



The Power and Impact of Women's Funds

Women's Solutions + Innovation + Leverage = Social Change

This highlights paper summarizes six recent reports about the impact, investment practices and values of women's funds. This significant body of evidence, collected over the period 2006-2009, shows a remarkable commonality in findings, and makes a compelling case for the distinctive and valuable role of women's funds in accelerating social justice.

The research was conducted by leading research institutions and consultants including the Foundation Center; Social Policy Research Associates; and Clohesy Consulting. It finds that women's funds:

I. Achieve significant social return on investment:

- 98% of women's funds say that championing social change is a core focus for their fund
- An analysis of \$5.5M in grants awarded by 46 women's funds found that they:
- Helped leverage an additional \$33.7M in project funding
- Achieved outcomes that impacted 200 million people

II. Deploy innovative investment strategies:

Women's funds play a critical role in identifying and fostering new, 'under the radar' ideas, projects and social entrepreneurs, filling a gap left by mainstream funders.

- They fund projects, ideas and organizations that are considered 'too risky' by the mainstream
- They are often the first to identify and fund solutions to emerging issues and concerns; for example countering human trafficking in the US

These strategies mean that women's funds achieve impact that is 'disproportionately large' compared to the size of their grants.

III. Prioritize the solutions and leadership of women & girls 'at the margins'

- Over 80% of grants distributed by women's funds target low and no income women, believing that their personal relationships to key social justice issues gives them the best perspective to solve them.
- Women's funds invest in women's solutions to interconnected social justice issues with a strong focus on economic justice, human rights, education, health and violence prevention.

IV. *Add increased value by going beyond pure grant-making:*

Women's funds offer a value to the projects and organizations that they support that goes 'beyond dollars' by offering additional services and resources such as training, education and networking that help grantees sustain themselves and have a greater impact. For example:

- 76% are engaged in collaborative efforts and networks; 72% are engaged in advisory committees and taskforces; and 49% are engaged in advocacy work.

Such additional 'more than money services' have been characterized as essential to truly transformative grantmaking by the Center for Effective Philanthropy, which asserts that "when grantees receive... a comprehensive set of assistance activities... they have a substantially more positive experience with their foundation funders..."¹

IV. *Possess unique and powerful knowledge, values and expertise:*

Women and Money

- Women's funds are raising gifts ranging from dollars to multi-million dollars - Women Moving Millions, a campaign to raise gifts of \$1M+ from high net worth women is projected to have raised \$150M by May 2009.
- Women's funds are experts in fundraising training – 63 alumnae of one program collectively raised over \$35 million.

High Impact Grant-making

- Tools such as the Network's Making the Case™ framework and Smart Growth© model are accelerating the impact of grant dollars

Women and Social Change:

- Women's funds exemplify a unique social change model that holds that investing in women and girls achieves lasting returns for families, communities and nations.
- They believe and can prove that this 'logic model' accelerates when women's own solutions to critical issues are the focus for investment.
- They measure the impact of investment through a unique framework that assesses lasting societal shifts unleashed by their grants.

Status of Women and Girls

Women's funds invest consistently in research that uncovers the status of women and girls in local communities.

Diversity and Democracy. Women's funds are living the values of diversity and democracy. 91% of funds are working to 'create an environment in which everyone can be a philanthropist. Women's funds both invest in diversity (75% of grants are directed to minority communities) and live it in their work, with the research showing that funds are more diverse than the general population.

¹ *More than Money : Making a Difference with Assistance Beyond the Grant*, The Center for Effective Philanthropy, 2008.

I. Social Return on Investment

According to the research evidence, women's funds have developed a shared agenda around how to achieve change. This shared agenda is propelling significant global impact;. A 2009 analysis² of \$5.5M in grants awarded by 46 women's funds found that they:

- Helped leverage an additional \$33.7M in project funding
- Achieved outcomes that impacted 200 million people

Women's funds believe that change takes place when:

Women are solution builders

99% of women's funds surveyed in 2008 said that they 'prioritize investment in the leadership and empowerment of women and girls; 93% prioritize women-led solutions to community issues; and 83% prioritize the concept that 'women who are closest to society's issues are best placed to solve them.'³

Investment ripples into the broader community

Women's funds subscribe to a logic model that holds investment in women and girls can catalyze wider change in families and communities. For example, they believe that "...when a woman is secure, a family is economically secure, and ultimately so are communities and entire nations⁴."

Investment leads to lasting social change

98%⁵ of women's funds surveyed cited championing lasting social change as a core focus for their fund. Women's funds are intentional about seeking out projects that can help catalyze lasting changes in society rather than those that simply act as immediate 'band aids' to problems.

Investment causes systemic shifts in society

The Women's Funding Network has created a unique framework, called Making the CaseTM, which encapsulates a unique vision and measurement methodology for social change. This model holds that social justice is achieved through five shifts:

1. **Shift in Definition** - Defining or reframing issues and ideas; for example defining gender violence as a public issue;
2. **Shift in Behavior** - Changing individual and community behavior; for example, encouraging women to seek appropriate health screening or prenatal care;
3. **Shift in Engagement** - Achieving Critical Mass or Increasing Engagement; for example, creating alliances between violence survivors, law enforcement agencies and policy makers to create new systems and policies.

² *The Women's Funding Network: Making the Case*, 2009.

³ Foundation Center, forthcoming.

⁴ Chris Grumm, speech to Women's Funding Network Annual Conference, 2008.

⁵ Foundation Center, forthcoming.

4. Shift on Policy - Changing Policy Institutions and Systems; for example, changing employment practices and policies to accommodate paid leave to care for sick children
5. Maintaining Past Gains - Maintaining Position or Holding the Line; for example, protecting access to reproductive healthcare, particularly for low income women.

The 2007 Mapping Study found that 'Behavior' and 'Engagement' shifts attracted the most member fund investments, with policy change work gaining momentum. This finding was replicated by an analysis in 2009⁶, which found that 'Definition' was the third most common area for investment.

The research shows that women's funds are advancing change within philanthropy as a whole, and that their agenda has influenced the wider landscape and increased focus on investment in women. For example, The Foundation Center asserts that women's funds may have been instrumental in the fact that the rate of growth in foundation giving to benefit women and girls surpassed overall foundation giving between 1990 and 2006⁷.

⁶ *The Women's Funding Network: Making the Case*, 2009.

⁷ 'The growth of women's funds and philanthropic infrastructure organizations such as the Women's Funding Network...has played a vital and long-term role in raising awareness around the benefit of investing in programs and organizations that support women and promote women-led solutions throughout communities.', Foundation Center, forthcoming.

II. Innovative Investment Strategy

Women's funds play a distinctive and high impact role within the funding landscape. They take managed risks, dedicating resources to projects and issues that are ignored by the mainstream. This 'risk-taking' may also entail support for new projects within established institutions or funding for 'start-up' non-profits and emerging social entrepreneurs.

Women's funds plug gaps in the mainstream funding landscape through:

- ***Funding New, 'Under the Radar' Ideas & Social Entrepreneurs***
The research shows that organizations praise women's funds for their willingness to invest in projects that are ignored and "considered too risky" by others and in "emerging non-profits or programs, advocacy or organizing efforts..."⁸
- ***Start-Up and Venture Investment***
In many cases, women's funds act as venture investors and as a source of primary start-up capital for emerging projects. A research snapshot in 2006 found that in Africa, Asia, Europe and Latin America, 52% of surveyed projects were 100% funded by the women's fund and grants constituted an average 90% of budget. In North America (US), 42% of projects were 100% funded by women's funds grants and women's funds grants constituted an average 61% of project budget⁹. (Conversely, a 2009 study found that women's funding represented 14% of total project budgets¹⁰).
- ***Leveraging More Money for Grantees***
Women's funds intentionally connect their grantees to other funders by sharing their RFP list, writing letters of support, making formal introductions and supporting grantee fundraising¹¹. In this way they offer high leverage, attracting new resources and investors to women-led solutions.
- ***Building Sustainable Organizations***
Women's funds are likely to offer nonprofits support for the organization as a whole rather than 'just supporting particular programs'. An analysis by the Foundation Center of 25 women's funds found that 42.7% of grants were for operating support. They are also more likely than other funders to offer multi-year funding; a 2009 SPR report found that "grantees commended women's funds for their multi-year commitments to their grantees."¹²

⁸ *Leading the Way: Women's Funds and Their Grantees' Approaches to Economic Security*, 2009 (pp II-1)

⁹ *Research conducted among 24 women's funds by Stephanie Clohesy, 2006-7.*

¹⁰ *The Women's Funding Network: Making the Case*, 2009.

¹¹ *Leading the Way: Women's Funds and Their Grantees' Approaches to Economic Security*, 2009 (pp II-6)

¹² *Leading the Way: Women's Funds and Their Grantees' Approaches to Economic Security*, 2009 (pp II-3)

Grant size and impact:

Women's funds' grants range across a wide scale. A Foundation Center analysis of 2,000 grants by 25 women's funds found that they ranged from \$25 to over \$1M. The same study also found that the *typical* grant size was under \$10,000¹³, with a median grant amount of \$8,000. The Foundation Center asserted that " While [women's funds] combined giving may seem small in comparison to private foundations...their reach and impact is disproportionately large." The report suggests this ability to secure high impact for a 'low' investment is due to a focus on women's solutions and leadership as well as to the advantages of operating within a network."¹⁴

Women's funds also help secure additional funding by acting as a catalyst for additional support from other funders – such funding may ultimately exceed the original women's fund contribution but would never have been unlocked without initial support from women's funds.

Accelerating Change for Women & Girls: The Role of Women's Funds, The Foundation Center, forthcoming.

¹⁴ *Accelerating Change for Women & Girls: The Role of Women's Funds*, The Foundation Center, forthcoming

III. Women's Solutions and Leadership

The research shows that women's funds are strongly aligned in their investment strategy. They prioritize investments in women's solutions and leadership, they focus on women and girls who are most marginalized and they support a cluster of interlinked thematic areas: human rights; economic equity; health; and education.

Women's funds invest in:

Women at the margins

- The majority of women's funds' investments go to marginalized women. In a 2008 survey, 86% of women's funds cited low and no income women as their highest priority population¹⁵.
- A 2007 report found that over 77% of women's funds' grants 'are exclusively or predominantly for poor and marginalized women'¹⁶
- A 2009 report¹⁷ found that 97% of projects targeted low income individuals.

Women and Girls

- A 2009 survey¹⁸ found that 100% of projects directly impacted women
- The 2007 Mapping Study found that one third of women's funds' grants focused on girls and two-thirds on women.

Women's funds' explicit and deep commitment to women and girls contrasts with mainstream philanthropy. While giving to women and girls by mainstream philanthropy oscillates between 5% and 7%¹⁹, women's funds dedicate the majority of their resources to creating long lasting and positive change for women and girls.

A cluster of interlinked social justice issues

- A Foundation Center analysis of 25 women's funds found that human rights accounted for their largest share of giving, followed by health and leadership
- A 2007 mapping study found that women's funds invested 85% of their grants in a top ten list of priorities, with 'economic justice, gender based violence and health issues heading the list'²⁰
- A 2009 analysis found education was the top area of thematic focus, followed by economic justice, gender based violence and health.

¹⁵ 2008 Women's Funding Network survey cited in *Accelerating Change for Women & Girls: The Role of Women's Funds*, The Foundation Center, forthcoming

¹⁶ *The Powerful Intersection of Margins and Mainstream*, Clohesy Consulting, 2007(pp3).

¹⁷ *The Women's Funding Network: Making the Case*, 2009.

¹⁸ *The Women's Funding Network: Making the Case*, 2009.

¹⁹ The Foundation Center estimates that the share of giving to women and girls was 5.8% in 2006. It reached a high of 7.4% in 2003.

²⁰ Ibid pp8.

The early identification of issues and needs

- o Because women's funds actively seek out investments that others may see as 'risky' because the project, organization or leader may be engaged in innovative or untested work – and because women's funds focus on 'bottom up' change to create and implement solutions with and for marginalized women – they are often the first to spotlight and combat critical issues and social problems“Women's funds grants... concentrate on early intervention into new and nearly invisible problems and needs i.e. 'canary' issues”²¹

²¹ The Powerful Intersection of Margins and Mainstream: Mapping the Social Change Work of Women's Funds, Clohesy Consulting, 2009

IV. Add Increased Value By Going 'Beyond' Grantmaking

According to the research, nonprofit organizations report that the “real value in their relationship with women’s funds lay in the other philanthropic activities in which they engage their grantees. Grantee praise women’s funds for their commitment to capacity-building and supporting grantee convenings , networking opportunities and public education activities confirms that women’s funds provide much more than dollars to their grantees.”²²

Such additional ‘more than money services’ have been characterized as essential to truly transformative grantmaking by the Center for Effective Philanthropy, which asserts that “when grantees receive... a comprehensive set of assistance activities... they have a substantially more positive experience with their foundation funders..”²³ Despite this, the Center found that the majority of grantees of typical (non-women’s fund) large foundations received *no* assistance beyond the grant.

Women’s funds are characterized by an approach that goes beyond pure grant-making to embrace a plethora of other strategies to fuel women-led solutions and community transformation. The chart below highlights the activities undertaken by those funds citing leadership roles extending beyond grant-making:

Beyond Grantmaking: Leadership Roles in Communities²⁴

Non-Grantmaking Leadership Roles in Communities	Responses
<u>Philanthropic Leadership</u>	
Educating donors and colleagues about philanthropy	83.3%
Participating in funder networks and alliances	76.4%
Participating in community, national, and/or international leadership in collaborative efforts or networks	76.4%
Staffing and/or serving on boards of directors or advisory	72.2%

²² *Leading the Way: Women’s Funds and Their Grantees’ Approaches to Economic Security*, 2009 (pp II-4)

²³ *More than Money : Making a Difference with Assistance Beyond the Grant*, The Center for Effective Philanthropy, 2008.

²⁴ Foundation Center, forthcoming. In the Women’s Funding Network’s 2008 survey responders were asked to report on the types of non-grantmaking activities their organization engages in.

committees of other organizations, public commissions, or taskforces

Thought leadership, policy and research

Research on the status of women and girls	65.3%
Engaging in policy and advocacy work on key issues	48.6%
Providing thought leadership on key community issues	65.3%

Visibility and education

Raising visibility of women-led solutions to critical social issues	56.9%
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Direct Service and promoting women's leadership

Operating direct service programs, e.g., leadership trainings; policy programs	26.4%
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V. Powerful Knowledge, Values and Expertise

Women's funds have amassed a powerful and comprehensive body of knowledge related to:

Women and Money

- Fundraising initiatives and campaigns. Women's funds are raising gifts ranging from \$25 dollars to the multi-million dollar campaign, Women Moving Millions. This groundbreaking campaign sought to raise gifts of \$1M+ from high net worth women and to date has raised \$170 M for women's funds.
- Fundraising Training. The Women's Funding Network' has developed a range of highly recognized fundraising trainings and donor experiences. One example is the Women of Color/International Development Incubator program, a fundraising and leadership academy for women of color and women from the global south. The program has seen dramatic results with 63 alumnae raising \$35 million over 5 years²⁵.
- Publications. Over the years, the Network and its members have generated a strong body of knowledge about fundraising by and for women, including the publication of *New Wealth, Women & Philanthropy: Partnerships for Supporting Women & Girls* (2002) and *Donor Circles: Launching and Leveraging Shared Giving* (2003)

Grant-making and Accelerating Smart and Sustainable Growth

- High-impact Grant-making. The Network's proprietary social change framework, Making the Case™, is used by women's funds and their grantees to formulate grant-making and project goals and evaluate success. The tool "... helps grantees to think through the importance of their work and reframe their actions to have the greatest likely impact... according to several Executive Directors of women's funds, the end result means that grantees not only make measureable social change, they write better grant proposals."²⁶
- Smart and Sustainable Growth
The Women's Funding Network's Smart Growth© model analyzes women's funds' organizational development and supports sustainable growth. Member funds benefit from skill-building workshops, small group discussions and executive coaching activities. A 2006 survey found that 74% of member funds participating in Smart Growth believed their increased capacity to reach financial goals was attributable to the tool.

²⁵ Cited in *Accelerating Change for Women and Girls*, Foundation Center 2009.

²⁶ *The Women's Funding Network: Making the Case*, forthcoming.

The Status of Women and Girls

Women's funds have invested significant resources in assessing the status of women and girls in their own communities, making them "go to" institutions on these topics. In 2008, Clohesy Consulting found that "... research-based analysis of needs, gaps and opportunities informs the strategic decisions made by women's funds. Most have invested in demographic and trend analysis in order to understand the status of women and girls in their communities and throughout the world."²⁷

Democratizing Philanthropy

91% of funds surveyed by the Network for the Foundation Center report say that creating an environment in which 'everyone can be a philanthropist' is a top priority for their fund

Diversity.

- Close to 75% of women's fund grants a 2007 mapping study were directed to either multi racial/ ethnic groups or specific racial, religious and ethnic minorities and recent immigrants²⁸.
- On average, women's funds are more racially and ethnically diverse than the general population; for example, in the USA people of color make up 26% of the general population but 35% of women's funds.²⁹

²⁷ The Powerful Intersection of Margins and Mainstream: Mapping the Social Change Work of Women's Funds, Clohesy Consulting, 2009

²⁸ Clohesy Consulting 2007, pp9.

²⁹ SPR, 2008.

Women's Funds and the Women's Funding Network

Women's funds are grant-making organizations and funds within grant-making organizations that have a shared commitment to creating lasting social change by unleashing the power and potential of women and girls. Women's funds must focus at least 52% of their resources to improving the lives of women and girls and be governed or led by a majority of women.

Women's funds are a growing force in philanthropy; the Foundation Center tracked 55 women's funds and estimated that their total giving grew 24.2% between 2004 and 2006, adjusted for inflation.

The majority of women's funds are members of the Women's Funding Network. As a global network and a movement for social justice, the Women's Funding Network accelerates women's leadership and invests in solving critical social issues from poverty to global security by bringing together the financial power, influence and voices of women's funds.

Member funds of the network, with over \$465 million in collective working assets and invest over \$60 million per year, have developed a shared set of values and practices and operate as a movement with shared intentions and strategies for achieving social justice. They are change-makers and grant-makers, seeking out projects with a high potential to create lasting social change and bringing investments and solutions together.

Women's funds are united by a number of critical shared values:

- A focus on the solutions of women who are poor or pushed to the margins. Over 80% of women's fund investments go to women living in poverty or those affected by issues such as homelessness, violence and human rights abuses
- An intention to achieve lasting, systemic change.
- Shared commitment to diversity and racial equity. Our goal is to democratize philanthropy and open up the world of philanthropy to all.

The Women's Funding Network

Established in 1985, the Women's Funding Network is a global movement of 145 women's funds on six continents. The Women's Funding Network optimizes the impact and success of women's funds, acting as a global champion for investment in women. By joining Women's Funding Network, women's funds gain a forum in which to access shared knowledge, tools, consultancy and training to accelerate success and create measurable and lasting social change.