

# The University of Texas School of Law

## 36th Annual Nonprofit Organization Institute

### Aggregating Capital for Good

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### Capital Aggregation: What Is It?

- Funders combine charitable \$ for coordinated, aligned grantmaking
- History
  - Long runway of collaboration and coordination among funders
  - Spectrum: collaborative funding => capital aggregation
    - Giving circles
    - Information sharing
    - Parallel grantmaking
    - Parallel grantmaking +
    - Capital aggregation

## Capital Aggregation: Examples

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- National Community Development Initiative => Living Cities (1991)
  - Benefit Chicago
  - Audacious Project
  - Communities Thrive Challenge
  - 100&Change/Solutions Bank
  - Blue Meridian Partners
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## Capital Aggregation: Why Do It?

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- Impact
    - Bigger pot of charitable \$
      - Sum greater than individual parts, biggest problems exceed any single foundation grant budget
    - Longer time horizon increases sustainability of initiatives
  - Leverage expertise
    - Partner with funders who have deep experience, resources in particular area or with particular type of grantmaking
    - Experiential benefits
    - Access and build strong networks
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## Capital Aggregation: Why Do It? (cont'd)

- Leverage reputations/credibility/gravitas
- Economies of scale
  - Building the pipeline - grantee identification, due diligence
  - Strategy development and evolution
- Reduce burden on grantees
  - Instead of multiple funders with varying expectations, single set of grant requirements such as
    - Reporting
    - Metrics/performance
    - Strategy
  - Potential for longer term commitments, more predictable funding

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## Capital Aggregation: Who Does It?

- Parties with a shared focus – community, geographic location, key issue
  - Individuals
  - Private foundations and public charities
  - For-profits
- Can also include parties who want to gain experience, build networks

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Title search: Aggregating Capital for Good

Also available as part of the eCourse

[2019 Nonprofit Organizations eConference](#)

First appeared as part of the conference materials for the

36<sup>th</sup> Annual Nonprofit Organizations Institute session

"Aggregating Capital for Good: Multi-funder Initiatives, Joint Ventures, and Fiscal Sponsors"