

Supporting Whole Enterprise Finance

Highlights from a conversation among grantmakers at GEO and NFF's *Money Matters* conference

Grantmakers have a tradition of providing piecemeal funding to nonprofits. What would be more effective is funding the entire lifecycle of a particular project, or supporting a nonprofit enterprise as a whole. How can we think differently about how we fund nonprofits to provide better support to the whole enterprise?

Supporting Innovation

- We need to recognize that innovation is time-intensive. It takes a minimum of four years to do anything that leads to culture change.
- Innovation is not possible when you're struggling to keep the doors open—nonprofits need stable, sustainable sources of funding.
- Grantmakers should be willing to invest in half-baked, as well as fully baked, ideas.
- Grantmakers need a greater tolerance for risk. When a grantmaker is providing funding to address a complex social issue, what you are really funding is inquiry, not solutions. If only three out of 10 “inquiries” work out, that is fine. What we learn from the other seven can be equally valuable.

Collaboration

- Grantmakers should partner with policymakers and other stakeholders—this is where real change happens.
- Grantmakers should be clear on what they can and can't do for nonprofits—and find buddies to help fill in the gaps. For example, if your organization is not willing or able to fund a grantee for its entire lifecycle, help the grantee find other funders who can fill in the gap you will be leaving.
- Grantmakers can use their leveraging power to help attract new donors to grantees.

What can we do differently when we get back to the office?

- **“Walk the talk.”** Grantmakers should start modeling the practices we say we value—board diversity, transparent communications, etc.
- **Know your network.** Grantmakers should conduct their own field study to better understand the network they are working in and the role they are best equipped to play.
- **When nonprofits ask, “what do you fund?” answer with, “what do you need?”** Help them reconsider how they can think about what they truly need rather than what they think they can get funding for.
- **Determine what is the hardest money for our grantees to get.** And then determine if we can fund that. If we can't fund it, we should at least have a rationale for why.