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The Future of Philanthropy
Is Trust-Based
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A Framework for Corporate Social Good

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A FRAMEWORK FOR CORPORATE SOCIAL GOOD

Instead of mirroring corporate practices, trust-based philanthropy listens to what communities want and need.

BY JOHN BROTHERS

Our work is not serving communities as well as we think. This may not be the message you'd expect from a corporate-social-responsibility leader. But we are fooling ourselves if we think we can understand and address complex, multifaceted social challenges in the same way a company approaches putting more cell phones or hamburgers in the hands of customers. The entry point for philanthropy is *othering*. The problem is the framework we use, whereby funders "give" and communities "receive." This perspective muddles the fact that communities hold the solutions and wisdom necessary for effective change. Without community knowledge, context, and relationships, funders would not be able to make progress on issues we care about.

For nearly a decade, the T. Rowe Price Foundation has worked to transform the ways we partner with community organizations. While our journey is ongoing, we have clarity on the essential role that community wisdom plays in leading our work. As a corporate leader practicing trust-based philanthropy principles for nearly nine years, I would like to share the lessons we have learned and our framework for carrying out trust-based corporate funding.

WHEN HELPING HURTS

The price my father had to pay for a pair of warm shoes for winter taught me about resources, power, and belonging.

When I was a child in Minneapolis, we often headed to a local soup kitchen that also helped community members get shoes for the winter. I remember sitting with my father on a long row of chairs as we watched a smiling woman make a big show of removing each participant's shoes and socks so she could pass a moistened towel over their feet.

When the woman reached our seats, my father handed her a red ticket and removed his shoes. I began removing mine, too. He put his hand over my hands—"Not you, John," he said. "Just me." I closed my eyes and exhaled in thanks, relieved I did not have to reveal the holes in my socks. A small crowd moved in front of us as my father's feet were washed.

The woman never looked at us, not once. My father, uncomfortable and teary, also averted his gaze. Perhaps his sadness came from having me there, or from a world that allowed what we had to endure. There was clapping all around and the clicks of a camera focusing on us.

I share this story because it reminds me how the systems that ostensibly promote good in our communities can cause deep harm. The foot-washing woman was more concerned with the photos than with the individuals whose feet she washed. The greater beneficiary of her giving was herself and the organization she served.

STEPPING OUT OF THE SPOTLIGHT

Like the volunteers at the soup kitchen that day, funders are more often celebrated than criticized because of a community organization's fear of losing funding. Most of my peers have likely never stood in lines like the ones my father and I waited in. If they had, they would not recommend foot-washing to receive shoes or adhere to the current norms of strategic philanthropy.

A similar relationship dynamic exists between philanthropy, nonprofits, and the communities they serve. Too many funders, including in corporate philanthropy where I work, see their role as ambassadors rather than relationship-builders. They view the path to impact in extractive terms instead of understanding that the best way to serve others is to establish and nurture trust with community partners.

Several philanthropic approaches originate in the corporate world. Institutional philanthropy such as family foundations that have obtained wealth through business endeavors, corporate foundations, and donor-advised funds that are often housed at financial institutions all benefit from immense corporate resources. Strategic philanthropy also mirrors corporate practices with its overreliance on predetermined metrics, top-down strategies, cultures of compliance, and outcome-centric evaluation.

Trust-based philanthropy intentionally departs from the sector standard of "running a nonprofit like a business." Instead, trust-based funders seek to understand their nonprofit partners, mobilize their unique assets, and invest in their relationship over the long run.

THE HOW MATTERS

In my years working at various levels of social change, from social services to community organizing, I've kept encountering the same problem of jumping into actions of serving without the focus on the ways of our service. Rather than the *who*, *what*, *when*, *where*, and *why* of an organization's work, the *how* of its approach matters most to those who are the ultimate receivers of that service, whether a client of a social services agency or a grantee of a philanthropy. When the *how* is done right, it can become the most transformative element of the work. But done wrong, it is often the most damaging.

Unfortunately, the philanthropic sector's approach to philanthropy's *how* is deeply flawed. The discomfort and lack of trust my family experienced at the soup kitchen is not uncommon. Many community members and nonprofit staff understand this experience when seeking support in a funder-centric world. Our burdensome applications, our unreal expectations around data, and the power dynamics we use to push and pull communities to unfair places are some of many reasons why local communities and their leaders distrust philanthropy. As funders, our task is to acknowledge these experiences and offer a new way forward. Only community-centered

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approaches can alleviate these current philanthropic challenges because community members are the customers of our philanthropic support.

At the T. Rowe Price Foundation, we reexamined our *how* in 2015, spurred in part by the death of Freddie Gray. While some pockets of the sector had incorporated elements of trust-based philanthropy, the concept was hardly known in the corporate community. We began experimenting with approaches that focused on the self-determination of our local communities before learning about trust-based philanthropy.

I started my role at the foundation the same week as the civil unrest that followed Gray's death. Several colleagues at T. Rowe Price asked what the firm should do to support the residents of our city. As a former community organizer, I recommended that our best response was to listen to the residents of West Baltimore, since they would not look to the corporate community for answers because our expertise and experiences were not their own.

In the weeks and months that followed, I sat in the pews of local churches and on the chairs of elementary schools at community meetings, where I listened to the hopes and dreams of residents, as well as their frustrations and concerns. In those meetings, residents discussed inadequate housing or the lack of employment, but more often they shared their dismay about their treatment by the various public and private systems they encountered every day—the long lines at hospitals, the difficult treatment by a staff member at a social service office when trying to sign up for services. Similarly, local nonprofit leaders sometimes mentioned their frustration with the lack of financial support in those meetings. But more often, they talked about what it felt like to try to navigate the complex structures of philanthropy—systems that were not built with their experiences in mind. It was the *how* of philanthropy, how the sector purportedly existed to help while in reality remaining elusive, removed, and inaccessible. *How* our grant processes were overwhelming, *how* philanthropy's quest for data was burdensome, and *how* our worldview did not reflect the experiences of the communities we serve.

A NEW THEORY OF PHILANTHROPY

Some foundations claim to be trust-based while relying on practices that harm local communities, such as an overreliance on evaluation approaches that burden their grantees. Trust-based philanthropy is inherently difficult because it challenges traditional, hierarchical power dynamics. In considering how to walk a trust-based path, I suggest the following takeaways to my fellow corporate funders:

Funders must have a power analysis. Funders often gloss over an important fact: Our work happens within power structures. It can be uncomfortable for funders to interrogate their own power, which might explain why many avoid the subject. But skipping this step undermines our work with communities and our mission.

Hoping to build authentic relationships with local communities, more than 200 global brands have connected with T. Rowe Price to learn about our trust-based approach.

Following the murder of George Floyd in Minneapolis, nearly 20 Minneapolis-based companies reached out to us to learn how we connected with our Baltimore communities amid the unrest that followed Gray's murder. I suggested that this moment not only concerned the loss of George Floyd but also revealed both how systemic racism made his murder possible and how companies have played a role in building those structures.

As funders, we must become comfortable discussing past mistakes and our role in creating the inequities that plague our communities. Honesty and accountability are required to repair past harms and build trusting relationships with the communities we serve.

Listen to communities to inform your grantmaking. When we began connecting in person with our community partners, we realized that many were asking for support to strengthen the health of their organizations. We started a capacity-building program that has served more than 800 nonprofit organizations and more than 7,000 nonprofit leaders. A council of community members guides this work, providing feedback on how we can better assist the community.

To become better grantmaking partners, we updated our external applications with the goals of becoming more intentional about our language (i.e., moving away from burdensome needs statements) and serving as a concierge for the community, by providing resources that could help them in their work. In 2017, we began offering multiyear general operating support, which eliminated our burdensome grants management process.

Recognize and use all your assets. Trust-based approaches require engaging in continuous self-reflection to break down power dynamics. By examining our own resources and listening to what communities were asking for, we ensured that our support extended beyond grant dollars.

For example, Baltimore struggles with outdated infrastructure, from service-delivery systems to public-funding mechanisms. Many companies, in contrast, enjoy robust, well-functioning infrastructure. Recognizing this disparity, we considered areas other than funding where we could offer support for community benefit. We have started referring to this work as *trust-based community investment*, knowing that our model as a corporation goes beyond just grantmaking.

We have focused on using our firm's nonfinancial assets to advance communities. One example is the Bmore CoLab, a dedicated space in our corporate headquarters that houses several intermediaries serving small businesses and entrepreneurs in Baltimore. We invested in building closer collaboration with community partners and our corporate peers. We helped bring together more than two dozen corporations to develop Civic Innovators, which provides cross-corporate consulting teams to improve local consulting assistance. Our experiments and efforts fall outside the parameters of conventional philanthropy and have benefited the city and its communities in powerful ways.

THE WILL TO CHANGE

Now that trust-based philanthropy and power-shifting approaches have entered the mainstream, the question that arises is whether funders, including my peer corporate funders, are willing to depart, sometimes in radical ways, from old norms. Can we lean into our strengths as corporate funders, with our resources and the resilience of the communities we serve, who know what they want and need?

Trust-based approaches are highly personal because the *how* leaves the longest—and sometimes most unfortunate—impression. I heard the importance of the *how* from West Baltimore residents, just as I saw it sitting next to my father at the soup kitchen many years ago. As history shows, the most successful social movements are locally led. We must look to our amazing community champions because they will lead us to a nonprofit-funder ecosystem rooted in care and self-determination.

John Brothers *serves as the president of the T. Rowe Price Foundation and president of T. Rowe Price Charitable. He was the founder of Quidoo, an international consulting firm that he led for more than a decade.*

TRUST, REST, AND JOY

Rest and joy are essential to not only leaders but their teams, their organizations, and the communities they serve.

BY CARRIE AVERY, STELLA CHUNG & SARAH WALCZYK

On her sabbatical from work, Debra Suh watched her kids and husband play in the Hawaiian waves while her parents relaxed with their books on the shore. Her father, a survivor of domestic abuse, had inspired her work in the domestic-violence-prevention field. Debra's beach memories became more poignant when her father died the following year.

In addition to being a parent, partner, and daughter, Suh was the CEO of the Center for the Pacific Asian Family (CPAF), an organization dedicated to ending domestic and sexual violence in Asian Pacific Islander communities. She loved her work and team but was exhausted by her efforts to do as much as possible for both CPAF and her two young children. In 2007, Suh received a three-month sabbatical grant from the Durfee Foundation, which invests in leaders making community change throughout Los Angeles.

The sabbatical marked a turning point for both Suh and CPAF. Before leaving, she restructured it, putting in place a skilled team to manage during her absence. She also delegated more, even after returning from sabbatical. Suh's senior team handled day-to-day operations, allowing her to focus on more generative leadership. When she returned, she achieved greater balance between her roles as CEO and parent. She remained in leadership for years, growing CPAF's reach and budget from $1.6 million to more than $5 million. She instituted a sabbatical policy for all staff.

When Suh transitioned out of her leadership role at CPAF after 23 years, the change was smooth. While she was on sabbatical, the staff member who would eventually succeed her many years later as CEO was on the team, burnishing her leadership skills.

PHILANTHROPY'S ROLE IN SUPPORTING REST

Our belief as foundation leaders is that rest is critical to the work of nonprofits and movements. We have gained many insights in our work supporting sabbaticals and other forms of renewal. Our peer funders—some of whom are leading thoughtful approaches that recognize and fund the essential role of rest and joy in social change—have also provided inspiration.

Rest is transformative. Stories like Suh's reverberate not only for individuals taking a sabbatical, but also for their organizations and the wider community. Research shows that when nonprofit leaders disconnect from their work for three months, they return with renewed purpose, extend their tenure, and discover new sources of energy and inspiration.

Individual rest is important for more than simply avoiding burnout. There are sector-wide implications for how we see collective care. According to the Clare Rose Foundation's 2020 report on nonprofit sabbatical programs, only one in four nonprofits have a leadership-succession plan in place, and two-thirds of leaders plan to leave their positions within two to five years. Funders have not invested in nonprofit retention—and it shows.