Transatlantic Community Foundation Network

LOCAL MISSION—GLOBAL VISION
Community Foundations in the 21st Century

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Dedicated to the memory of
Joe Breiteneicher
and
Ray Murphy
Promoting the Culture of Giving: The Experience of Italy

Bernardino Casadei

Pure selfishness is impossible, because it would mean disaggregating one's self.
—Augusto Del Noce

A Difficult Exercise

Defining the mission of a community foundation is a complicated exercise. Improving the quality of life in one's community is a concept that may look vague to most people, especially if compared to the aims of the many social service organizations that focus on specific and well-defined social needs. It is important for a donor to learn how a gift to a community foundation will be used in support of projects that the donor may not be aware of, that were selected by a board that he or she doesn't know. In order to succeed in stimulating such a deed of trust, the institution's identity and form must reflect the ability to respond to the deepest and most essential needs of the community.

Forging this identity may be made even more complicated in order to avoid creating an institution that, while being meant to serve the whole community, is indeed an instrument of a given group or class of individuals, surely enlightened and motivated by the noblest feelings, but somehow believing they can enforce their vision of what the common good should be. The essential task is not to create a foundation for the community, but rather a foundation of the community.
In order to allow community foundations to become established, overcoming a scepticism that happens to be especially strong in our society, they need to avoid acting as arbiters of the common good for the community. The community foundation must identify a need truly shared by all, along with a solution to which community members can give concrete input, so that each one will feel that they are both a participant in and a beneficiary of the projects undertaken.

Primary needs vary widely between individuals and this makes it virtually impossible to identify one or more initiatives capable of responding to the needs of all. There are, however, two needs especially evident in our society which concern—albeit to a varying extent—all those that live and work in our communities, namely the need to establish truly human relations and the need for individuals to have a purpose in life.

These needs, innate in man’s nature, are usually not properly addressed, particularly in a society like ours where many people feel lonely, alienated, and powerless, even when they’ve been able to accumulate significant wealth or achieve important professional goals. The root cause for this deep discomfort is not eased by the frenzy and entertainments with which we hope to counter it. We can recognize the mind-set that, on one hand, reduces man to mere self-centeredness, transforming each human relation into mutual exploitation, and, on the other, views money and power as ends unto themselves, rather than the means with which to pursue more noble ends.

In order to escape the mind-set that treats each other human being as either an instrument or an obstacle, something must be identified that provides dignity to individuals and enables us to base our human relations on mutual respect. This principle can be found in the very culture of giving, which, by definition, requires us to consider other people as much more than just the means to selfish ends.

Mutual giving can help us establish truly human relations with others and help give meaning to our lives. Through giving, in fact, we can cooperate with each other to achieve something great, something we can be proud of, something that dignifies our existence. Thus, the very existence of material and moral needs can become an opportunity to reaffirm our humanity. In this mind-set the poor stop being a problem to be eliminated, as they’ve been viewed in the modern age, and provide us an opportunity to feel fully human.

Thus a community foundation’s promotion of giving takes on a much broader and deeper meaning than the mere—albeit necessary—provision of operational services to donors. Giving becomes not merely the way to provide resources, but becomes an opportunity for everyone in a community to contribute to the common good. No one is so poor as to be unable to give a grateful smile or contribute skills to solve a shared problem.

In practice, this means that a community foundation is not there just to raise endowment funds, or to attract smaller, more numerous donations from individual citizens. Rather, its aim is also to stimulate the donation of goods and services, volunteer time, and the willingness of those in distress to bring their know-how to bear on a problem. A community foundation provides a way for people to express their wish to cooperate proactively in solving common problems. In other words, the goal is to overcome the traditional giver-beneficiary relationship and create a catalyst for community members to present their views on how to achieve a common goal.

The community foundation’s task is thus to promote donations, both directly and indirectly, either in the form of money or personal property, real estate, and services, as well as contacts, professional skills, time, etc. The strategy is not so much founded on the presumption of the foundation solving major or minor problems of the community, as it is to identify initiatives capable of appealing to the public’s generosity. Of course, this does not exempt a community foundation from ensuring the operational rigor and the efficacy of the projects it undertakes. The foundation is compelled to consider these as important, though not sufficient, ways to pursue a superior end—making our society more humane and equitable.

In order to achieve these goals, the foundation should be able to serve donors, helping them pursue their philanthropic ideals, allowing them to maximize the benefits related to giving, and releasing them from all bureaucratic and administrative burdens; but it also should try to help them experience giving as an opportunity to affirm one’s human dignity. Too often, however, giving is seen as a moral duty required by our social status. We therefore just write a check, without feeling as involved as we should when supporting the public good.

From this perspective, nonprofit organizations are changing from institutions that only request contributions into community foundations’ partners. With their projects, in fact, they can stimulate donations, promote volunteering, and involve the ultimate beneficiaries of specific initiatives. Unfortunately,
they often do not see themselves in this role and vacillate between an amateurish approach that justifies all deeds in the name of good intentions, and a professional approach that ultimately subordinates the human dimension of their work to the achievement of objective and quantitatively measurable goals, as if the only paradigms were those offered by public administration and commercial businesses.

In this respect, the ultimate beneficiaries of these interventions also play a crucial role. They no longer represent a problem in search of a solution, but turn into an opportunity to realize the principles of solidarity. However, this requires a commitment, a desire for redemption, a wish to contribute personally to the achievement of social goals, while rejecting the passive and welfare-based mentality often characterized by those in need merely bewailing their fate.

The true outcome of the foundation’s work is therefore an increase of social capital and of the trust that is necessary for the moral and civil—as well as economic and social—growth of each community. This is a major undertaking that, when faced with the compelling needs of our world, is often subordinated to the achievement of more limited goals.

Relationships with public institutions are particularly awkward. On one hand, the public sector is highly interested in supporting initiatives that actually help mitigate community problems. However, they tend to view community foundations as an instrument, without considering that the role of the private social sector is not primarily to make up for the limits of the state or of the market, but to perform a function that neither the state nor the market can take over because it’s not compatible with their respective mandates. This view creates a climate within which the concepts of solidarity and subsidiarity are doomed to remain mere rhetoric; society falls apart, transition costs increase exponentially, and democracy surrenders to corruption (Casadei 2006b).

Establishing the Community Foundation Model in Italy

Developing a broad social mission is a demanding process, but this has become the goal of an initiative promoted by Fondazione Cariplo—initially for organizational reasons—which was born almost by chance from a law aimed at reorganizing the Italian banking system (Casadei 1999).

Like all Italian banking foundations, Fondazione Cariplo was established by law to promote the creation of new banking groups capable of coping with European competition. However, unlike similar foundations that usually work within quite limited geographic areas, Fondazione Cariplo serves the entire Lombardy region as well as the Piedmont provinces of Novara and Verbana. It is a very wide and complex territory, whose needs and potential can hardly be familiar to those based in Milan. Based on the experience of some important U.S. foundations, such as the W. K. Kellogg Foundation and the Lilly Endowment, located in Michigan and Indiana, respectively, rather than set up satellite offices, in 1998 Fondazione Cariplo decided to promote the creation of independent institutions that could become its natural partners, capable of supporting its funding activity, especially as far as smaller contributions were concerned (Ferrucci 2001).

Along with this practical need, however, Fondazione Cariplo was determined from the outset to create institutions that did not just distribute the funds of Cariplo, but were also capable of catalyzing the resources available in the community that could potentially be used to pursue the common good. This wish stemmed from the awareness—which became even clearer with the crisis of the social state—that the third sector, to which important tasks are increasingly being delegated, was seriously underfunded and dependent on public funding.

Indeed, the fundraising carried out by such institutions had been marginal for many years. The state did not promote private donations within this sector. It was much more profitable to approach local politicians to obtain necessary funds, both from public administrations and from private companies. However, the disruption of the political system that had lasted until the fall of the Berlin Wall, as well as a renewed interest in the third sector, radically changed this situation and the practice of raising private funds is quickly spreading throughout Italy. However, it’s important to recognize that only large national organizations can make the necessary investments to hold off the competition from large multinational nonprofit organizations. There is a great risk that this competition for funding may create insurmountable barriers to access for organizations that, while being locally very important, lack the necessary resources to acquire the tools and manage effectively the fundraising techniques required to collect donations.

Finally, the traditional channels that for centuries had been used to manage legacies and bequests for the common good—in particular hospitals and schools—were losing their capacity to raise funds. Either because they were
changed into public institutions or because they could not always manage collected donations in a professional manner, the people willing to donate to such institutions are decreasing each year. The Catholic Church itself is facing a secularization of society, and cannot always accomplish the organizational changes required to satisfy the new needs of donors.

All these factors called for the urgent creation of an infrastructure tasked with collecting donations locally for social purposes, particularly when anticipating the huge transgenerational transfer of wealth that will characterize the coming years. Several factors were in place which, if appropriately exploited, could achieve very positive results, even within an environment that was apparently not interested in creating institutions without very specific purposes.

A new willingness to donate was perceived. For many years, the culture of "everything belongs to politics" was seen as the only way to address community problems. But this mind-set was changing. Volunteering in particular and the charitable sector in general, were acquiring a broader role and developing a very positive image within the public consciousness. This change affected politics as well, with the creation of the "onlus" format, and with the introduction of new tax allowances aimed at stimulating donations to nonprofit institutions.

At the same time, the Catholic tradition that characterizes the culture of all Italians, and more specifically the social doctrine of the church—which subordinates private property to mutual well-being—was becoming more and more important in the political debate. The values of solidarity and subsidiarity were replacing the faith in centralized planning or the invisible hand of the free market that had characterized the post-war era. Especially significant was the inclusion of the principle of subsidiarity in the Constitution, a true revolution in a public administration that had been battling the creation of intermediary bodies for over two centuries, once even arresting a bishop on the charge of depriving "the State and other territorial institutions of their prerogatives" through his charity.

Finally, the birth of banking foundations—with their resources, the wealth of relations formed through the centuries-long work of savings banks, and their asset management skills—was an idea so appealing that even the most skeptical were forced to consider this new approach. Thanks to the role that Cariplo has been playing in the development of Lombardy, it was relatively easy to involve all the main territorial authorities in the initiative, and thus ensure a legitimation that otherwise would have been very hard to obtain.

"The equivalent of the U.S. 501(c)(3) status."
AN EFFECTIVE TOOL: THE REQUEST FOR PROPOSAL WITH A CHALLENGE

The first instrument used was the request for proposal with a challenge (Casadei 2001a: 148). Through it, nonprofit organizations operating within the territory are encouraged to submit project proposals. These are often general-purpose requests, which favor small- to medium-sized projects in which individual volunteers and citizens can be more easily involved. The contribution—once approved—is on the condition that individuals, institutions, or companies donate to the foundation sums that are equal to a designated share of the allocated amount, at the same time specifying which project they wish to support.

Not to be confused with co-funding, this format—designed to determine whether the organization is prepared to invest in its own project—proved very fruitful. The resources available for social utility initiatives have increased. On one hand, this mechanism provides the foundation with a tool for gauging actual consensus for each initiative, to avoid funding projects in which few people are interested; and, on the other, the community is empowered and involved in the foundation’s decisions because without their input and support, the foundation could not provide funds. Finally, this stimulated communication between nonprofit institutions, which are often too inward-looking, a trait which prevents them from engaging with the community and causes them, rather than striving to share their ideas, to complain about the lack of support from their fellow citizens.

From this perspective, the foundation mainly acts as a filter and a guarantor. It should take care to ensure the actual feasibility of the projects that are going to be introduced to the community, in order to act as a guarantor for them. At the same time, the relationship with nonprofit organizations is no longer based on the traditional funder-beneficiary dynamic, but is rather a true partnership where both parties are actively involved in developing projects, thereby improving communication and fundraising possibilities.

The results have been highly positive. Certain projects have raised hundreds of donations, including very small ones, demonstrating that this instrument can help involve moderately wealthy individuals as well. In some areas, more than ten percent of the population contributed to the implementation of projects identified through this mechanism, thus proving that giving can become a way to reestablish social bonds. In addition, it turned out that donors were not disengaged and only reachable through emotional appeals. All types of projects raised the necessary donations, and the few ones that did not succeed usually did not receive even one Euro, demonstrating that not even their promoters were fully behind them. Finally, the fact that the contributions were not simply provided, but in some way needed to be earned, added to the pride of the nonprofit organizations and of the communities whose projects were implemented, and this actually improved the image of the foundation.

This kind of fund-provision later generated different models. Some requests, in fact, involved sponsors. The foundation’s contributions were at first matched by a number of companies, organizations, or even individual philanthropists, who could thus tie their image to a high-impact social initiative in their community, and then further matched by donations from the public. Another kind of request provided for all or some of the collected donations to be used to set up an endowed fund, in order to promote the link between generations that represents a true community. As the representatives of a community that participated in this model said: “Today we receive a lot from the Foundation [for renovations] and are then asked to reciprocate with the little we can, so that tomorrow someone else, as in need as we are today, can be supported.”

Other proposals have more specific objectives, sometimes achieved in partnership with other institutions or individuals pursuing well-defined goals. This fosters combining resources and skills, and sometimes employs the fundraising mechanism to set up a specific fund to ensure the activity’s continuation. In defining these proposals, the organizations that can benefit from the contributions are usually involved a priori, and in some cases the evaluation criteria are established by these same organizations. The fact that, after submitting the proposal, they worry about the goals they’ve set, shows that, when asked to act responsibly, nonprofit institutions tend to be too ambitious rather than not ambitious enough.

GRANTMAKING AND RELATIONS WITH NONPROFIT ORGANIZATIONS

Seeking funds cannot be accomplished only with calls for donations, but should involve a community foundation’s entire program activity. Therefore, the criteria that are seen as crucial for grantmaking include the ability of individual projects to involve volunteers and to promote other forms of donation, in addition to those collected through solicitation calls.

The true challenge for community foundations will be to enable nonprofit organizations to feel not just the beneficiaries of funds, but rather partners...
capable of turning the wishes and values of people into concrete activities. Hence the importance of promotional and communication skills of nonprofit institutions, which too often present their activities in abstract and bureaucratic terms, almost totally obscuring the human element, the only one capable of generating sufficient interest and passion from the public.

Nonprofit organizations often don't understand that the value of their activities is not only in the direct services they deliver. These are of course very important in themselves, but there is tremendous value in their ability to continually address the community's problems, and in their ability to generate truly human relations, with the goal of achieving something noble and good. There is the need to allocate resources to the promotion of communication and engagement between people in different institutions, as well as the donors and the ultimate beneficiaries of different initiatives. Italian nonprofit organizations often tend to forget about these activities, and see them as a waste of resources vis-à-vis the urgency of the problems they are facing. These activities are, instead, crucial not only to ensure their economic sustainability, but also to create a more humane society, without which the problems to be addressed are doomed to worsen.

Finally, another task of community foundations is to prevent nonprofit institutions from being reduced to acting merely as project managers. This is a crucial skill that needs to be encouraged and developed. It should not, however, turn into social engineering that views people merely as problems and neglects to involve them in the development of particular initiatives, conceived in abstract terms, that often fail and only generate distrust and feelings of powerlessness. Time should be devoted to listening carefully to those that may, at first glance, only look like the cause of problems, but often are those that can help create actual solutions.

Thus, grantmaking activity becomes a tool for strengthening the social identity of private individuals, capable of embodying the values of solidarity and subsidiarity. The alternative is to risk generating dependence and perpetuate the economic, as well as managerial and cultural, subordination of the charitable sector, which is defined by negative (i.e., nonprofit, non-governmental) or categorical (e.g., third) terms, vis-à-vis the state and the market. Lack of financial resources is often not the true problem, but rather a sign of much more serious gaps that are hard to bridge even with sophisticated marketing and communication strategies.

This evolution in the management of funding activities depends on the increasing daily engagement in one's role and on the consciousness of one's limits. Italian community foundations, in fact, cannot think they can solve the problems of their communities by themselves. First because their resources, no matter how abundant they may be some day, will always be extremely limited and almost negligible vis-à-vis the challenges posed by our society. And they cannot concentrate their resources on a limited number of niche sectors, because by so doing they will ultimately distort their nature, losing the broader operational sphere that is one of their main features.

The road followed by other private foundations, and by Fondazione Cariplo in particular—anticipating needs in order to design solutions that others can later implement—isn't viable for all. This route calls for significant investments in one's structure and for the analysis and research skills hard to obtain by organizations that must necessarily stay lean in order to provide services to donors at limited cost, and so not be considered a burden by other nonprofit organizations.

Finally, there is a risk that threatens all grantmaking institutions, namely the risk of being expected to act as substitutes for public institutions. This risk is especially evident at a time of deep social crisis. The temptation is very strong for public institutions to use foundation resources to implement initiatives they can no longer support. Therefore, the decision to promote a culture of giving places Italian community foundations on a qualitatively different level, one which does not overlap with the aims of public administrations.

This does not mean that there should be a complete separation. Community foundations, on the contrary, actively cooperate with local public institutions, which often results in requests for proposals in partnership—even though the former seek to take advantage of new opportunities to promote solidarity and subsidiarity, while the latter's aim is to implement a political agenda. These are two different objectives, although they can co-exist. Of course, the distinction is not always clear, and foundation board members often think they should only intervene if the public sector doesn't. They forget about the principle of subsidiarity, which states that the public sector should intervene when the community does not manage on its own, rather than the other way around.
RELATIONS WITH DONORS

The consequence of all the above is that relations between community foundations and donors should be founded on a partnership that reaches far beyond mere service delivery. It cannot just be a matter of offering to manage philanthropic activities, which makes community foundations vulnerable to competition from other entities, such as financial institutions, that have already demonstrated they can operate effectively in this market. Community foundations risk becoming obsolete when technological evolution allows donors to work directly with the beneficiaries of their charity without the help of an intermediary to select the most valuable initiatives and opportunities and, at the same time, act as a guarantor in their favour (Hero 2006).

The goal is not so much to manage what already exists, but rather to generate new generosity and, particularly, transform giving from a sort of moral or social duty into an opportunity and a source of joy. In other words, go beyond fundraising that speaks directly to feelings of guilt or to an abstract duty to a model that is based on donors' real interests and on the wish to reaffirm one's humanity (Seiler 2006). Therefore the staff of community foundations should specialize in human relations management and, thus, be able to help everyone—whatever their economic conditions—become donors and thereby fully enjoy the pleasure that only giving based on human relationships can generate.

In order to be able to focus on the management of human relations, community foundations need to rely on an administrative system that ensures speed, efficiency, and transparency. Italian community foundations have operated in an environment that often made it expensive, if not impossible, to acquire the necessary professional skills. For example, think about the accounting needs, unique to nonprofit organizations, which registered accountants themselves do not always understand. In response, community foundations have equipped themselves with modern, web-based information technology systems that enable them to manage—at limited cost and without any special training—a complicated and sophisticated financial entity like a community foundation.

Volunteers also can handle complicated transactions with rigor and transparency and can justify and report each individual cent invested, spent, or provided. At the same time, thanks to the automatic and real-time updates of their website, all information on funds or on funded projects is promptly disclosed and the public can check the status of fundraising for each individual project of the community.

RESULTS

The community foundation approach has yielded very positive results in Italy. Although the idea had been greeted with high skepticism by some people within the Fondazione Cariplo, today everyone is proud of their achievements. In less than ten years, fifteen community foundations have been established, all fully operational, that cover the whole geographic scope of Fondazione Cariplo (with the sole exception of the city of Milan). In addition, this model has been replicated and six more foundations have been established in the past few years, inspired explicitly by this project. Most importantly, the recently established Fondazione per il Sud has included among its aims the promotion of the creation of a network of 20–25 community foundations to serve the whole of southern Italy (Marchettini 2006).

The Cariplo model, launched in some counties as experiments, promptly demonstrated its potential. The first established community foundations immediately used the resources transferred from Fondazione Cariplo creatively and, through the instrument of the request for proposal with challenge, increased up to fivefold the amounts contributed to them. After these early positive achievements, there was a change of strategy. On one hand, Fondazione Cariplo decided to use its new community foundation partners as soon as possible to allocate its resources more effectively within individual geographic areas. On the other hand, it focused on endowment building, in order to create truly autonomous and independent entities. As a consequence of this strategy, these entities increased their grantmaking from 1.7 million Euro in 2000 to almost 6 million in 2001. (However, this included as much as 4.9 million Euro in transfers from the Milan foundation.)

In order to prevent this strategy from turning community foundations into the remote offices of Fondazione Cariplo, more efforts were made to promote endowment building. It was decided that the community foundations should not just manage these resources, but also use them to build their own capital and ensure their sustainability. Thus, while donations totaling 2.7 million EUR had been collected in 2001, including only 1 million for endowment building, in 2002 donations totaled 7.8 million, and included more than 7 million for their capital. This growth continued and, at the end of 2006, the foundations' total combined assets amounted to almost 160 million EUR, although only 39 million was collected locally.
This growth was due primarily to successful fundraising, with 3,000 gifts in 2006 totaling more than 11 million EUR. (This figure does not include transfers from Fondazione Cariplo.) While in 2005 individuals were the main supporters of the foundations, in 2006 they were surpassed by contributions from other grantmakers or nonprofit organizations. This demonstrates that cooperation with nonprofit institutions, which had appeared troublesome and difficult at first, is now a defining characteristic of Italian community foundation activities.

Indeed, more than half of the 2006 total giving to community foundations is due to the contributions of Compagnia di San Paolo to Fondazione del Verbano, and to the dissolution and subsequent transfer of the assets of Fondazione Polenghi to Fondazione di Lodi. These two events were strategically important. One event brought the involvement of one of the main Italian banking foundations, which has now decided to promote the community foundation idea on its own, and the other demonstrated that these foundations can represent a valuable alternative for institutions that—even with significant assets—can no longer pursue their own goals effectively.

Except for the donations originating from private institutions, which were strongly influenced by these two exceptional events, the distribution of donations from the other parties was quite balanced: 17.39 percent from individuals; 15.91 percent from public institutions; and 15.13 percent from business enterprises, thus demonstrating community foundations’ ability to relate to all the entities operating in their region. Therefore, while community foundation activity still largely depends on transfers from Fondazione Cariplo, these kept declining and now amount to 64 percent of the total revenue, and in some cases to less than 40 percent.

As far as expenses are concerned, it should be noted that management costs are very low, on average six percent of all expenditures, showing that the creation of costly bureaucratic systems has been avoided. With expenses of just more than 1 million EUR, Italian community foundations have, in fact, provided almost 18 million EUR to support more than 1,600 social projects. It is worth remembering that the existence of a network covering almost the entire territory of Lombardy has allowed community foundations to manage, on behalf of the Lombardy region, 5.5 million EUR provided from the European Social Fund to support employment projects through small subsidies for nonprofit institutions. It is especially worth remembering that the region had entrusted two similar measures to other entities, but only the one managed with the involvement of community foundations was implemented according to the specified terms. This provides an example of good practice that hopefully can be replicated soon.

But of course, all that glitters is not gold. Due to the lack of appropriate investment strategies and tax benefits, the profitability rate of asset management is sometimes lower than inflation. Moreover, Italian community foundations need to operate within a very difficult and complicated legal framework. Compared to other countries, Italian regulations are not always consistent, as well as very restrictive in defining what can be considered as a social utility. It is not even clear to what extent grantmakers can operate within these restrictive boundaries. Foundations are thus compelled to work within an environment that ensures no legal certainty. This does not favor institutions that need to act as transparently and safely as possible in order to generate trust.

Future Challenges

In addition to these external factors, there are at least five major risks that could prevent Italian community foundations from pursuing their missions. The first concerns boards that can turn into mere almsgivers, especially in entities strongly supported by a third party, as for example, Fondazione Cariplo. To avoid this, it is critical to develop appointment mechanisms, adopt instruments that allow setting up boards suited to the specific needs of community foundations, promote in-depth missions and visions, and identify models and practices that can help them put in practice the values described here—this is not easy if we consider that this tradition was hampered by the culture that has long dominated political and social debate in Italy.

Another major risk for these foundations is living from hand to mouth. Due to, among other things, their very lean structure, they can sometimes hardly plan ahead. This is why it is important to develop strategic models that can be customized, acquire tools with which to monitor their actual implementation, and turn annual reports and other communication channels from mere accounts of specific achievements into mechanisms capable of involving the community in strategy development.

Thirdly, the staff of Italian community foundations often tend to play a passive role. This behavior is partly accounted for by the fact that, while in other countries the president is the staff head, in the Italian foundations this figure is, by statute, a volunteer. Without a volunteer leader used to facing problems on a daily basis, the board is hardly in the best position to identify
future strategies. Hence there’s a need to find a way to empower the board to a greater extent, counter the tendency for them to remain in their various offices, provide training for career paths for the staff, both compensated and volunteer, and develop an incentive system consistent with the specific aims of the foundation.

This also will help to avoid another major risk for community foundations, namely being managed in an amateurish way, acting as if commitment and goodwill were themselves enough to manage by simply appealing to good feelings and emotions. Hence there’s a need to design rigorous processes to manage the foundation’s activities using best practices; to develop instruments enabling the foundation to gather, organize, and make use of the lessons learned from each fund-provision; and to set up products and services capable of satisfying the needs and requirements of institutions and donors, while at the same time monitoring their costs and benefits.

Lastly, all these activities will obviously not be enough if community foundations remain unknown to most people. Community foundations are now aware that general fundraising strategies are poorly suited to institutions that see personal relations as the engine of their growth and that tend to consider it unethical to spend large amounts for communication efforts. The road for them to follow is to develop framework agreements with associations and groups potentially interested in collaborating with them, such as notaries, registered accountants, financial planners, etc., as well as framework agreements for working with other grantmakers, both public and private. At the same time, channels should be found to publish articles and editorials on topics that attract and maintain great interest and attention within the community.

Conclusions

These remarks show how long the road still is before Italian community foundations can fully realize their potential. In order for this to occur, their experience should obviously reach far beyond Fondazione Cariplo and turn into a movement capable of serving each of the nation’s many regions. The decision of some private foundations—including Compagnia di San Paolo, Fondazione per il Sud, and Fondazione di Venezia—to promote the concept and grow interest in the community foundation model, not only in banks but also in a growing number of other parties, is creating the belief that such an ambitious goal can be achieved in a relatively short time frame.

The true challenge, however, to continue enhancing a model that is proving profitable, but that requires an ongoing effort by all those involved in the nonprofit sector. It is a framework that, though deeply rooted in millennia-old traditions, risks appearing too radical and hard to understand for a society that has followed different paths for decades. In a world where no one considers anymore whether something is right or wrong, rather than just what special interests may stand behind it, it’s not easy day by day to live up to a model and mission that go beyond a dominating utilitarianism still confined within traditional fundraising practices.

At the same time, it’s the freshness of the community foundation form that actually generates commitment and excitement. It provides practical instruments for people to express in daily life—rather than an abstract love justifying all forms of exploitation—the love for others that represents the very foundation of our human dignity.

References

Information about community foundations in Italy can be gathered in the website of the Cariplo Foundation: www.fondazionecariplo.it and of Assifero, the Association of Italian Grantmakers: www.assifero.org. See also To Promote the Culture of Giving: Role and Opportunities for Community Philanthropy. Milano: Fondazione Cariplo 2006. www.fondazionecariplo.it/portal/upload/ent3/1/interventi.pdf.


