Grantmakers of Kentucky 2024 Meeting

July 31-August 1, 2024 | Louisville, Kentucky

BUILDING COMMUNITY

THROUGH COLLABORATION & PARTICIPATION

GRANTMAKERS
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In partnership with Philanthropy Southeast

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Welcoming Remarks

Sharon LaRue (Co-chair)
Executive Director
Kentucky Foundation for Women

Chelsea VanHook (Co-chair)
Senior Program Officer for
Community Investment
Community Foundation of Louisville

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Special Thanks to This Year's Sponsors

Community Foundation of Louisville

Felix E. Martin Jr. Foundation

The Gheens Foundation

Greater Clark Foundation

James Graham Brown Foundation

Jewish Heritage Fund

Legacy Foundation of Kentuckiana

Kentucky Foundation for Women

Marilyn & William Young Foundation

Norton Family Foundation

Opening Keynote: “Nothing About Us Without Us”

Diana Samarasan
Founder and Former Executive Director
Disability Rights Fund

‘Nothing about us without us:’ bringing the community into philanthropy

Diana Samarasan
July 31, 2024

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Why Isn't All Philanthropy Trust-Based Philanthropy?

13 June 2024

Where Strategic Philanthropy Went Wrong

Summer 2024

Strategic Philanthropy Is Alive and Well

Jul 11, 2024

Beyond Dragonhood: Funding Liberated Futures through Participatory Grantmaking

March 28, 2024

advancingparticipation.com

Advancing Participation in Philanthropy Tool

How to Use | Background | Assessment Tool | Resources

Advancing Participation in Philanthropy Tool (APPT)

A self-assessment tool for grantmaking foundations to gauge where they currently are in terms of participatory practice across all areas of work and operations.

Learn How to Use →

Access the Tool →

Outline

1. What is participatory philanthropy?
2. Why it matters
3. History of APPT
4. An introduction to APPT
5. How you can use APPT
6. Q & A

What is participatory philanthropy?

A Couple of Questions…

Have you heard of participatory grantmaking?

Have you have tried out or practiced participatory grantmaking?

Participatory Grantmaking

shifts decision making power about grant funding to people closest to the issues the grant maker is addressing

participatorygrantmaking.org

Participatory Philanthropy

addresses how a broad range of foundation functions can involve people outside of the foundation’s board and staff

advancingparticipation.com

Why participation matters

Why does community participation matter in philanthropy?

‘Nothing about us without us’: bringing the community into philanthropy

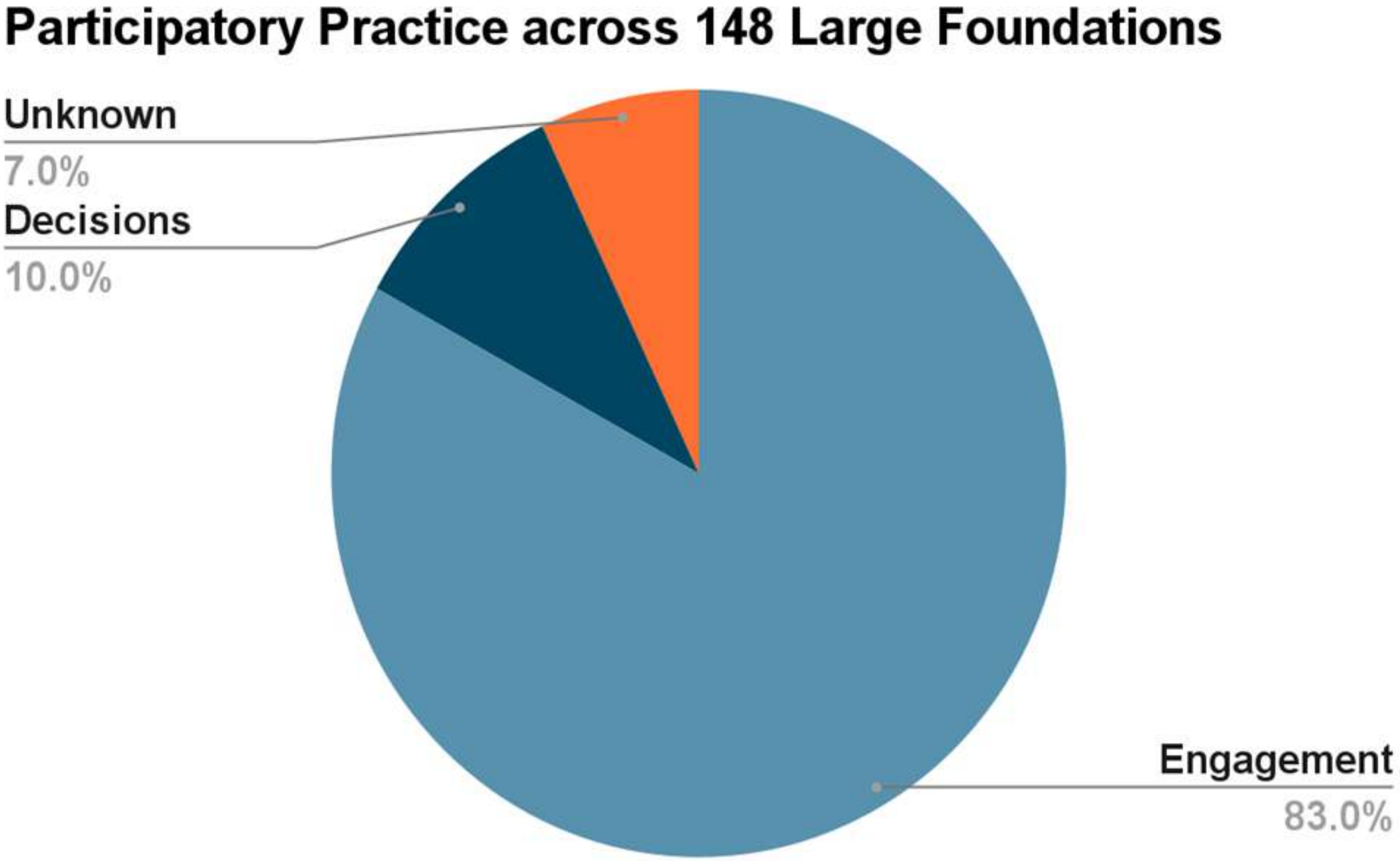

International Disability Alliance
Nothing without us!
COUNT ME IN!
#SDGs


FUND
DISABILITY
RIGHTS
ADVOCACY
FUND

A Couple of Questions…

…for Kentucky grantmakers about their experience with participatory practices

Why does community participation matter in philanthropy?



Evans School of Public Policy & Practice, University of Washington, 2021

History of APPT

“Malaysia Traffic-signs Warning-sign-10“ by CEphoto, Uwe Aranas, via Wikimedia Commons

A winding journey

Partnership with Katy Love

Comments from pilot users

“The tool … structured our assessments operationally…. It showed us areas where we could broaden who was leading decision making across the organization. It also spurred conversations for Board members to bring to their respective committees for consideration.”

“In the end, we did not so much place emphasis on where our foundation is as the conversations about the "why" and "how" of each area. Where do we want to be and how would we get there. The value of the tool as a conversation starter is immense.”

Introduction to APPT

About the tool

“Toolkit (49790892077) “ by “Ajay Suresh from New York, NY, USA, CC BY 2.0, via Wikimedia Commons

- Governance & Leadership
- Operations & Staffing
- Grants Administration
- Grantmaking
- Communications
- Monitoring, Evaluations & Learning
- Finance
- Fundraising & Strategic Partnerships

How This Tool is Structured

Indicator

Question to be considered

Little or no participation:	Some participation:	Substantial participation:	Full participation:
Power rests wholly with the foundation. No community, grantee, or staff input is sought. All decision-making and critical roles are held by foundation governance and/or leadership.	Power rests largely with the foundation. Some community, grantee, or staff input is sought, but only leadership and governance make decisions. There are some staff with lived experience, though in junior roles.	Power is shared by the foundation. The community, grantees, and staff have regular interactions and communication; decision-making is shared between governance, leadership, and staff (many with lived experience) alongside grantee and community participation.	Power is devolved by the foundation. The foundation is fully led by a diversity of community members; governance and leadership play time-limited roles. The community leads decision-making and considers equity and power at all levels.

Operations & Staffing

This area explores the organizational policy, culture, and operating environment and considers the composition of any paid staff.

Composition

Who are the staff?

Little or no participation:	Some participation:	Substantial participation:	Full participation:
No staff have lived experience.	A few staff with lived experience hold junior positions.	Most staff have lived experience, and some are in leadership roles.	Foundation is fully controlled and managed by people with lived experience. Term limits for leadership positions are in place to ensure diverse and rotating representation from community.

What is the staff relationship with the community impacted by funding?

Little or no participation:	Some participation:	Substantial participation:	Full participation:
Staff have no personal relationships with community.	A few staff have direct, personal relationships with community.	Many staff have personal relationships with community.	All staff have strong personal relationships with community.

How you can use APPT

1. Identify a lead or facilitator for the assessment.

2. Consider how your foundation is structured and which functional areas of this tool are relevant.

3. Have the lead introduce the purpose and goal of APPT and explain the process.

4. Review the participation spectrum for each relevant functional area.

5. Discuss and compare results with a facilitator.

6. Discuss where participation can be increased.

7. Decide when you’ll meet again to reconsider these conversations and how you’ll track progress.

Let’s try the APPT

On the left

Assess where your foundation is

On the right

Consider where you’d like to be

Monitoring, Evaluation & Learning (MEL)

This area considers who collects data and what the data is about; who determines metrics, outcomes, and impact; who owns the collected data; and how the data is used.

Performance, measurement & learning

Who decides what gets measured and how?

Little or no participation:	Some participation:	Substantial participation:	Full participation:
Governance sets indicators of "success" and "impact," based on traditional evaluation criteria.	Staff determine indicators of "success" or "impact." These may be shaped by input from grantee reports, surveys, or other interactions, but priority is not on creating knowledge that would benefit community.	Community and foundation work jointly to define indicators of grantee "success" or "impact" and collectively agree how and when to measure it and who will conduct data collection.	Community and grantees together decide metrics, methods, and approaches for all MEL activities.

Who carries out evaluations?

Little or no participation:	Some participation:	Substantial participation:	Full participation:
No evaluations are carried out.	Independent evaluators may assess grantees or foundation itself.	Grantees or community carry out evaluations.	Participatory evaluation activities involving multiple stakeholders are used.

Questions & Answers

“I dreamed about a culture of belonging. I still dream that dream. … if we learned habits of being that would bring us closer together, that would help us build beloved community.”

– bell hooks, *Belonging: A Culture of Place* (2009)

Thank you!

AdvancingParticipation.com

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dianasamarasan.work@gmail.com

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Beyond the Business Card
Building Bonds with Bluffs

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Two Truths and a Lie: Networking Edition!

Your Goal: To meet 5 new people that you haven't connected with before!

How to play:

First: Look for folks sporting name tags you don't recognize!

Next: Once you find someone new, spend 5 minutes getting to know each other with a fun twist. One person starts by sharing two truths and one lie. Make the lie believable! Try to convince the other person it is a fact.

Then: The other person listens and tries to guess the lie. After guesses are made, the speaker reveals the lie, and the conversation continues. Rotate and Repeat.

After 5 minutes: Thank your partner and move on to find another attendee. Continue this process until you've met 5 new people! When the 25 minutes are up, be prepared to share the coolest truth you learned or the most convincing lie you encountered during your mini-conversations.

Google Timer: https://bit.ly/3XZP0r5

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West Louisville Learning Tour

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Breaking Ground: Essential Insights into Affordable Housing

Cathe Dykstra
President & CEO
Family Scholar House

Scott McReynolds
Executive Director
Housing Development Alliance

Harry Pedigo
Executive Director
St. Benedict's and
Daniel Pitino
Homeless Shelters

Curtis Stauffer
Managing Director-Housing
Contract Administration
Kentucky Housing Corporation

Tony Curtis
Executive Director
Metropolitan Housing Coalition

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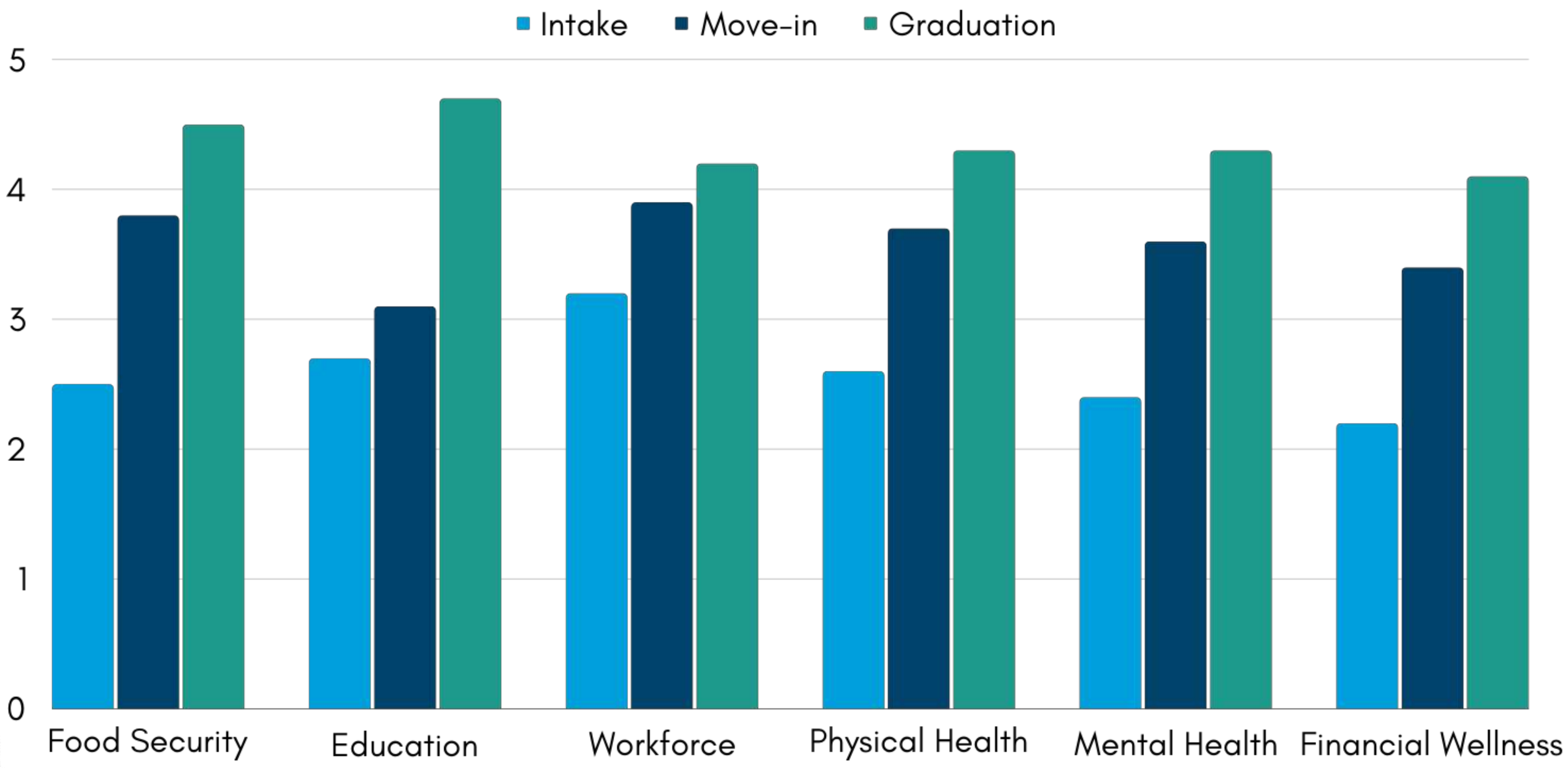
Positive Impacts of FSH's Affordable Housing Program on Social Determinants of Health & Self-Sufficiency

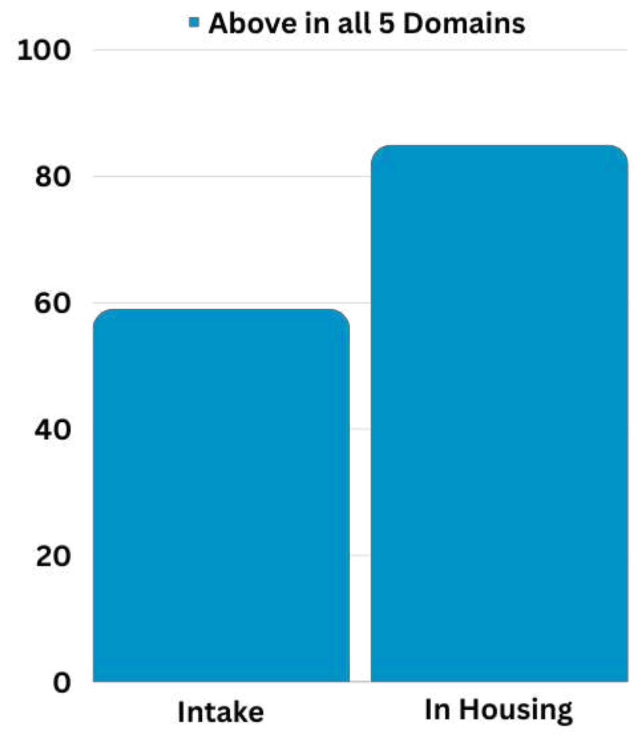


FAMILY SCHOLAR HOUSE

Family

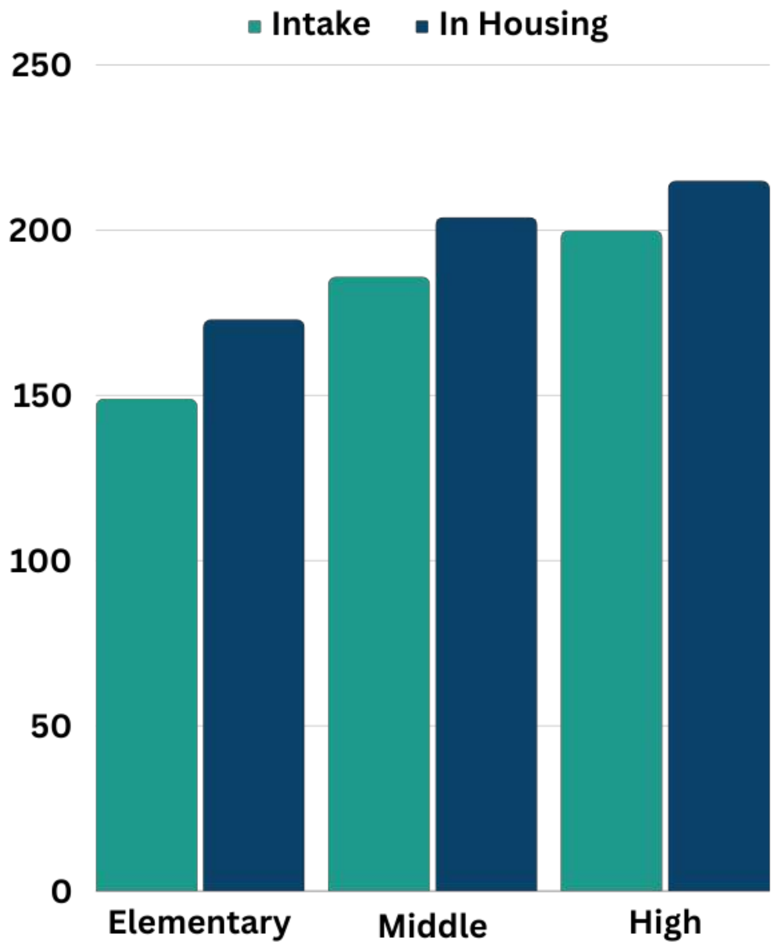
FSH's Positive Impacts on Child Development

Ages & Stages (0-60 months)

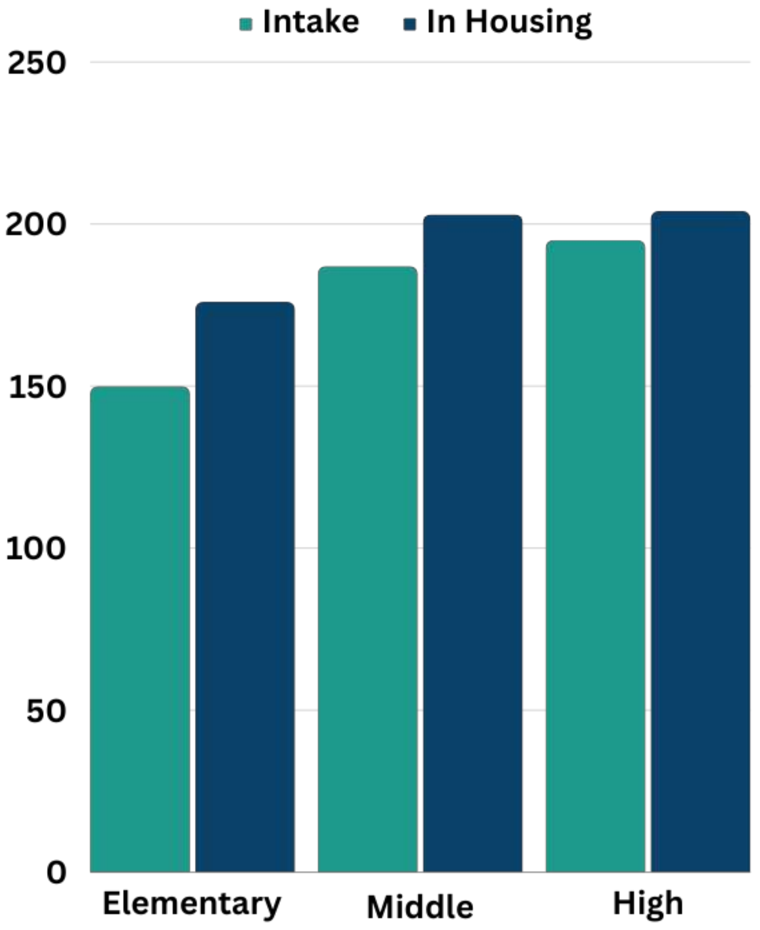


A 44% increase in on-track development

Measure of Academic Progress (MAP) - Grades 3-12



Reading



Math

FAMILY SCHOLAR HOUSE

Family

Family Scholar House
White Papers

HEROES: The Positive Impact of FSH's programs on SDOH

The Trauma Factor: How Trauma Costs America Billions

One Step Forward, Three Steps Back: The Benefits Cliff

Proving Poverty vs. Prosperity: Asset Limits

The Child Care Conundrum

The Case for Apprenticeships

More Resources at

FamilyScholarHouse.org

FamilyBrands.family

Break

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Building Bridges, Breaking Barriers
Philanthropy's Role in Increasing Access to Capital

Jessica Bledsoe
Impact Investment Coordinator
Foundation for Appalachian Kentucky

Sydney England
Director
Georgia Social
Impact Collaborative

Ramona Dallum
Senior Vice President of
Community Leadership
Community Foundation
of Louisville

Chelsea VanHook (Co-chair)
Senior Program Officer for
Community Investment
Community Foundation
of Louisville

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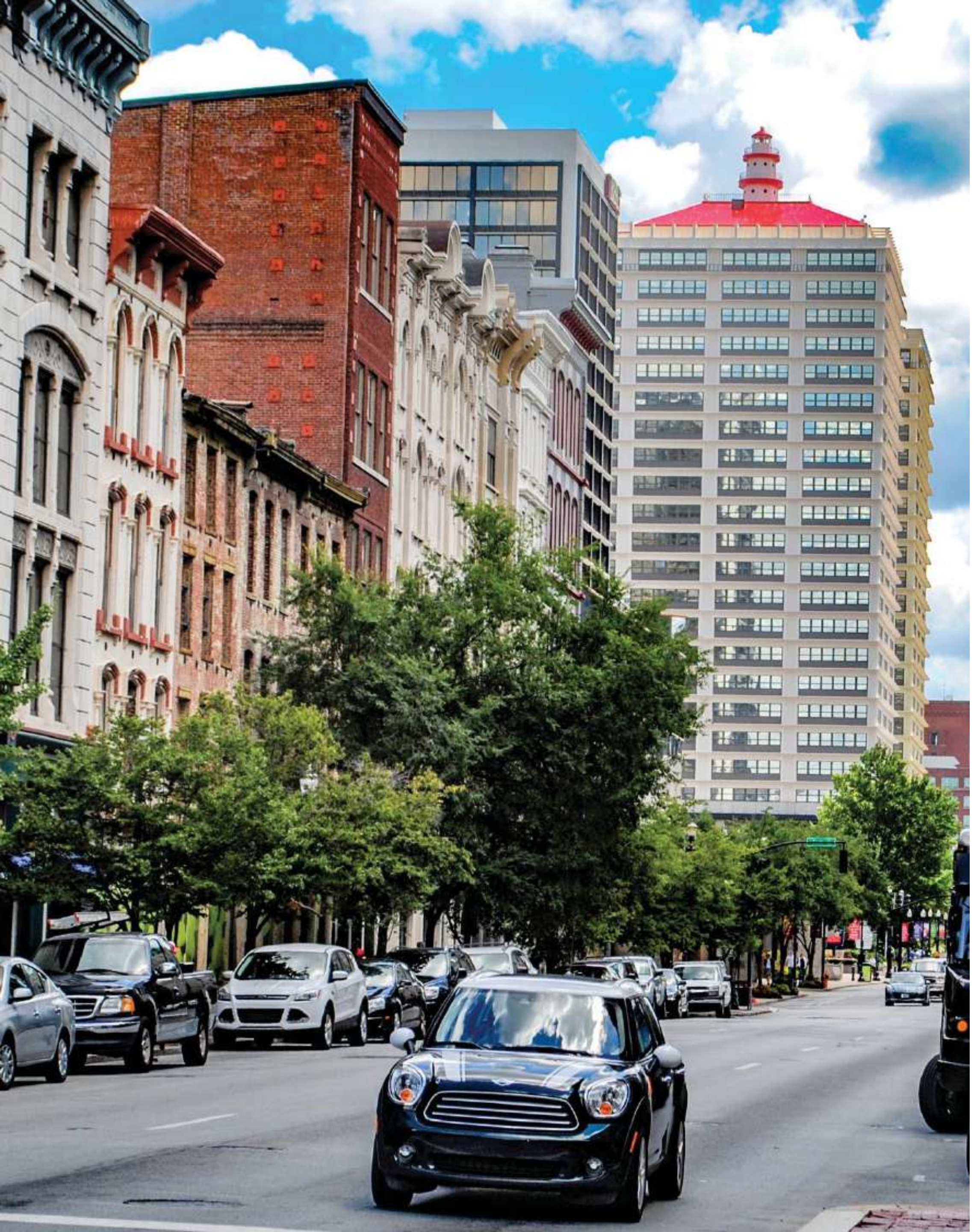
Invest Louisville

A New Local Investment Offering from the Community Foundation of Louisville

Community Foundation OF LOUISVILLE | 40 YEARS



Invest Louisville is an opportunity to think differently about how charitable assets are invested.

Imagine if investments could create both social and economic good for Louisville and a financial return.

At the Foundation, we've been doing more than imagining.

Community Foundation OF LOUISVILLE 40 YEARS

Our Purpose

To Invest in a Louisville Where Everyone Prospers.

To get there, our community needs more than grants. Louisville's leaders, organizations, and businesses need access to high-impact investment capital as well.

Community Foundation OF LOUISVILLE 40 YEARS

The Reality

The Community Foundation of Louisville holds nearly $800 million in philanthropic assets today. Collectively, local foundations manage over $5 billion in charitable assets. Yet, most of these assets are not invested with local impact as a primary goal.

Too many of Louisville's entrepreneurs, organizations, and businesses struggle to access investment capital.

Louisville is worth investing in, and we know where the capital is needed.

It's clear that many parts of Louisville have enjoyed ample investment, access to capital, and economic growth. However, not everyone in our community is getting the benefit of this investment, and capital isn't flowing to every part of Louisville.

Years of research have revealed consistent capital development gaps that keep more equitable and impactful investments from happening - particularly in affordable and accessible housing, entrepreneurship, and land development.

> ***$250 million in transformative loans and grants could unlock an additional $1 billion of public and private investment for Louisville****

*Data sources: Greater Louisville Project The Flow of Community Investment (2019), Louisville Community Coordinated Investment project (2021), and A Path Forward for Louisville (2022)

Together, We Will Grow Impact Investing in Louisville

We started with...

Today

CFL Impact Capital (Est. 2014)

$5M Closed

Seeded by a 20% asset allocation off Fund for Louisville

Invited donor participation on deal-by-deal basis

Invest Louisville (Est. 2024)

$100M Potential

5th investment option offered to fundholders

Goal of activating 20% of the Foundation's charitable assets

Will revolve the capital previously invested from the Fund for Louisville

Why Us?

Over the past 10 years, the Foundation and its partners made **18 impact investments,** leveraging over $43 million to create...

93 Homes

Homes purchased - **73**

Minority-owned businesses awarded contracts - **24**

102 Small Business Loans

Jobs created or preserved - **468**

Local small businesses engaged in technical assistance - **282**

9 Facilities

Community facilities constructed or renovated (sq/ft) - **175,000**

Why Invest?

Impact

Invest Louisville can unlock millions of additional capital for our city, creating more affordable and accessible housing, entrepreneurship, and land development.

Competitiveness

Louisville's peer cities are busy deploying impact investments leading to significant growth. This is our chance to match and exceed our peers with an innovative, effective local investment resource.

Uniqueness

The Foundation plays a distinct role as a financial institution with a social mission. Our flexible capital can fill gaps for community partners that other more regulated financial institutions cannot.

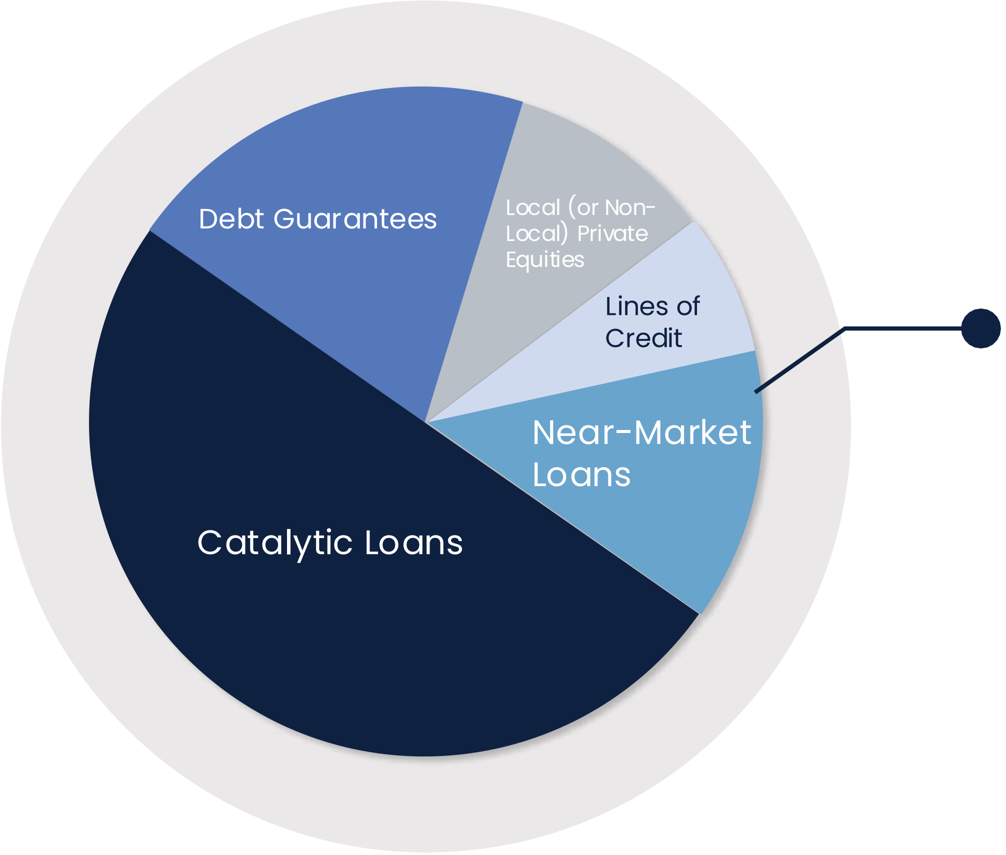
Here's what we could create with our first $20 million

Over **1,000 units of affordable and accessible housing** for Louisvillians like Phyllis.

Over **2,000 small business loans** for Louisvillians like LaToya, owner of Brew & Sip Coffee Bar.

Over **60 community facilities** for Louisvillians to gather and grow, like the Harbor House Intergenerational Life Center.

How Invest Louisville Works



The assets contributed to Invest Louisville can be invested in a number of ways such as loans, debt guarantees, lines of credit, and equity.

This new investment offering will move capital into parts of our city that have experienced decades of disinvestment.

The pie chart (above) is meant for illustrative purposes.

How To Participate

- Allocate a portion of an existing fund
- Open a new fund with the Foundation

Invest Louisville Terms *Management and Support Fees Apply*	
Minimum Investment	**$25,000**
Minimum Commitment Period	**7 Years**
Target Return	**1% -3% (Net)**

Invest Louisville 10 Year Fund Progression Example

Starting Fund Balance: $1,000,000

Percent of Fund Allocated to Invest Louisville: 30%

Financial Projection
(Rounded)

Investment Returns: $535,000

Assumed Invest Louisville portfolio return of 2.0%, and a signature pool return of 6.8%

CFL Support Fees: $118,000

Based on the Foundation's standard tiered fee structure for all funds plus a 50 Basis Point Fee to administer funds in Invest Louisville

Grants: $394,000

A 5% annual distribution for grants is assumed. Any portion allocated to Invest Louisville is unavailable for grantmaking.

End Fund Balance: $1,023,000

How Your Investment Will Be Managed

erts will continue to
Louisville to identify
rtunities for
ugh the combined
led Program and
we will determine
t's social and financial
ontinue to leverage
outside investment
ur partners at Prime
sess and structure

Foundation has
philanthropic partner
naging investment
nabling charitable
pact investing
andate.

Community Foundation OF LOUISVILLE 40 YEARS

Invest Louisville Committee

Elizabeth Rounsavall
Committee Chair
Board Member

Mark Campisano
Advisor

Tendai Charasika
Advisor

Adria Johnson
Advisor

Frankie Jones
Board Member

Valle Jones
Board Member

Beth Peabody
Board Member

Sadiqa Reynolds
Advisor

Raechele Smalls
Advisor

Ramona Vesta
Advisor

Make Your Charitable Investments as Impactful as Your Grantmaking

Contact our team today by calling 502.585.4649
or investlouisville@cflouisville.org

Ramona Dallum
Senior Vice President
Community Leadership

Matt Bacon
Executive VP & Chief Financial Officer
Community Foundation of Louisville

Anne McKune
Vice President
Advancement

Chelsea VanHook
Senior Program Officer
Community Leadership

Foundation *for* Appalachian Kentucky

Established Businesses with Growth Potential

Early-stage Businesses

Businesses with high-growth & scalability

INVEST 606

APPALACHIAN IMPACT FUND

SEKY ANGEL FUND

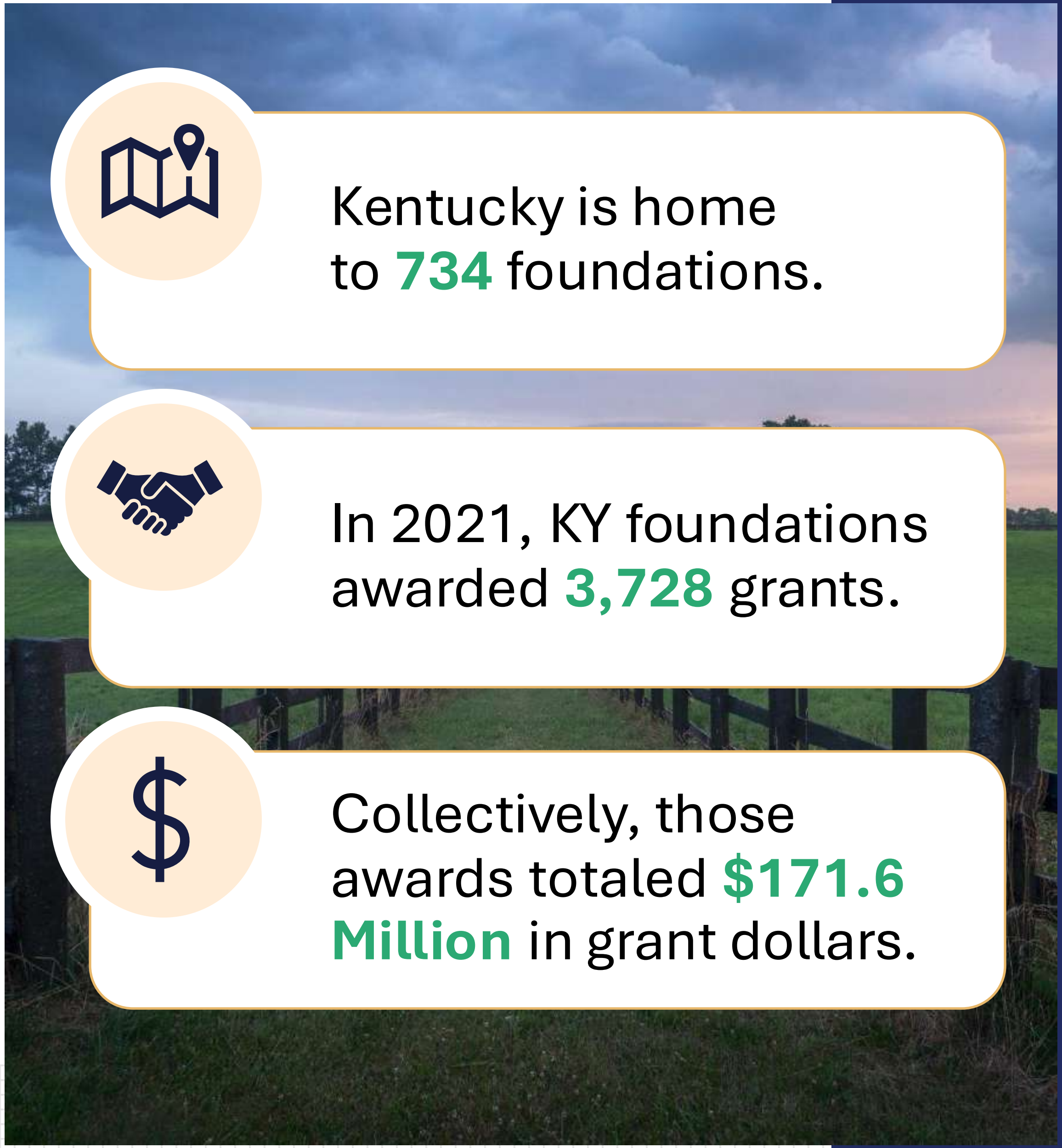
CAPITAL FOR COMMUNITIES

Local Impact Investing

A MOVEMENT AMONG FOUNDATIONS

Grantmakers of Kentucky Conference | Louisville, KY

August 1, 2024



Kentucky is home to **734** foundations.

In 2021, KY foundations awarded **3,728** grants.

Collectively, those awards totaled **$171.6 Million** in grant dollars.

Most communities across Kentucky have some localized sources of philanthropy – whether those are held in private foundations or public charities.

These foundations bring essential grant resources to our communities and our economies.

Data Source: Candid, “Southern Trends Report” (2021)

As important as these grants are, they are only a fraction of the dollars held by these institutions. Collectively, KY foundations control nearly $6.1 Billion.

However, most of these dollars are invested in traditional capital markets – think Wall Street. This means that communities all over the world benefit more from Kentucky's wealth than residents, workers, neighborhoods, and communities do.

Data Source: Candid, "Southern Trends Report" (2021)

However, philanthropy is changing.

Traditional Philanthropic Model

Focused on impact and accomplishing the mission of the foundation **in the community**. These grants do not generate a financial return.

Invested **globally** to generate a financial return and, in most cases, maintain or grow the foundation's assets.

Emerging Philanthropic Model

Local impact investments are an additional tool (on top of grantmaking) for foundations to mobilize dollars for mission. These dollars earn modest (impact-adjusted) financial return and recycle back to the foundation.

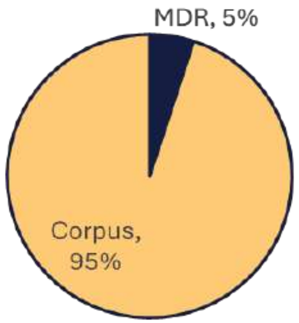
CAPITAL FOR COMMUNITIES

Photo Source: Topeka Community Foundation

Local impact investing is defined as "investing in local developments, companies, organizations, or funds to generate measurable community benefit and financial returns."

For example, the **Topeka Community Foundation** made a $40,000 loan to a childcare center in a targeted and under-resourced neighborhood. The Foundation partnered with a statewide loan fund that provided an additional $20,000 in loan and expertise to the project, including handling the closing documentation and servicing the repayment of the loan.

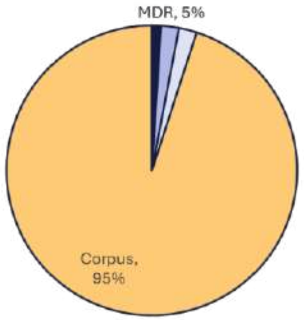
The dollars for local impact investing can come from one of two sources – the programmatic side or the investment portfolio.



For private foundations, **PRIs or "Program Related Investments"** count towards a private foundation's minimum annual distribution. As such, they are required by the IRS to prioritize impact over financial return. **MRIs or "Mission Related Investments"** don't count as a charitable distribution. They are a part of a foundation's diversified investment portfolio.

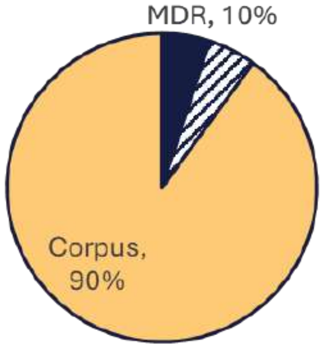
Source of Funds: Private Foundation Options

Spending Policy Remains the Same



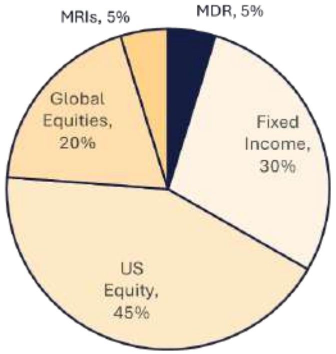
The foundation uses 5% of its assets to make grants and PRIs and to cover operating expenses. PRIs count towards MDR and are recycled to the foundation.

Spending Policy Increases to Make PRIs



The foundation uses 5% of its assets to make grants and cover operations. The board authorizes 5% increase in spend to be used for PRIs. PRIs count towards MDR and are recycled to the foundation.

Create a New Asset Class in the Portfolio



The foundation uses 5% of its assets to make grants and cover operations. The board changes its IPS to create a 5% MRI asset class in the portfolio.

As public charities, community foundations have more latitude with the IRS in terms of how they do local impact investing.

The IRS does not apply the definitions of PRI or MRI to community foundations. Instead of MDR, community foundations think about **discretionary vs. non-discretionary assets** when deciding where their impact investing dollars will come from.

Local Impact Investing **Asset Class**

The board changes the IPS to create a new asset class within the main investment pool (alongside traditional, non-impact investments). All funds exposed to the main pool participate

Local Impact Investing **Pool**

The board changes the IPS to authorize the new pool. DAFs and other non-discretionary funds may allocate (or opt-in) a portion of investment assets to the pool. The board may also invest a portion of discretionary funds into the pool alongside DAF investment dollars.

Local Impact Investing **Fund**

The foundation creates a purpose-built fund (like a field of interest fund) that makes impact investments. The fund may receive grants or gifts from new or existing donors.

CAPITAL FOR COMMUNITIES

There are powerful motivators driving foundations to add local investing to their impact toolkits!

Scale of Community Need: Our communities have needs and opportunities that surpass what is available annually in grants.

New Tool, New Solutions: Some community challenges like housing, food security, and growing local businesses are better suited for investing than grantmaking.

High Leverage $: Billions of public and private dollars can move into communities, but not all communities are drawing in these resources. Often, local impact investing by foundations can help other sources of capital “fall into place” to make deals happen locally.

CAPITAL FOR COMMUNITIES

Lunch

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Seeing Beyond the Numbers
Unlocking the Power of Diverse Impact Measurements

Dr. Nicole Breazeale
Associate Professor
Department of Community
& Leadership Development
University of Kentucky Martin-Gatton College
of Agriculture, Food and Environment

Dr. Stephen Lin
Co-Founder
Sagebird Consulting

Dr. Brandy Kelly Pryor
Founder & CEO
BKP Strategies

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Closing Remarks

Sharon LaRue (Co-chair)
Executive Director
Kentucky Foundation for Women

Adjourn & Departure

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