

Endowments Strategy in Community Foundations: A Step towards Institutional and Financial Sustainability

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Abstract

This paper identifies long-term sustainability strategies for community foundations that can be modified and adopted by boards of directors in their roles as organizational leaders. Mr. Giudici develops recommendations for Italian Community Foundations designed to promote a higher degree of financial and organizational stability. To achieve this, the paper analyzes the key elements of endowment strategy in conjunction with the context of Italian foundations, particularly in terms of investment policy—asset allocation and spending policies, for example—and financial governance, in order to reveal the connection between developing engagement in the community and growing financial resources for endowments. Ultimately, it argues that both elements are dependent on the strategic decisions of leadership and governance.

Through showcasing and comparing successful approaches used by foundations in the United States, Mr. Giudici shows that building an assets management strategy contributes to the institutional and financial sustainability of Community Foundations and, in turn, provides long-term benefits to the community. Mr. Giudici stresses the need for an integrated approach to Community Foundation sustainability that brings together financial and institutional elements; in particular, he emphasizes building capacity with visionary leadership and governance, providing professional development opportunities for staff members, setting endowment strategies, and focusing on fostering the “culture of giving.”

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