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The Future of Philanthropy Is Trust-Based

Sponsored by Trust-Based Philanthropy Project

The Rise of Trust-Based Philanthropy By Shaady Salehi

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THE FUTURE OF PHILANTHROPY IS TRUST-BASED



The trust-based philanthropy movement has grown in rapid time, challenging old norms and fundamentally reimagining the role of funders. But despite its recent prominence, there are still basic misunderstandings about this approach and its bold vision for a more just and democratic society.

Bringing together a variety of perspectives, this supplement illustrates what a trust-based approach really means, why it is essential to effective philanthropy, and what will be possible if more funders embrace it.

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THE RISE OF TRUST-BASED PHILANTHROPY

Funders are embracing a more equitable way of working with nonprofits by prioritizing collaboration and trust.

BY SHAADY SALEHI

became a nonprofit executive director at 29 years old. As the child of immigrants, I was aware of social and political inequities at an early age, which eventually led me to a career in social-impact media. By the time I found myself at the helm of a nonprofit, however, my vision of what that work would be and what it entailed had become two separate matters. The years that followed were the most challenging of my career.

As a young nonprofit executive, I averaged 60-hour workweeks, often working on grant proposals late into the night. I struggled to maintain my confidence and well-being as I juggled my responsibilities. I still shudder to think of my traumatic experiences during those years. Once, a funder berated me on a conference call, criticizing my “lack of preparedness” in front of my peers. In another instance, I spent days designing a strategic plan for a funder on a topic he was passionate about and never received a dime. Then there was my most destabilizing experience: A new program

officer at one of our longtime funding institutions abruptly ended my organization’s renewal funding, slashing our budget by one-third overnight.

Anyone who has worked in a nonprofit leadership role has confronted similar dynamics. They are symptoms of a toxic culture in philanthropy. Yet these affronts are so common that our sector has tacitly accepted them under the guise of “due diligence” and “strategic philanthropy.”

When philanthropy holds the reins this tightly, it cannot create the conditions necessary to advance social change. Inevitably, nonprofits’ missions are undermined when they spend most of their time meeting funders’ demands. This produces the ultimate irony: Funder behaviors and norms *inhibit* nonprofits’ ability to achieve the impact they want to see.

A WAKE-UP CALL FOR FUNDERS

For years, nonprofit leaders’ calls for change have gone largely unheeded, despite compelling arguments for shifting power dynamics and normalizing

unrestricted funding. Studies have shown that philanthropic norms have inhibited nonprofit impact and exacerbated racial inequalities.

The tide finally began to turn in 2020, when, in response to the COVID-19 pandemic, political turmoil, and global uprisings for racial justice, funders began to reexamine their work at every level. Many dropped onerous reporting requirements. They moved money quickly, with fewer strings attached. They converted restricted grants to general operating support so nonprofits could pivot to meet unforeseen needs.

Of course, sector-wide change does not happen spontaneously. Years prior to the sea change of 2020, a small group of funders had been organizing around a shared approach rooted in trust and collaboration. They listened deeply to what nonprofits needed. “Trust us” was the message from nonprofits. Following that cue, these funders pooled their time and resources to influence others. Inspired by their vision and motivated by my personal experience, I joined them in building the campaign that would eventually become the Trust-Based Philanthropy Project.

A RISING CULTURAL SHIFT

The Project launched in 2020 with humble aspirations to promote six grantmaking practices to alleviate funder-grantee power dynamics. Since then, we have inspired hundreds of funders to embrace unrestricted funding, streamlined paperwork, and support beyond the check. We have shifted the narrative around conventional practices while providing tools and resources for operationalizing trust-based giving.

One insight we have gleaned is that making changes in practice is relatively easy. But trust-based philanthropy goes *much* deeper than grantmaking. We envision a future where nonprofits and communities are celebrated as essential contributors to social change. This trust-based future requires shifts in philanthropic mindsets and cultures, as well as the structures that scaffold them. It requires funders to relinquish their individual power to achieve a more equitable and democratic future.

Fortunately, more philanthropic leaders are stepping up to do the bold, rigorous, and infinitely more rewarding work of institutional change. They are reimagining traditional roles and structures in radical ways, including transforming organizational cultures from corporate to community-centric. These leaders recognize nonprofit health and well-being as a major ingredient in advancing social progress.

Trust-based philanthropy also expands our definitions of accountability in ways that center the needs and dreams of marginalized communities, providing a pathway to liberation and justice. Trust-based funders are modeling the kind of culture that will contribute to a more democratic future for everyone.

The stories in this supplement demonstrate that while there is no one-size-fits-all approach to trust-based philanthropy, the core values remain the same. What was once expressed on the sector’s fringes is now a chorus, with voices coming from across the United States and abroad. This movement proves how the power of an idea can reshape philanthropy, especially when funders relinquish personal power to build collective power. I hope our sector can maintain this momentum to realize a better future.

Shaady Salehi is cofounder and executive director of the Trust-Based Philanthropy Project. She has worked at the intersection of narrative, culture, and social change for more than two decades.

RACIAL JUSTICE REQUIRES TRUST

A commitment to racial justice means transforming conventional practices and embracing trust-based philanthropy.

BY NAT CHIOKE WILLIAMS & LIZ BONNER

Over the years, funders would tell those of us at the Hill-Snowdon Foundation, “You’re such an example.” They were so proud of our organizing work, especially in the US South. They pointed to how we centered our relationships with our partners and how we focused on racial justice as underlying and informing every issue. These acknowledgments could have served as a signal that we were doing enough, causing us to stop interrogating our own behaviors.

But we did not stop. Instead, we uncovered gaps in our approach and outdated practices that did not align with our values. Like so many in philanthropy, we relied on old habits, having inherited certain practices without taking time to critique them. A new philosophy that aligned with trust-based philanthropy helped us realize that our commitment to centering racial justice and power building required us to change.

Together, we offer our combined reflections on that process as executive director and board president of the Hill-Snowdon Foundation. We share the following road map for other funders who are committed to advancing justice but may feel stuck using conventional practices that cause more harm than good.

STOP AMBIVALENT NO’S

Our need for change came into sharp focus in 2020. Funders that had long accepted status quo philanthropy began to shift when faced with the unprecedented needs of communities amid the pandemic, racial justice uprisings, and political upheaval.

In the spring of that year, the Hill-Snowdon staff had many calls with our partners to hear what the foundation could do to better support them. At the end of one call, one of our longtime partners, the Black Organizing Project, inquired if the foundation could begin multiyear grantmaking.

Until that point, Hill-Snowdon had only provided long-term grants on an annual basis. To us, longer or shorter grant periods were a technicality; our commitment was the same. However, for our community partners, who had asked us to shift to multiyear grants during our 2005 strategic planning process, longer-term grants brought stability to their work.

Yet we had failed to grasp this truth—not because of a strategic disagreement but simply, we realized, because of habit: Multiyear grants would have required changes to our accounting practices. The shift from one year to multiple was tedious and technical, which at the time was enough of a barrier to stop us changing.

Fifteen years later and in the context of crisis and turmoil, our “no” to the request for multiyear funding felt wrong. It served our own interests, not our community partners’.