When scarcity drives innovation, people become a community foundation’s...
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biggest asset: a view from Brazil

“Our community foundation is part of the community because we give out money. People often fail to see us as anything else and don’t realize that we are much more than that.” This is a common refrain I have heard often during my past two-month journey, studying and observing the global community foundation field. This perception has made me reflect on our own practices at ICOM - Instituto Comunitário Grande Florianópolis, a community foundation established in the south of Brazil.

So, what factors have helped ICOM and other community foundations from Latin America and the Caribbean, to boost community engagement and increase impact locally, without a secured endowment fund to make regular grants? Emmett D. Carson, CEO of Silicon Valley Community Foundation, said back in 2011 that the financial-transactional model of community foundations of the past 100 years was broken. [1] There is general agreement that change is needed to focus more on building trust and community based skills rather than just grantmaking. Yet, at the same time, the community foundation model that depends on donor generated funds is still at the core of what many organizations do.

“We cannot live without donor advised funds”, said one participant of a philanthropy lab session, held at the Community Foundations of Canada conference, which took place in Ottawa in May 2017. The goal of the session was for practitioners to exercise their innovative thinking by picturing a scenario: ten years from now their own community foundation would not be dependent on donor funds. Most of them felt uncomfortable with the idea and did not think it was sustainable, nor desirable. Unlike many participants at the session, as ICOM does not depend on any donor advised funds, nor has an established endowment, we did not need to look to the future as we already live that scenario.

The discussions at the session, and at the conference overall, reinforced the idea that for a community foundation to be successful, it must be context oriented. In our local context in southern Brazil, we deal with some complex issues, such as the increase in inequalities and human rights violations, while also confronting
a region which has the worst performance for charitable giving in Brazil.\textsuperscript{[2]} This, in part, is due to our political history, which has resulted in many citizens having trust issues when it comes to civil society organizations.

So how do we better enhance community engagement along with financial sustainability that also balances organizational needs? What factors make us innovate and succeed in community engagement? How can we take this to the next level, while also increasing our sustainability?

\textbf{Scarcity drives innovation}

Sohrab Vossoughi wrote in the Harvard Business Review \textit{"The Silver Lining to Scarcity: It Drives Innovation."} When the current financial model is working, community foundations tend to stick with it. It is just natural after a while not to question why we do what we do. The philanthropy lab reflected a difficulty that we have in picturing a different scenario and to think in other "boxes." If we are in a healthy financial situation, we keep going, right? While not always the case, usually we just give more grants and face fewer headaches when it comes to resourcing operational costs. As a result, people feel happy with a secure job, and board members are proud that programmes will continue the way they are.

But what happens when there is no endowment fund, and not many donor advised funds are coming in? In fact, what should be done when there are many pressing, complex issues and no financial capital to solve them? In a context of financial scarcity, there are two options. The first: keep everything the same, but be more productive and have fewer people carrying a lot more on their shoulders. The second: to question old assumptions, test new approaches and learn with them, applying fundamental changes. I feel that ICOM has chosen the latter approach, and with that experience, a whole culture of innovation has emerged out of scarcity at the institutional level.

As an example, community-based organizations, local groups and social entrepreneurs come to ICOM for help when they want to solve complex issues or to work for the betterment of their communities. "Ok, this is true for most community foundations" - you must be thinking. The difference though,
is that they do not come to us for money. Instead they come to talk with us, so that together we can figure how to work with those issues and brainstorm who else in the city can help. We help them fundraise, and give small grants when we can. We went from having this “talk” with 25 community-based organizations in 2011, to 293 in 2016 - and we have a waiting list of requests for help.

ICOM’s office also operates as a Centre for Social Innovation

We were also one of the first community foundations outside of Canada to use Vital Signs (starting in 2008), as a mechanism for civic engagement. As a result, more than 100 community members got involved in eight rounds of research, over 100,000 people were reached, and a law was passed at the municipal level, requesting mayors to report on a strategic plan for the city. At the Vital Signs master class at the Community Foundations of Canada conference, we were one of the few community foundations in the room that have mapped vital signs indicators for the UN Sustainable Development Goals. In addition, a laboratory for social entrepreneurs was created in a collaborative way to help engage young people to solve community issues with the use of technology. Another laboratory helps civil society organizations innovate and rethink their own practices. The gatherings, called “square tables”, bring communities together to discuss social justice issues and topics such as gender and racial inequalities, LGBT rights and immigration. We also run three Giving Circles to foster the culture of giving. These are just a few things that ICOM does that have helped us create credibility and become platform for genuine community engagement.
This has happened because we have gained support and trust from the community, and have considered local donors as an important part of that constituency. We build relationships through hosting open houses and dialogues with the community, recognizing their most pressing issues, fundraising for those issues, and being responsive. Another factor that has also helped is building an organizational culture that rewards innovation. Our team is very small, but all of us are driven by the challenge. So are constantly questioning what we do, why, and how. Well almost every day.

Mariane (R) with members of the ICOM team

**Organizational culture should be aligned with a community engagement strategy**

At ICOM, as outlined above, we have incorporated in our organizational culture some key principles that help us build and implement participatory initiatives to boost community engagement at the local level. These include:

1. *Open dialogues:* we are open to listen to a diverse range of community actors, without negative, predefined judgments. Open dialogues contribute to better defining a specific community issue and coming up with better solutions. Our house is always open to the community.

2. *Belonging and buy-in:* from the dialogues, some project ideas may come up. People should be involved in the initiative from the beginning. This will help increase the sense of belonging that goes in line with the idea of
working "with the community", instead of "for the community."

iii. Voice and inclusion: when we recognize power relations that exist in our own community, we realize that some people, mostly minorities and marginalized groups, have fewer opportunities to participate in public dialogues. We include them. We give space for different points of view.

Moving forward

Now, how do we take advantage of this strong community engagement and a dynamic culture of innovation to rethink our own sustainability? It may be true that scarcity has helped us innovate and prevented communities from perceiving us as a bank, but I am not saying that having no financial capital is good. We do realize that we would boost our impact by giving grants to more community based organizations. The global support for community philanthropy plays an important role in helping community foundations such as ICOM, by giving us access to new tools, allowing small grants for innovation and building institutional capacity.

Yet it is clear form our experience at ICOM, that community foundations can effectively engage many small local donors, instead of over relying on a few large funders or corporations, for example, to sustain their work. We still have a long way to go though so let’s learn together. Over to you (comments section below!) for your reflections and experiences!

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ICOM is a community foundation in Southern Brazil. Mariane is a board member of the Ibero-American Network of Community Foundations, a network of community foundations from Latin America and the Iberian Peninsula, a board member of the Brazilian Social Justice Philanthropy Network and a 2017 Fellow on Civil Society and Community Philanthropy at CUNY - the City University of New York. Mariane holds a Global Masters of Business Administration from The George Washington University.


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