

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

- 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?

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