

Exploring the Concept of Community Foundations and its Adaptability to Latin America

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Abstract

Mr. Thompson, Program Director for Latin America and the Caribbean, W.K. Kellogg Foundation, begins his paper with three central questions: How can an external funder develop alternatives for the long-term sustainability of local development? How can funders move from leading a strategic alliance to a more institutionalized form of community philanthropy, participation and decision-making? And, based on the relative success of the US experience and the spread of the model internationally, is the community foundation concept adaptable to Latin America?

In order to explore the latter question, the paper analyzes the community foundation along a dichotomous axis via the “money approach” and the “community approach.” Among the characteristics defining the money approach, Thompson highlights: raising endowed funds from a collection of donors; investing foundation’s assets and monitoring its portfolio return; appointing trustees with influence in the richest segments of local society; and building assets for perpetuity.

Among the attributes he cites as part of the community approach are: building leadership capacity through convening, catalyzing, collaborating and facilitating community problem solving; building community assets and social capital; strengthening the local nonprofit sector and promoting community involvement in an array of issues, including governance.

Indirectly addressing the question whether CFs are a feasible concept for Latin America’s development, Thompson raises several points. First, he argues that the asset base that CFs attempt to build diverts resources from more pressing needs; second, citing social analysts from Brazil, he asserts that tax incentives are not sufficient to assure a consistent flow of private resources to support social projects; third, the notion of wealth should be thought not just in terms of economic assets but also in terms of social and human capital; fourth, citing several examples of alliance building, the paper emphasizes the key importance of the leadership role of community foundations; and fifth, in terms of its grantmaking issues of wealth redistribution, social justice, inclusion and citizenship should be incorporated as guiding principles in designing local grant-making strategies.

The paper proposes two main strategies: A short-term strategy, which would identify and respond to the most immediate needs of a community to gain initial respectability and visibility for the CF; and a long-term strategy to create a culture of giving by promoting vehicles like giving circles and youth development. In the end Thompson concludes by stating that, although the “money” and the “community” approaches should both be present during the building process, the more solid basis for their future sustainability is in their capacity to be responsive to the community’s needs, and that the primary aim of a community foundation should be to build the community assets and not just foundation assets.

To request the full version of the paper, please click [here](#).

