

the Sillerman Center

FOR THE ADVANCEMENT OF PHILANTHROPY

A PRACTICAL GUIDE TO MAKING STRATEGIC PHILANTHROPIC INVESTMENTS



Philanthropists want to ensure that their philanthropy has a meaningful impact. Once a philanthropist has identified an area of interest, the challenge is identifying the right organization. One way to begin is by asking:

- Does the organization have a clear mission and the infrastructure able to accomplish it?
- Does it understand the field and competitive landscape?
- Does it have relevant expertise?

Here are four practical types of investments a philanthropist can make:

If an organization or program is in its initial stages, it is unlikely to have a robust infrastructure. As such, startups and smaller entities can benefit from capacity building investments.

PROGRAM INVESTMENT

Investment made to support direct programming or delivery of services to the target population served by the organization

Example: funding a program to extend academic tutoring hours or increase the number of college visits

OPERATING INVESTMENT

Investment made to support non-direct service work, often operating and administrative work, of an organization

Example: funding the acquisition of a technology platform to enable data tracking

CAPACITY BUILDING INVESTMENT

Investment made to support the internal capacity development of an organization

Example: funding training sessions for staff on topics such as mentoring, academic advising, and providing trauma-informed services

CATALYTIC INVESTMENT

Investment made to a nascent organization to give it the potential of making a significant impact

Example: funding by Timberland and Bank of Boston to the concept that became City Year

Components of high impact investments

High impact investments should support organizations that have critical elements in place to sustain and scale high quality programming. Strong organizations are likely to include the elements described below.

ORGANIZATIONAL STRENGTH

- Clear mission and goals
- Defined target population in an area with unmet needs
- Strong board governance and organizational clarity around roles
- Leader with appropriate experience, expertise, and commitment who can set priorities, mobilize staff, and manage resources
- Financial stability and transparency with support from a variety of resources*

USE OF BEST PRACTICES

- Uses multiple sources of research to inform program design, development, and improvement
- Ensures input from community it serves
- Understands the role of public policy and advocates for change where and when appropriate
- Demonstrates ability to innovate and take risks
- Focuses on long term impact and capacity building

MEASURES PERFORMANCE

- Tracks data on participants during program and after completion
- Has processes in place to track organizational goals and outcomes
- Uses data to improve program design
- Provides relevant data on a regular timetable to report to key stakeholders and donors
- If organization is new, proves that a catalytic investment will lead to demonstrated success



* For information on finances, governance, and transparency visit: Guidestar.org and CharityNavigator.org

For more information please visit:

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+ The Sillerman Center draws upon scholarship and practitioner experience to engage and inform members of the philanthropic community committed to moving social justice work forward.