuilt limitations, and the present one is no exception. This study should be seen as a starting point for further research. It would, for example, be possible, for example, to drill further down into the data, developing baseline information for community foundations in

individual countries, such as Canada or South Africa. It would be possible to look at particular program areas more closely, such as disaster relief or arts and culture – both important areas of community foundation work that would repay further study. The data is here to begin to do that kind of extensive analysis.

At the same time, we urge the field to consider the implications of the data that has been presented here. For example, it might be useful for the field to discuss why most foundation claims about achievements are modest, and why it appears difficult for foundations to achieve positive outcomes simultaneously in this study's three main areas of endeavor (civil society processes, assets and trust, a culture of giving and social change). Digging deep into different social contexts might explain variances, as would looking at individual examples. Such an exercise would begin to flesh out the statistical bones of this report with real-life case studies of how change had been achieved and why. It would be good to determine whether the reportedly high rates of participation by local people in the work of community foundations hold true across all sectors of local society.

Such a process of exploration would lead to the development of further hypotheses, which in turn could lead to further research. It is important that such research be done with the field, rather than "to" the field. The field should determine what and how new data is collected or possibly revisit the study described here in two or three years time to assess changes.

Barry Knight
August 2014