ON TODAY’S MENU: GRANTMAKING

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ON TODAY’S MENU: GRANTMAKING
Philanthropy is a big word that means to give. It usually refers to giving money, and can also include giving other things (volunteering your time, for example, or sharing a special skill). The word itself is defined as a “love of humanity.” It’s a way to show kindness, to express what you care about in the world and the difference you want to make—and to do so with a gift of your money, time, or talent.

On Today’s Menu

**WHAT’S IMPORTANT TO ME? WHAT DIFFERENCE DO I WANT TO MAKE IN THE WORLD? AND WHAT’S ALL THIS GIVING STUFF ABOUT ANYWAY?**

These are big questions, and you’ve come to the right place for answers. So pull up a seat, order up your latte or cool glass of iced tea, and we’ll get you thinking and talking about what giving means to you. Would you like a gluten free cookie with that?

**OBJECTIVE:**

Learn how the grantmaking process works, and start to think about areas you’d like to give to.

To understand philanthropy, you’ll want to get how grants work. A grant (or grantmaking, as it’s often called) is another word for a gift of money to an organization or individual doing good things. Maybe your family has a foundation that gives grants, or your parents have donated money to a cause they care about. Or perhaps you are involved in a giving program or foundation—or will be soon.

A grant can be in any amount—from less than $100 to $100,000 or more—and is most often awarded to a nonprofit organization, although in some cases, to other types of organizations as well. (A nonprofit is an organization that exists to serve others, rather than to just make money.)

Before making any grant, you will want to be thoughtful about what you’re giving to. That way there’s more chance your gift will go to good use—the one you want it to. Look to the section called “Getting Thoughtful About Grantmaking” to think about your own interests and community needs. Most people and foundations that give grants then follow certain steps for deciding to whom, to what, and where to give a grant. Read “How Grantmaking Works” to learn about the most common steps in the process (although there’s plenty of room to get creative)!

**SO DIG IN AND BEGIN.**
GETTING THOUGHTFUL ABOUT GRANTMAKING

Just as you would put some thought into any gift you give, it’s important to think through how, to what, and where you might give a grant. Sometimes this is called being strategic. **Strategic grantmaking** means deciding what change you want to make in the world (“the world” here could be as small as your community or as big as, well, the world!), and then figuring out how to use grantmaking, as a tool, to make that change.

One way to be thoughtful about grantmaking is to find the right balance between what you care about, what your family foundation or giving program is already giving to, and what your community actually needs. How do you figure that out?

**THERE ARE A FEW STEPS TO THOUGHTFUL GRANTMAKING, ALONG WITH AN ACTIVITY FOR EACH. ASK YOURSELVES:**

**STEP ONE**

**WHAT IN THE WORLD DO I CARE ABOUT? WHAT DO I WANT TO ACCOMPLISH OR CHANGE?**

The world is big, and it seems like there are endless needs. How do you figure out what it is you really care about enough to devote your time, energy, and money to?

Many people give based on their interests and what they’re passionate about. Perhaps you care deeply about a social cause, or something bothers you that you wish you could change. Think for a moment about any particular issues or causes you’re drawn to. Maybe it’s something you’ve seen on TV or the Internet, or something you’ve heard your family or friends talking about. Or perhaps it’s an organization or cause for which you’ve volunteered or given money to yourself.

**STEP TWO**

**WHAT DOES MY COMMUNITY ACTUALLY NEED AND WANT? HOW CAN WE DO THE MOST GOOD?**

There are many ways to learn about the needs in your community. (By the way, you can define community here as you like—it could be your immediate neighborhood, city, or town, or perhaps you like thinking as a global citizen.)

It might be something you notice firsthand—such as litter in a park, or homeless people lined up outside the local soup kitchen. Or you might need to do some research by reading local newspapers or asking organizations you are already involved with, such as your school, religious group, or summer camp.

You can also check volunteer opportunities online (such as dosomething.org, ysa.org, or volunteernation.org), which list organizations in need of help. Talk to folks at your school’s career center or volunteering office. Or, with help from an adult, you might call two or three nonprofit organizations that you are interested in. Tell them you are working on a philanthropy project, and ask them about some of the biggest needs they’ve noticed in the area in which they work.
WHERE WOULD YOU GIVE?

Imagine you have $100 in your pocket to give away today. What would you give to, based purely on your interests and what you’re excited about?

Here are some ideas. Check your top three, or add your own:

- Good health
- Food and gardening
- Animals
- Education
- Protecting the Earth
- Reading
- Science and technology
- Housing and shelter
- Poverty
- Art
- Recreation and sports
- Kids and youth
- Women and girls
- International issues

Add your own:

Now fill in the blanks below:

In the past, I’ve given my time, money, or something else to:

The way I felt after giving was:

Some of the things I care about most are:

If I could wave a magic wand and change one thing in the world, it would be:

LEARNING ABOUT YOUR COMMUNITY

What does your community actually need?

Using the examples above under “Step 2: What does my community actually need and want?” research the needs of your community.

Develop a list of 5-10 needs that you uncover from the research.

1. Food and shelter
2. Education
3. Health
4. Housing
5. Economy
6. Culture
7. Environment
8. Arts
9. Sports
10. Culture

Of those needs listed above, which of those call out to you the most? Circle your top one or two.

Are any similar to the areas of interest you circled or listed in Activity 1? For example, if you are an animal lover, you might devote your money and/or time to the local animal shelter. If you care about the environment, you might give to an organization that protects a nature preserve, or participate in a river or bay clean-up.

HERE’S A TIP: Start small. Instead of trying to save a herd of elephants, maybe just save one elephant. It may not feel like much, yet you’ll make a world of difference to that one person, organization or (yes) elephant that you give to.
INTERVIEW A PHILANTHROPIST

This activity is all about talking with someone (that might be your parent, a family member, or another person) who is involved in a foundation or other giving enterprise. You can either do the interview in person or over the phone. Let them know you are researching philanthropy and you would like to learn more from them about their experience.

**During the interview, ask them:**

- How did you get involved in philanthropy?
- What types of grants do you make?
- What part do you find most challenging?
- How did you decide what areas you give to?
- What’s your favorite part of the grantmaking process?
- What advice do you have for a young person interested in giving?

You might want to take notes during the interview, and write up a few paragraphs afterward to share what you learned.

HOW GRANTMAKING WORKS

There are many ways to “do” grantmaking, and no one way is necessarily better than the next. There are, however, some good practices that most foundations and giving programs follow. If you are participating on a junior board or other giving program with kids your age, you might experiment with the grant process to find out what works for you, as well what works for the organizations who might apply for your grant.

USE YOUR CREATIVITY, AND HAVE FUN WITH IT!
As a group, you will want to come up with some language that shares what you care about, and craft a one-pager called Grant Guidelines. Grant guidelines let organizations know two things up front: what you fund, and how they can apply for a grant. They include any rules around who can apply (for example, if they have to be a nonprofit) and describe the types of grants you give (most common are general operating support—flexible funding that supports the whole organization, program support—funding tied to a specific purpose or project, and sometimes matching grants—grants that require the organization to raise additional money to get the grant). They will also list your geography limitations—meaning whether you only fund in your neighborhood or town, or if organizations around the state or country (even world) can apply.

Some foundations and giving programs use a nominations process as part of their grantmaking. In this case, a member of the group recommends specific organizations or individuals for a grant, and then these become the list of grant applicants to choose from.

Others take a “wider reach” approach through something called a Request for Proposals (RFP) or Grant Application process. An RFP is similar to grant guidelines, and gives specific info about a particular grant. It invites organizations to apply and describes a list of questions for them to answer. It also lets them know when their “homework”—the application—is due.

Yet others use something called Common Grant Applications, which are shared applications used by more than one foundation in a local area. This saves time for grant applicants.

Regardless of whether funders choose to use an RFP, application, or common grant application, a good rule is to ask grant applicants for just the minimum you need to make a decision.

Maybe you’ve heard the saying Keep it Simple, Sweetheart (or KISS for short). Some foundations KISS by asking grant applicants for a Letter of Inquiry (LOI) first—or instead of a full application. This makes it easier for applicants (who are often busy people, doing all that good in the world!) and easier for the foundation (less to read!).
HOW GRANTMAKING WORKS

READ WHAT GRANT APPLICANTS SEND IN

Sometimes foundations or giving programs assign this part of the process to a Grant Committee. The people on the committee are tasked with reading all the grant applications or letters, and deciding which ones are a good match to move forward. They usually come up with a set list of likes and dislikes (known as criteria) by which they can figure out their favorites. (In this case, their “faves” are the ones that most closely match their grantmaking goals.)

For those organizations that aren’t a match, it’s time to send a friendly no by email or postcard, letting them know they weren’t chosen.

HERE’S A TIP: Reading grant applications is really an art more than a science. Sometimes it’s important to look beyond the words that are written (including any typos!) and pay attention to what need, problem, or opportunity the applicant is presenting. The best proposals show that there’s a true need, that the organization is solid and healthy, and that it has clear goals that can actually be reached.

DO YOUR RESEARCH

Now that the foundation or giving program has narrowed down its choices, it’s time to look closer at the organizations it’s considering. This is called due diligence—which is sort of like studying. For some foundations or giving programs, due diligence might be as simple as checking an organization’s website to learn more about them. Others have a more detailed due diligence process.

For example, site visits can be an informative (and fun) part of the due diligence process. This is when you visit an organization’s office or program. It’s a chance to meet with the organization staff, tour the program, ask courteous questions, and get to know the organization better. Site visits are helpful in making grant decisions.

MAKE GRANTS AND CELEBRATE!

Deciding who will get the grant (or grants) isn’t always easy. Members of your giving program need to discuss each organization, and the pros and cons for giving them a grant. Usually this involves a vote to decide. Once they decide, saying yes is the best thing about being in a foundation or giving program. This is a chance for you—and the organizations you fund—to make the change you want to see! It’s a moment to feel good and celebrate all the good work it took to get there. (Pizza party, anyone?)

Some foundations or giving programs personally call grant applicants (known as grantees, once awards are made) that they have won the grant. Others send an official letter with a check and a grant agreement for them to sign. Of course, saying yes to some means saying no to others, so again, it’s time to send emails or letters (in some cases, a phone call) to those that didn’t make the cut.

As part of the agreement, some foundations or giving programs ask grantees to fill out grant reports throughout the period they will use the money (in most cases, it’s one year, sometimes more and sometimes less). Grant reports are a way to keep track of how the organization is spending the money, and if it is meeting the goals it said it would.
IN SUMMARY:

- A grant (or grantmaking, as it’s often called) is another word for a gift of money to an organization or individual doing good things.
- One way to be thoughtful about grantmaking is to find the right balance between what you care about, what your family foundation or giving program is already giving to, and what your community actually needs.
- There are many ways to “do” grantmaking. We’ve defined five steps here that will take you through one grant cycle: (1) define your grantmaking guidelines, (2) reach out to organizations, (3) read what applicants send in, (4) do your research, and (5) make grants (and celebrate!).

WANT MORE?

If you’re curious to learn more, check out these resources:

**Youth Philanthropy Connect:** youthphilanthropyconnect.org
**Exponent Philanthropy:** exponentphilanthropy.org
**21/64: 2164.net** *(see their Motivational Values Cards for a fun way to uncover your values)*
**The Giving Book:** wateringcanpress.com/html/givingbook.html
**The Giving Family:** thepriceswrite.com/giving.html

QUESTIONS?

Contact info@exponentphilanthropy.org

Thanks for coming by!
See you next time at Teen Philanthropy Café.

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