

The power of collaborative philanthropy:

Giving together to strengthen American democracy

Why focus on strengthening democracy?

A vibrant, healthy democracy protects individual freedoms and ensures a just and peaceful society. Many in philanthropy invest and aspire to build such a democracy—to deliver on our Constitution's promise of a *more perfect* union. However, we are in a critical moment. The pillars of American democracy are under threat. These threats are occurring in the context of a global degradation in democratic norms and institutions, with signs of authoritarianism on the rise.¹

This brief is **for organizational and individual funders committed to building and protecting a fair, inclusive, and multiracial American democracy.** The pillars of such a democracy include:

• Fair and free elections, which allow citizens to hold leaders accountable to the needs of a multiracial and broadly diverse society. However, voter suppression tactics like strict voter ID laws² and long wait times at polls³ can make voting a challenging process, especially for historically marginalized communities. Since 2020, risks to election administrators, including individual threats of violence, have increased dramatically—with one in five election officials expressing concern about dangers to their lives while on the job.⁴

- Effective government institutions and leadership that respond to the needs of the communities they represent. Today there is dramatically more money in politics than ever before,⁵ opening the door for government institutions to privilege money over constituents. For most of the 21st century, public trust in government has been low; as of 2022, only 20 percent of Americans say they trust the federal government to do what is right.⁶ And for many people of color, distrust of government is not just a personal feeling, but a reflection of a long history of racist policies that have harmed their communities.
- Inclusive civic engagement that encourages people to address societal issues and build shared narratives toward positive change. Individual rights for all, particularly for communities targeted by hate, discrimination, or violence, are a prerequisite to a just and inclusive society that gives all an opportunity to engage in the democratic process. Violent extremism⁷ and partisan hostility⁸ that deny equal rights have further fractured the country into competing visions of the American ideal.
- Trusted media and information systems, which foster a shared understanding of important issues and promote a constructive and vibrant public dialogue. However, increasing polarization, a decline in local news outlets, and a rise in digital disinformation have eroded trust in US media. As of 2021, only 58 percent of all adults trust national news organizations, down from 76 percent in 2016, with a widening partisan divide.⁹

While these threats to democracy affect everyone, the **burdens and impacts are not evenly felt**. Black, Indigenous, and other communities of color face disproportionate barriers in the voting process and are underrepresented in government institutions and media. The proportion of members of Congress who are white is much greater than the proportion in the US population, and this gap is about as wide as it was in 1981. Women continue to face barriers to political participation, and LGBTQ communities are targeted in policy debates at the state and federal level in attempts to sow division. In 2023, a staggering 510 anti-LGBTQ bills were introduced in state legislatures across the US. People with disabilities have long fought for equitable access to democratic institutions and processes. And those living at the intersections of multiple historically marginalized identities face the greatest barriers of all.

US democracy has been imperfect from its inception. From the Constitution allowing states to limit the right to vote to white landowners through the discriminatory voting policies passed in the wake of the 2013 *Shelby County v. Holder* decision, the history of American democracy reflects fundamental flaws. Building a strong democracy requires more than just protecting the status quo from current threats; it demands envisioning and creating a more just future. Funding work that is led by and responsive to the burdens faced by people of color and all other historically marginalized communities is not just the right thing to do, but the only way to build a democracy that is truly representative of the nation.

The Role of Philanthropy in Democracy

Today, philanthropic capital to support the work of advancing and protecting a healthy democracy is overshadowed by political funding focused on winning specific elections. This has been changing, as philanthropic funding for democracy work more than doubled in the latter half of the last decade—from \$4.4 billion between 2011 and 2015 to \$9.4 billion between 2016 and 2020. But in the run up to the 2022 Congressional midterm elections alone, campaigns and outside groups spent \$8.9 billion, almost matching five years worth of philanthropy funding.

As a result, there are significant unmet needs from organizations and leaders working to strengthen and improve US democracy:

- A strong democracy requires sustained investment across many interconnected areas—not only free and fair elections, but also civic engagement at the grassroots level, strong institutions, and a thriving civic media ecosystem.
- Philanthropy can support initiatives that **engage and empower communities** that have been historically disenfranchised. Donors can prioritize organizations led by and for people of color, which have faced persistent race-based barriers to capital. BIPOC leaders and BIPOC-led organizations bring important assets¹⁴ and have a unique role to play in advancing solutions that strengthen America's multi-racial democracy.
- Too often, democracy organizations must navigate a boom-and-bust cycle in funding. Donors can invest apart from specific elections, thereby funding sustained efforts to address the root causes of democratic erosion.

There are a wide range of investment opportunities for donors interested in doing more to support democracy organizations. Collaborative giving platforms are one option to explore.

The Value of Collaborative Giving

Donors have long worked together, from informal giving circles to local fundraising campaigns. Collaborative giving vehicles—like funds, platforms, and other intermediaries—take these efforts to the next level, formalizing collective giving to amplify impact. They are philanthropic organizations and initiatives designed to bring donors together, provide deep subject matter expertise, and channel resources to the people and groups (e.g., nonprofits/NGOs) best positioned to accelerate progress on complex issues.

<u>Recent research</u> conducted by The Bridgespan Group and funded by the Bill & Melinda Gates Foundation identified hundreds of collaborative giving vehicles that collectively channel billions of dollars annually to social causes.¹⁵ Collaboratives offer a range of options for donors to get involved—some pool money from donors but retain decision-making rights themselves, while others deeply engage donors in selecting the ultimate recipients; still others develop participatory processes to support communities in allocating dollars.

Research from across the sector indicates that collaboratives can offer advantages—from shared learning to scaled impact to deeper connections to the grassroots. Additionally, a 2022 Bridgespan landscape analysis found that for US-based funds, nearly 60 percent reported that their senior-most leader identifies as a person of color compared to only 14 percent of US foundations, according to 2022 research by the Council on Foundations. This is a significant difference where leaders can bring lived experience, expertise, and relationships to their work, ultimately more effectively championing work that addresses inequities.

Collaborative vehicles are particularly suited to strengthening democracy, given the systemic and interconnected nature of the threats and the importance of solutions that reflect a deep knowledge of and engagement with communities across the country. When designed well, these vehicles enable funders to

leverage their resources, mitigate individual risk, and take more effective approaches to address pressing problems. The potential advantages for funders include:

- Potential for funding at a greater scale than donors would be able to do on their own by partnering with others to fund issues and ecosystems.
- **Coordination** in developing targeted, networked strategies led by community members to address complex issues rooted in systemic inequities and allow money to go where it is most needed.
- Efficiencies in the grantmaking process that can free donors from the need to become experts in new fields, assure priorities on the ground are incorporated, and streamline the experience for donors and grantees alike.
- Potential to connect with grassroots organizations across a wide range of communities and geographies that individual funders might not otherwise have a relationship to, offering additional channels to give to and follow the expertise of local, proximate leaders.
- Shared learning, early detection, and rapid response to emerging issues and opportunities, particularly in a complex and constantly shifting landscape.
- **Risk mitigation,** particularly for donors who are new to the space or seeking to navigate questions of partisanship or legal limitations on giving.
- Opportunities to experiment with governance structures, especially for donors interested in participatory models of giving that shift decision making power about who and what to fund to the very communities most impacted by the issue and problems.¹⁸

The nonprofits funded by collaborative vehicles also can realize significant benefits—including access to new and more funder relationships, non-financial support, and streamlined application and reporting processes—to name a few.¹⁹ In addition to capital, collaboratives can provide grantees with enhanced visibility and reputation boosts that raise awareness or amplify reach.

Giving Collaboratively to Strengthen Democracy

Alongside the increase in funding to strengthen democracy, the number of collaborative giving options has grown in recent years—and represents one way for donors to coordinate, leverage resources, and provide support.

A 2023 Bridgespan survey²⁰ revealed that democracy-focused funds have the potential to deploy substantially more resources, with these funds **estimating that they could deploy between two and five times more funding than they currently do** if more funding were available.

In this backgrounder, we have identified 59 such funds that focus on US democracy, either pooling or helping direct resources from donors to nonprofits. There are likely many more.

We are defining donor collaboratives as funds, platforms, or vehicles that either pool or help direct resources from donors to nonprofits or NGOs. There are other organizations that serve primarily as learning or convening networks or that are primarily fiscal sponsors or other kinds of intermediaries, which we have not included in this review.

For the scope of this brief, we focus on 501(c)(3) donor collaboratives with a primary goal of strengthening the pillars of democracy (i.e., fair and free elections, effective and accountable government, civic engagement, trusted media and information) in the US. Although we appreciate that a **robust, thriving, multiracial democracy is not only vital, but it is integral to progress on other issues** from education to reproductive rights to climate, we did not include collaboratives that focus on a particular issue—for example, a fund focused on countering climate change through voter mobilization.

Because many of these efforts are deeply interconnected, funders can also work to strengthen democracy in the context of issues they care about (for example, see other briefs on <u>gender</u>, <u>racial equity</u>, <u>climate</u>, and a forthcoming document on economic mobility). Similarly, while this brief focuses on funds in the US, there is much to be learned from international collaboration on democracy—as many authoritarians around the globe have used similar tactics and tools.

The full range of tools for the democracy field—a note on 501(c)(4) funds and 527s

Funds that are established as or housed within 501(c)(3) organizations can support a wide range of vital activities, including research, litigation, and coalition building as well as some lobbying or mobilization work within IRS limits.²¹ But donors can also support other tools that pro-democracy organizations deploy in service of their goals.

- 501(c)(4) organizations retain nonprofit status while being allowed to promote causes through unlimited amount of lobbying (so long as it is related to the exempt purpose) and may engage in political campaigns, as long as those activities do not become the "primary" activity of the organization.
- 527 organizations, including political action committees (PACs), primarily work to influence campaigns (including individual races and ballot initiatives) by pooling money to support a candidate or political issue, at the local, state or federal level.

Leaders we spoke with emphasized the need for more funding to support the full range of tools in the toolkit, the scarcity of which can be particularly stark for Black, Indigenous, and other people of color-led organizations. Indeed, many of the funds included here have affiliated 501(c)(4) or 527 funds. For example, all three entities—the Movement Voter Fund [501(c)(3)]; the Movement Voter Project [501(c)(4)]; and the Movement Voter PAC—work to turn out low propensity voters who have historically faced barriers to voting. Where they differ is on their specific activities and the degree to which they engage in nonpartisan versus partisan activities.

The lack of disclosure requirements for 501(c)(4) and some 527 giving has raised concerns about "dark money," lack of transparency, and accountability. Regardless of your perspective on money in politics, it is already present and highly influential. Working collaboratively can be an effective way to learn about and give to these kinds of organizations. For additional guidance on how to invest in advocacy efforts, see Bridgespan's article "Using All the Tools in the Toolkit: Funding Advocacy for Social Change."

While not exhaustive, the list of funds includes those supporting a wide range of efforts within these parameters. Most funds approach their work from multiple angles, including different levels of government and a range of issues and communities. They also vary in the level of donor engagement, stance on partisanship, and focus on rapid response versus long-term investments.

The following sections discuss some of the choices donors are likely to face as they seek to fund collaboratively to strengthen US democracy and provide examples of funds working in a variety of areas.

What level of government do you focus on?







Funders can support **federal**, **state**, or **local** work.

Many collaboratives work across multiple levels of government. For example, <u>Way to Rise</u> funds efforts focused on co-governance (ensuring that communities have what they need to lead on the issues that matter to peoples' lives), voter protection and education, and narrative change led by both state-based organizations and national groups. Across both levels, Way to Rise prioritizes sustained grantmaking to break the cyclical approach to democracy work and focuses on measuring long-term power shifting.

Others focus specifically on funding at the **state level.** States represent both "laboratories of democracy" and in many cases the front lines of the fight against authoritarian forces. Many collaboratives seek to strengthen work in a single state or fund efforts across multiple states.

For example, <u>State Voices People Power Fund</u> is a network of 25 coalitions that collectively partner with over 1,200 local organizations. These "state tables" work to coordinate the flow of both 501(c)(3) and 501(c)(4) funding, as well as to coordinate electoral efforts and other work, focusing on a range of issues like civic engagement, civic technology and innovation, and building leadership and capacity to strengthen political power for BIPOC communities over time.

Still other collaboratives target the **local level**, recognizing the importance of building a vibrant democracy from the ground up. Many of these groups partner with grassroots initiatives to provide them with resources, expertise, and structural support. For example, <u>GoVoteNYC</u> is a local fund that partners with grantees with deep ties to their neighborhoods. Working locally allows the fund to build relationships with trusted community leaders and organizations, which is essential for building credibility with infrequent voters and those who are overlooked in the electoral process. In a similar vein, The Heartland Fund focuses

on building a stronger democracy in rural areas and small cities. In 2023, the fund granted \$14 million to 155 organizations across 26 states.²² This year, the fund is focusing most of its resources in a dozen states where rural action will define policy and civic engagement outcomes.

What dimensions of democracy do you prioritize?







Donors can choose between a range of strategies to address the critical needs of a strong and multiracial democracy. We have identified four dimensions of a strong democracy that funders can consider when donating in this space: (1) fair, free, and representative **elections**, (2) effective and accountable **government institutions and leadership**, (3) inclusive **civic engagement and participation**, and (4) responsible and trusted **media and information**. Some donor collaboratives focus on a single dimension, others on multiple.

Fair, free, and representative elections: A range of collaboratives focus on strengthening the electoral process. Some support election integrity initiatives like new technology for election administration and litigation to protect voting rights. Or they may focus on voter empowerment efforts like the restoration of voting rights for formerly incarcerated people, improving the voter registration process, or ensuring voters have access to a trusted and accessible voting method. Other fair and free elections strategies include expanding representation by cultivating a leadership pipeline of diverse elected officials or reforming elections by advocating for alternative electoral systems to improve fairness (e.g., ranked choice voting). Examples include:

- <u>Election Trust Initiative</u>, a strictly nonpartisan effort which supports organizations, systems, and research that helps local and state officials operate secure, transparent, and convenient elections. The collaborative has a long-term perspective and focuses on improvements to elections that can be sustained year after year.
- <u>Healthy Democracy Fund</u> (HDF) at Tides Foundation funds grantees engaging with their communities to improve voter registration and turnout, protect voter rights, and ensure fair redistricting.

Effective and accountable government institutions and leadership: Other funds focus on effective and accountable government institutions and leadership. These funds may support efforts to modernize government by investing in civic technology that streamlines internal processes to improve efficiency and responsiveness. They can also help secure accountable leadership by supporting efforts to limit the influence of money in politics, strengthening ethic laws for government employees and officials to limit

conflicts of interest, and investing in judicial independence. Other strategies include reforming structures like the Senate filibuster and instituting judicial term limits. One example is the <u>Piper Fund</u>, an initiative of Proteus Fund, which focuses on reducing the undue influence of money in politics by limiting election contributions and defending judicial independence to protect judges from pressure and influence.

Inclusive civic engagement and participation: Many democracy funds focus on civic engagement that goes beyond the election cycle. Oftentimes, this work is grounded in community organizing and power-building that empowers communities that have been marginalized in the past and amplifies their voices in shaping democracy for the future. These funds may also invest in efforts to strengthen social ties, counter violent extremism, and bridge divides across political parties. Inclusive engagement also often involves funding efforts to codify rights for marginalized groups or increase protections against discrimination. Examples include:

- <u>Democracy Frontlines Fund</u> supports Black movements and organizing. Funder partners engage in collective giving and facilitated reflective practice, digging deeply into the legacy of discrimination and racism, discussing movement theories and strategies, and practicing anti-racism through racial justice grantmaking and allyship.
- <u>Four Freedoms Fund</u> directs its investments towards strengthening the state and local advocacy and organizing infrastructure of the immigrant justice movement, increasing immigrant civic participation, and challenging US systems of immigration enforcement and criminalization.
- <u>New Pluralists</u> is a funder collaborative focused on supporting the growing field of practitioners, storytellers, researchers, and innovators working to address the crisis of division, distrust, dehumanization, and disconnection and to strengthen a culture of pluralism in America.

Responsible and trusted media and information: Finally, some funds focus on media and information to strengthen democracy. These collaboratives may fund trusted and nonpartisan media outlets, support journalistic integrity and editorial independence by bolstering standards and protecting reporter rights, and back a pipeline of diverse and skilled journalists to report the news responsibly. Other strategies include fighting misinformation or hate speech, advocating for new policies to govern social media and technology companies (e.g., regulating personal data use), and supporting a vibrant and constructive public square. Examples include:

- <u>American Journalism Project</u> works to support and revitalize local news organizations across the US at the state and community levels by investing in nonprofit news organizations, launching newsrooms with community partnerships, and coaching newsroom leaders.
- <u>Media Democracy Fund</u> supports organizations that champion digital equity, protect and defend net neutrality, and challenge the practices of companies that track individuals' digital behavior—to create a more equitable, open, and secure internet. The fund prioritizes emerging needs and provides grants quickly so organizations can respond to dangers fast.
- <u>Pop Culture Collaborative</u> works to reform the narrative landscape in the US by using pop culture stories, media, and social networks, as a vehicle for social change to create a just and pluralistic society. The collaborative prioritizes grants to initiatives with an intersectional focus on gender justice, LGBTQIA rights, disability, democratic fairness, pluralistic values, and economic justice.

What communities does your work serve?







Another consideration is which populations will directly benefit from your giving. As such, one potential approach to giving is participating in collaboratives that direct capital to democracy efforts focused on specific populations. Donor collaboratives can be a powerful way to focus giving to organizations that have nuanced understanding and deep connection to communities that have historically been most disenfranchised. Examples include:

- <u>Asian American and Pacific Islander (AAPI) Civic Engagement Fund</u> supports local and state-based AAPI community organizations focused on civic participation and narrative change.
- <u>Black Voters Matter Capacity Building Institute</u> focuses on Black voter engagement across the US, including rural counties and smaller cities that are often ignored.
- <u>Youth Engagement Fund</u> supports initiatives that bolster civic participation and electoral power of young Black, Indigenous, and youth of color, with a regional focus in the South and Southwest.

Illustrative list of democracy-focused funds

As part of its ongoing research into funder collaborative vehicles, The Bridgespan Group surveys such organizations annually. To develop the list below of collaborative funds and vehicles focused on democracy, Bridgespan reviewed its survey list of 500 such vehicles and consulted with nonprofit and philanthropic leaders in the space. The list is not exhaustive nor have the funds included been independently vetted by the authors; if you know of a fund that should be added, please contact Jennifer Stout (jennifer.stout@gatesfoundation.org).

Funds that work across multiple levels of government

- AAPI Civic Engagement Fund
- Black Trans Fund
- Borealis Philanthropy
- Civic Health Project
- Democracy Frontlines Fund
- · Election Trust Initiative
- Focus for Democracy
- Four Freedoms Fund
- · Healthy Democracy Fund
- Hispanics in Philanthropy
- Liberation Ventures
- Media Democracy Fund
- Media Impact Funders
- · Native Voices Rising
- NetGain Partnership
- New Pluralists
- NewsMatch
- One for Democracy
- Participation & Representation For All Impact Collective
- Pillars Fund
- Piper Fund
- Pop Culture Collaborative
- Press Forward
- Pro-Democracy Center
- Racial Equity in Journalism Fund
- Reflective Democracy Campaign
- · Rights, Faith & Democracy Collaborative
- The Phoenix Fund for Workers and Communities
- Trust for Civic Life
- Trusted Elections Fund
- Voter Engagement Fund
- Way to Rise
- Youth Organizing and Culture Change Fund

Funds that work at the state level

- Ascend Fund
- · California Black Freedom Fund
- California Donor Table
- Fair Representation in Redistricting
- · Massachusetts Census Equity Fund
- · New American Majority Fund
- · Ohio Transformation Fund
- · Queer Mobilization Fund
- State Infrastructure Fund
- State Voices
- The Partnership Fund
- Washington Progress Fund
- Youth Engagement Fund

Funds that work at the local level

- · American Journalism Project
- Black Voters Matter Capacity Building Institute
- · Carolina Youth Power Fund
- Cypress Fund
- GoVoteNYC
- Heartland Fund
- · Jean Hardisty Initiative
- · Legal Clinic Fund
- Movement Voter Fund
- Needmor Fund for Social Justice
- Neighborhood Funders Group
- · RISE Together Fund
- Southern Partners Fund
- The Pivot Fund

Notes

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- ³ Hannah Klain, Kevin Morris, Max Feldman and Rebecca Ayala, "<u>Waiting to Vote: Racial Disparities in Election day Experiences</u>," Brennan Center for Justice, June 3, 2020.
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- ⁵ Jonathan O'Connell and Anu Narayanswamy "Lobbying Broke All-time Mark in 2021 Amid Flurry of Government Spending," Washington Post March 12, 2022.
- ⁶ Pew Research Center, "Public Trust in Government: 1958–2023," September 19, 2023.
- ⁷ Cassie Miller and Rachel Carroll Rivas, "The Year in Hate and Extremism 2021," Southern Poverty Law Center, 2022.
- ⁸ Pew Research Center, "As Partisan Hostility Grows, Signs of Frustrations With the Two-Party System," August, 9, 2022.
- ⁹ Pew Research Center, "Partisan Divides in Media Trust Widen, Driven by a Decline Among Republicans," August, 30, 2021.
- ¹⁰ Pew Research Center, "US Congress Continues to Grow in Racial, Ethnic Diversity," January, 9, 2023.
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- Candid data via Foundation Center and Foundation Funding for US Democracy, "IP Briefing: What's going on with philanthropy for US Democracy," Inside Philanthropy, December 20, 2021. Note: Candid defines US democracy philanthropy as funding for 501(c)(3) and 501(c)(4) organizations focused on four categories (campaigns, elections and voting; civic participation; government; media) and updates grant data weekly from IRS forms and foundation self-reported information; data from 2020 and 2021 may be incomplete as of 12/12/2022; Bridgespan analysis of Candid data focused on the period from 2011 to 2020 and excluded US federal funders and focused on philanthropy directed towards organizations in the US.
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- Darren Isom, Cora Daniels, and Britt Savage, "What Everyone Can Learn From Leaders of Color," The Bridgespan Group, June 28, 2022.
- ¹⁵ The Bridgespan Group, "The Philanthropic Collaborative Landscape," September 2023.
- 16 Ibid
- ¹⁷ Council on Foundations, Grantmaker Salary and Benefits: Key Findings, 2022.
- 18 Cynthia Gibson and Jen Bokoff, "Deciding Together Shifting Power and Resources Through Participatory Grantmaking," Candid, October 2, 2018.
- ¹⁹ Alison Powell and Susan Wolf Ditkoff, "Are Funder Collaboratives Valuable?" The Bridgespan Group, July 2019.
- ²⁰ Data from 14 collaborative funds that are listed in this brief below and responded to a Bridgespan survey conducted in 2023.
- ²¹ Patrick Guerriero and Susan Wolf Ditkoff, "When Philanthropy Meets Advocacy," SSIR, Summer 2018.
- ²² The Heartland Fund, "By the numbers," 2024.



To learn more

Guided by the belief that every life has equal value, the **Bill & Melinda Gates Foundation** works to help all people lead healthy, productive lives. The foundation's Philanthropic Partnerships team seeds and supports collaborative giving platforms that make it easier for donors to channel large philanthropic investments to advance equity.

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Funders Committee for Civic Participation (FCCP) is a Council on Foundations-recognized philanthropic affinity group. Its members support non-partisan efforts to engage voters, eliminate structural barriers to voting, advance reforms to improve government and electoral systems, and increase public involvement in civic life.

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The Bridgespan Group is a leading social impact consultant and advisor to nonprofits and NGOs, philanthropists, collaborative giving platforms, and investors.

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