

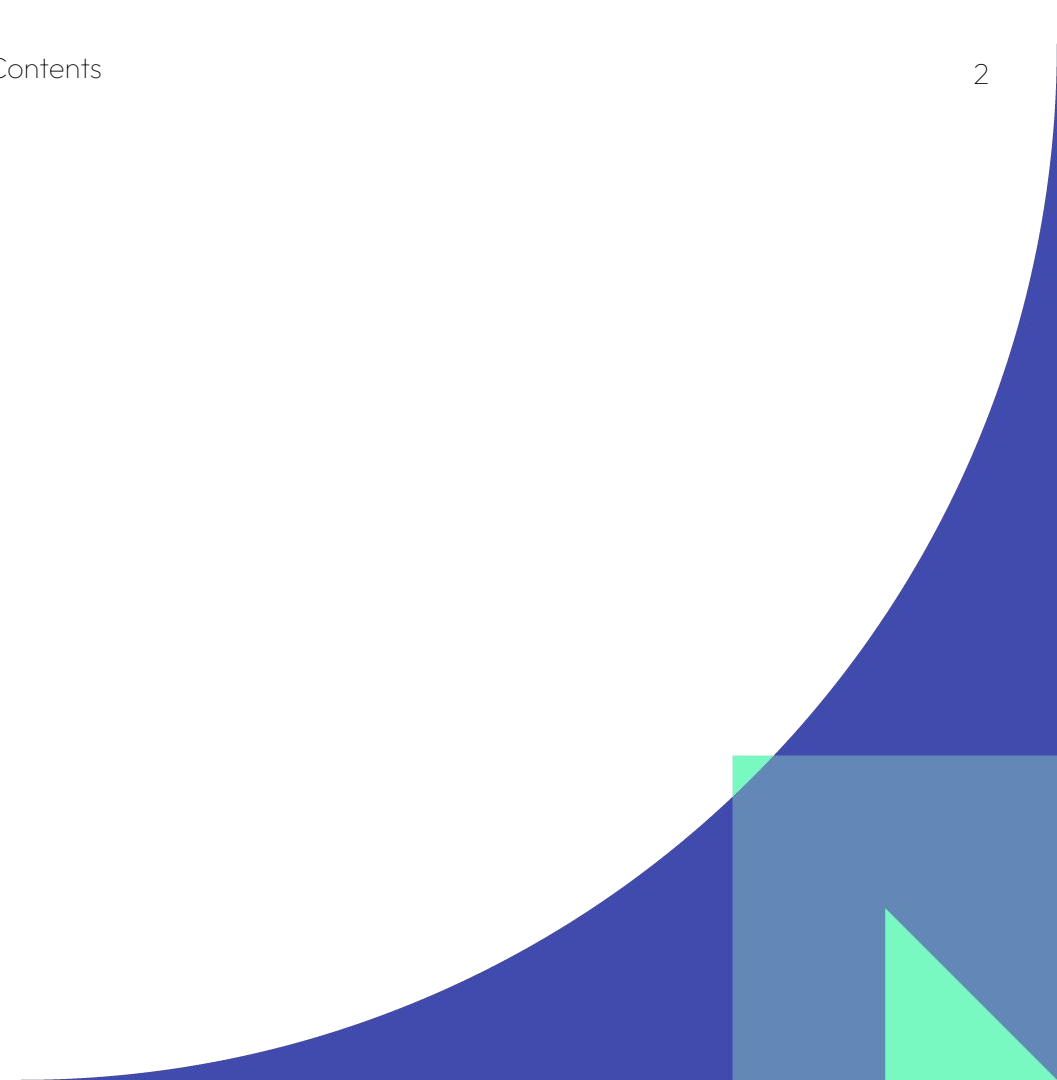


Shifting Power: Exploring the value of pooled funds in the UK funding landscape

Joseph Rowntree Foundation | October 2023

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Contents

1. Executive Summary
 2. Introduction
 3. Opportunities
 4. Challenges
 5. Key Ingredients
 6. Civic Power Fund Case Study
 7. Guiding Questions
 8. Conclusion
- 

1. Executive Summary



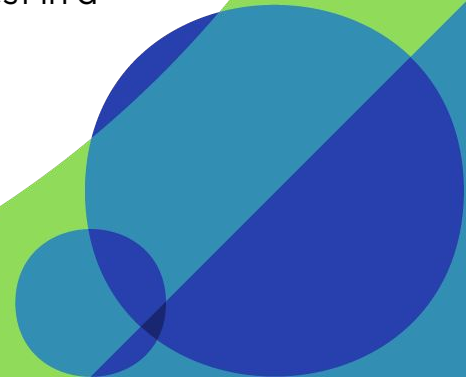
Introduction

This is a qualitative research study, commissioned by **The Joseph Rowntree Foundation** (JRF), reflecting on the value and potential of pooled funds.

We carried out **15 semi-structured interviews** with a range of funders, funder collaborations and grantees with experience of receiving funding from funders as well as pooled funds. We also ran a **focus group** to test our findings with staff running funder collaborations.

This slideshare presents our analysis of the **opportunities and challenges** related to pooled funds. It explores the **key ingredients** that are needed for a pooled fund to be effective and the **guiding questions** for funders to use when considering whether to initiate or invest in a pooled fund. We draw on the **Civic Power Fund** as an example.

Our **working definition** of a pooled fund: “where multiple funders contribute money and delegate grant-making authority into a separate legal entity to advance a particular objective or strategy.”



Context

The UK funding landscape is shifting: Many funders are acutely aware that the problems they seek to address are too vast and complex to be solved alone.

There have been searching questions around funder power: Increasingly funders acknowledge that re-distributing power is necessary for creating lasting and meaningful social change.

Pooled funds have become a more prominent feature in the UK philanthropic landscape: They potentially offer a tool for funders grappling with the need to collaborate and the desire to disrupt power structures.

Funders are keen to assess the value of pooled fund models: There is appetite among funders to know more about the nature of pooled funds. Funders want to gain a better understanding (for both staff and boards) about how best to initiate and work with pooled funds in order to achieve their strategic aims, as well as shift power.

Opportunities

The funders, funder collaborations and grantees we interviewed reflected on the opportunities pooled funds provide. These are summarised at top level below:

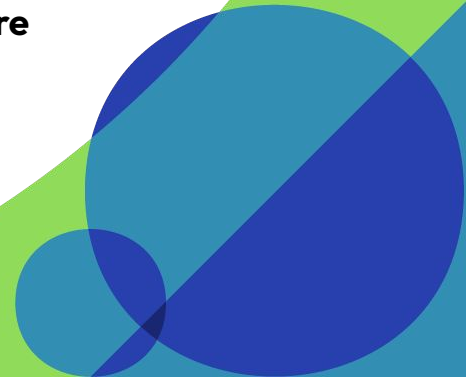
Opportunities pooled funds create for **funders** and **funder collaborations**:

- Achieve **strategic impact**
- **De-risk** by funding collaboratively
- Work in a way that is **flexible**
- **Share learning** and **build expertise**
- **Field-build** and **expand the pipeline**

Opportunities pooled funds create for **grantees**:

- Gain a **trusted partner**
- **Efficient** and **streamlined processes**
- **Legitimacy** established with funders
- **Raised salience** of an issue area
- Developed **field infrastructure**

Overall, when discussing the opportunities and value of pooled funds, our interviewees were **excited about the potential** that they bring. There was an overriding sense that pooled funds can champion an **innovative** and **refreshing** approach to philanthropy.



Challenges

The funders, funder collaborations and grantees we interviewed also raised the challenges they associate with pooled funds. These are summarised at top level below:

Challenges experienced by **funders and funder collaborations:**

- **Relinquishing control**
- Securing **sufficient resources**
- Ensuring **long-term sustainability**
- Overcoming **operational challenges**
- Demonstrating **sufficient value-add** to both field and funders

Challenges experienced by **grantees:**

- **Funding limitations**
- Perpetuating **traditional models**
- Managing **overstretch**
- Increased **competition**
- **Raised expectations**

Interviewees cautioned that pooled funds can be **hard to run** and perhaps even **harder to sustain**. In a funding market, where pooling is not routinely done, where boards are **reluctant to give up control** and **worry about overheads**, making the case for investment into pooled funds can be difficult.



Key Ingredients of a Pooled Fund

A question we explored with interviewees was **‘What are the key ingredients needed for a pooled fund to be effective?’** We have summarised the rich responses below to offer funder collaborations and funders a tool for reflection, discussion and assessment.



Civic Power Fund Case Study

The Civic Power Fund (CPF) is a pooled fund for community organising. **Applying the ‘key ingredients for an effective pooled fund’ framework to CPF shows a high degree of alignment.** But CPF is held back by resource limitations and requires more funders to substantially back its work over the long term.

Strategy	CPF is an influential strategic field leader and field partner, informed by the community it is seeking to serve.
Resources	CPF requires consistent, substantial, unrestricted long-term investment. This would enable it to pass on greater security and longer-term support to its grantees.
Structure	CPF has thought deeply about its governance and grant making practices, making processes low-burden and accessible for grantees.
Leadership	CPF’s leadership is exemplary. It has tirelessly championed the work of its grantees, and of others in the field, with great enthusiasm and passion.
Culture	CPF’s values-led approach is built on deep listening, generosity and a profound degree of respect for its grantee partners.
Context	There is reticence among some funders to relinquish their power. This creates a challenging context for CPF, wanting to shift power towards communities.



Guiding Questions

Our intention is for this research and analysis to offer reflections around the value and potential of pooled funds in general. But we also want to encourage funders and their trustee boards to deeply evaluate their decision-making when considering whether and how to engage with pooled funds. **This will require hard, but necessary conversations about the imbalance of power inherent in philanthropy and the opportunities to redress this through more equitable models that redistribute power.**

In order to facilitate these discussions, we have produced a series of **‘Guiding Questions’** which we encourage funders and trustees to consider in relation to funding collaboratively in general, and more specifically with respect to embarking on a collaboration with a pooled fund. These are summarised below and are elaborated in more depth in this slideshare report:

Question 1: Can you solve the issue you are seeking to address by yourself?

Question 2: Is a pooled fund the right vehicle?

Question 3: Is this the right pooled fund?

Question 4: Are you ready to shift power to a pooled fund?

Question 5: Can you maintain the commitment in the long term?

Conclusion

- Pooled funds are gradually becoming more mainstream in the UK philanthropic sector.
- It is too simplistic to state the a pooled fund is an inherently ‘good’ or ‘bad’ model. Too much will depend on the fund itself, its guiding purpose and its context.
- Pooled funds **offer tremendous potential**. They can engage in a different way of funding: one that is **strategic, equitable and collaborative**.
- There are challenges both with setting up and maintaining pooled funds, many linked to **inadequate resourcing** and a **reluctance among funders to cede power**. These issues will need to be addressed in order for pooled funds to be truly effective.
- We encourage funders, and funder collaborations, to **engage with the key ingredients** that make a pooled fund effective.
- Our interviewees identified the **Civic Power Fund as an exemplary pooled fund**.
- We urge funders - both staff and trustees - to **consider the guiding questions** we set out, which aim to provide a practical **road map**.
- Overall, pooled funds can help funders to **reckon with their power** and explore ways to place **greater equity and trust** in their grantmaking.

2. Introduction



Brief and rationale for this work

JRF is committed to speeding up and supporting the transition to a more equitable and just future where people and planet can flourish. Movement building is one of their strategic priorities as they consider how to be an active, thoughtful supporter of social movements confronting the deep inequalities in our society by strengthening the voice and action of people in their communities.

To support this work, we have been commissioned by JRF to conduct a qualitative research study on pooled funds and how they operate. Despite a recent increase in the number of pooled funds, this part of the UK philanthropic landscape is not yet well researched and understood. This leaves a gap for funders (staff and boards) considering contributing to a pooled fund, as well as for those running, and making the case for investments, in pooled funds.

Our research reflects on the perspectives gained from 15 interviews with of a range of funders of pooled funds, those running pooled funds as well as grantees receiving support from pooled funds. We investigated the opportunities pooled funds offer as well as the challenges contained in this funding model. Our conversations also explored the role pool funds can play beyond traditional grant-making: pioneering more equitable funding practices, taking on field and movement building roles, sharing knowledge and, ultimately, shifting power towards communities.

Definitions

Funder collaborations sit on a broad spectrum of alignment. At one end of the spectrum there are loose forms of collaboration such as the informal sharing of knowledge or learning - at the other, the most aligned end, are pooled funds. This means pooled funds are different from aligned funding, joint or match funding.

Pooled funds are sometimes also called “funder collaboratives”, “intermediary funds” or “funder intermediaries”, though these can cover a wider set of functions and may not involve funders pooling funding into a separate vehicle. For the purpose of this research, we have therefore gone with the term “pooled funds” as this is most clear cut.

Pooled funds can have a range of legal setups. Sometimes a pooled fund is wholly independent – such as, for example, the Civic Power Fund – other times it is hosted by a funder or intermediary organisation, such as the Power of Pop Fund (hosted by Comic Relief) or the UK Democracy Fund (hosted by the Joseph Rowntree Reform Trust).

Our working definition is that a pooled fund is where multiple funders contribute money and delegate grant-making authority into a separate legal entity, the pooled fund, to advance a particular objective or strategy.

Methodology: Semi-structured interviews

We carried out 15 semi-structured interviews with a range of funders, funder collaborations (some of which were pooled funds) and grantees with experience of receiving funding from funders as well as pooled funds. Our interviewees all agreed to be named in this research. We have quoted from these interviews throughout this slideshare report, but have not attributed quotes to names. We want to thank our interviewees for their time and rich insights.

Funders:

Will Somerville, Unbound Philanthropy
Debbie Pippard, Barrow Cadbury Trust
Sufina Ahmad, John Ellerman Foundation
Holly Donagh, Paul Hamlyn Foundation
Poonam D'Cruze, Comic Relief - Global Majority Fund
Jake Lee, Unbound Philanthropy / Legal Education Foundation

Funder collaborations:

Martha MacKenzie, Civic Power Fund
Sarah Cutler, Migration Exchange
Ellen Berry, UK Democracy Fund
Esther Hughes, Global Dialogue
Chupa Phiri and Vanessa Thomas, Baobab Foundation

Grantees:

Marzena Zukowska, POMOC
Sarah Sawar, Nijour Manoush
Alex Worrad-Andrews, Common Knowledge
Amanda Walters, Centre for Progressive Change

Methodology: Focus group

We convened a focus group in October 2023 to test emerging findings, provoke discussion around our assumptions and raise additional insights. It was attended by a group of professionals from funder collaborations. Collectively, they have a wealth of experience of setting up and running pooled funds, the wider funding landscape as well as a good understanding of funding movement building. We would like to thank all attendees for their time, expertise and feedback.

Attendees:

Martha MacKenzie, Civic Power Fund

Anna Henry, The Movements Trust

Geraldine Blake, London Funders and Citizenship and Integration Integration Initiative (Trust for London)

Sarah Cutler, Migration Exchange

Ellen Berry, UK Democracy Fund

Hazel Williams, Justice Together

Context: pooled fund models in the US

Pooled funds as a model are a well established part of the philanthropic landscape in the US. It is not unusual to find several pooled funds addressing different layers of the same issue and some of the more prominent pooled funds are large and influential. For example, the [Four Freedoms Fund](#) channeled more than [\\$170m to various organisations and initiatives between 2003 and 2021](#).

This difference is also reflected in the level of research and thought leadership available on collaborative funding models - and pooled funds in particular. There is substantial US based research such as from [Bridgespan in 2021](#) or the [Stanford Social Innovation Review in 2019](#) among many others.

“[Funder] collaboratives provide much-needed capacity in areas where donors frequently struggle: sourcing nonprofits they couldn’t find alone, supporting leaders with lived experience in the communities they serve, and giving in ways that address systemic challenges.” Releasing the Potential of Philanthropic Collaborations, BridgeSpan, 2021

Context: pooled fund models in the UK

By contrast to the US, pooled funds have historically not tended to feature predominantly in the UK funding landscape. However, there has been a growth in the model in recent years with several new funds being established. For example: the Power of Pop Fund, the Civic Power Fund or the Baobab Foundation. This growth is in line with a wider increase in funder appetite for collaboration, which is also reflected in other developments in the UK's philanthropic infrastructure. Examples here are the [Funders Collaborative Hub](#) launched by the Association of Charitable Foundations in 2020, or the work around collaboration spearheaded by [London Funders](#) during and since the pandemic.

There is also acknowledgement that pooled funds will be better equipped to respond to the needs of the communities they are seeking to serve, particularly in areas such as racial justice and equity. We note in particular the Baobab Foundation and The Global Majority Fund, housed at Comic Relief.

Pooled funds are largely under-researched in the UK (although one example is 2021 [research](#) by the Institute for Voluntary Action Research on Comic Relief's experience partnering with four funder intermediaries).

Context: drivers for the growth of pooled funds

During our conversations, we explored the reasons behind this increased appetite for funder collaboration and the growth in pooled funds. Interviewees named a number of reasons that may be driving this trend:

- Funders engaged in more collaborative behaviour during the pandemic. Where they have had a positive experience of collaboration, they are keen to sustain this way of working.
- Due to the sense of all-consuming crises - Covid, climate, cost of living etc. - funders are increasingly realising that even as a big funder, you cannot solve issues alone and need to work with others to achieve large shifts.
- There is appetite to pool funding on issues that funders would like to address but that are perceived as new, difficult or risky. By grouping together, funders can share risk and strategise together.
- Many funders are facing questions about their power. As a result, they are exploring avenues to fund more equitably and in a way that is participatory, involving the communities they want to serve.

"There is a huge amount of expectation, need, competition and a real sense that there is never enough money to go around. You have to turn many people down. We are recognising that we do have a lot of money to give away, but also not a lot at the same time. What is the way we could be most useful in this complicated world? It will probably be to be more strategic, more collaborative, be more than the sum of our parts and lead with learning." - Funder

"The bigger question is how do we organise ourselves better in the face of existential threat?" - Funder

Context: pooled funds and movement building

Several of our interviewees pointed out that pooled funds can be a useful vehicle to support movement building and community organising, which is what drove the establishment of the Civic Power Fund.

Successful support for social movements requires:

- Agility, flexibility, the ability to engage in deep listening and be close to the ground, to meet people where they are at.
- A willingness to take risks: to fund non-traditional grant recipients such as non-incorporated organisations or individuals.
- A deep understanding of community organising and the willingness to adopt a movement-led governance and decision-making process. This not only brings expertise and builds credibility but also ensures that the funding is accountable to the community it serves.

Most traditional funders struggle to fund this way, but pooled funds, if resourced, structured and staffed accordingly, can meet this need and enable a shift in power from funders to grassroots communities.

"In the movement building space there is a lot of risk, so going through a pooled fund you don't have to shoulder the burden yourself and can get close to the ground and experiment." - Funder collaboration

Research overview

We are mindful that there is a great deal of **complexity** and **individuality** in each pooled fund. **Context matters** hugely and weighing up the value of a pooled fund should never be merely a simple act of comparing advantages with disadvantages. There is also not one commonly recognised model of a pooled fund and structure, governance, legal set-up and staffing vary considerably.

Nevertheless, throughout our research we heard a range of perspectives regarding the opportunities and challenges of different pooled fund models. Reflecting on these has helped us distil merits of pooled funds, as well as the challenges that need to be overcome in order that they **reach their potential**. We have summarised these for both funders and funder collaborations, and for grantees.

In addition, we have examined which **'Key Ingredients'** are needed to make a pooled fund an effective prospect. We note in particular the significance of the context in which a pooled fund is established. We have used the **Civic Power Fund** as a case study to demonstrate how these ingredients can lead to an effective pooled fund in practice.

Finally, we have drawn up a series of **'Guiding Questions'** which we encourage funders to engage with when considering their approach to grantmaking and whether to invest in a pooled fund model.

3. Opportunities



Reflecting on the value and opportunities of pooled funds

Our research highlighted many of the positive aspects of pooled funds. This section elaborates on reflections from our interviewees across the following areas:

Opportunities pooled funds create for funders and funder collaborations:

- Achieve strategic impact
- De-risk by funding collaboratively
- Work in a way that is flexible
- Share learning and build expertise
- Field-build and expand the pipeline

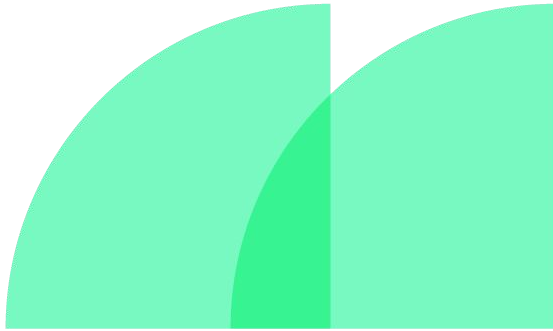
Opportunities pooled funds create for grantees:

- Gain a trusted partner
- Efficient and streamlined processes
- Legitimacy established with funders
- Raised salience of an issue area
- Developed field infrastructure

Achieve strategic impact

Many of our interviewees stressed that pooled funds offer funders an opportunity to operate more strategically:

- Pooled funds are a way for funders to get more funding to a problem they care about. They help funders succeed in amplifying a cause and maximising the value of their investment.
- In many cases, pooled funds will have greater skill, knowledge of the issues and greater diversity, which makes the decision to support a pooled fund much more strategic.
- In many cases, it would not be possible for a funder to independently fund the grantees of a pooled fund (due to competing priorities, lack of specific knowledge of the field, the legal set-up of grantees etc.).
- There is a sense of a “shared imperative” - pooled funds can be a vehicle for streamlining priorities and shared strategic intent.
- Pooled funds are generally better at sticking to a specific goal or strategy over time, whereas funders are more prone to revising their strategic focus.
- Pooled funds offer power in numbers which brings greater influence.



“This is not about giving away power and control. But instead it’s about advancing a particular type of strategic action and social change as a funder.” - Funder

“There’s merit in having a pooled fund where no individual funder has the expertise be to be able to address that issue alone.” - Funder

“When there are clear strategic goals and there is alignment between funders, a pooled fund can lead to better grant-making.” - Funder

“[X - pooled fund] was born out of a real awakening to the disparity of funding for ‘by and for organisations’ tackling racial justice. Everything about us is geared around equity and tackling race relations. As a pooled fund, we can have a larger impact and we can work at scale.” - Funder collaboration

De-risk by funding collaboratively

All funders entertain a degree of risk in their grantmaking. But the value of a pooled fund is the ability to share that risk with other funders and, by doing so, fund in a way or in an issue area that they would not fund alone. Key points for consideration:

- Pooled funds will often have bigger risk appetites combined with an appreciation of the needs they are serving. This can lead to maximising impact and being ‘more than the sum of their parts’.
- Where pooled funds operate in a new issue area, are tackling difficult legal topics or are funding individuals or non-charitable entities, they allow funders to pass on and share risks.
- A funder, even with a funder plus programme, is unlikely to be as closely connected to the work.
- A pooled fund is often closer to the work, which can result in minimising risk.

“Pooled funds can test the waters and can be more flexible. We’ve turned funding practices on their head [operating with] more equality and more care and decolonizing this space. Organisations can be tied down by their objectives or by trustees who are risk averse, but they can test the waters through an organisation like ours. I would say that’s the biggest value for some of our partners.” - Funder collaboration

Work in a way that is flexible

We heard from many of our interviewees that the value of pooled funds is being able to experiment and to respond with flexibility and agility:

- Pooled funds can explore different types of governance and funding models, such as participatory grantmaking practices and longer funding terms. If the pooled fund operates in a participatory way, this can help funders to shift power towards the communities it is seeking to support and produce more equitable and expert decision making as a result.
- A pooled fund can introduce extra levels of flexibility that a funder might not be able to provide. This might mean funding individuals, organisations that are unincorporated or much more nascent.

“It depends on where the fund is hosted, but some pooled funds have a decision making mechanism that’s more equitable and more expert. [X - pooled fund] has a funding panel where the majority is made up of lived experience and topic experts. That didn’t exist in any of the contributing funders. So from the get go it’s set up with a different mechanism to oversee how grantmaking is done.” - Funder

Share learning and build expertise

Many of our interviewees stressed the merit of a pooled fund being a valuable space for learning. We heard the following reflections:

- Pooled funds create a great learning opportunity for funders, which can help them explore new issues or test certain approaches. Pooled fund can bring all the perspectives and experiences together, which can help to push funders out of their comfort zone.
- Pooled funds will often carry out necessary field analysis, which helps funders to think through and navigate tricky issues.
- As a pooled fund is often closer to the work, they will be able to share back with a funder what they are seeing and experiencing, which a funder may not otherwise be told directly.
- Pooled funds come with an automatic learning cohort and the exchange with other funders can be very valuable.

“It is a richer learning space. Our funders are all interested in learning more about racial justice and racial equity. Every year we convene a meeting with them. We’ve been able to give them an update and deep dive into particular issues.” – Funder collaboration

Field build and expand the pipeline

Pooled funds can help to build up the infrastructure in areas that require development. This in turn can strengthen the field and may benefit funders looking to build up a funding pipeline on the issue.

- Pooled funds can help the field to strategise around new areas of work.
- Working through a pooled fund encourages collaborative ways of working and field building.
- Pooled funds often run convenings and bring organisations together in a way that funders might find more challenging to do due to competing pressures on time.
- Pooled funds grow the field by supporting new and emerging organisations to develop their work.
- Pooled funds can increase sustainability and equity.

“There’s real value in growing the field and enabling new and emerging organisations to be funded and creating a different pipeline. We know that so few can come through our main pipeline. In quite a few of the pooled funds there are organisations that we couldn’t have funded, or wouldn’t have found us. From a basic point of view, that’s brilliant. It’s growing the stakeholders of the future and supporting different kinds of organisations.” - Funder

Gain a trusted partner

Grantees stressed the value of being able to develop a trusted relationship with a pooled fund that is closer to the work and more in tune with the landscape and context.

- Grantees reflected on the value of engaging with a pooled funder that operates in a way that is deeply supportive and enabling. Often the work will be emergent or in its early stages. A pooled fund will approach the work with patience and understanding for the inherent challenges.
- Pooled funds are effectively ‘in the same boat’ as their grantees because they also have to fundraise. This brings a greater degree of empathy as pooled funds are better able to acknowledge the challenges and power imbalances that can arise in the funding space.
- Pooled funds will often operate in a collaborative way, such as organising convenings for groups of grantees with shared interests or providing opportunities to share and learn with one another. These opportunities are extremely valuable for grantees.

“With the Civic Power Fund, I don’t feel I have to screen myself. I can have an honest conversation about what I need or what I struggle with and I know it’s not going to be a red flag because they know the value of our work. That’s a great feeling.” - Grantee

Efficient and streamlined processes

Due the work often being more emergent and in development, pooled funds are mindful that their grantees are still establishing systems and structures. Grantees are more likely to be time-poor and stretched in delivering their work. The pooled fund operating model tends to be effective for grantees for a number of reasons:

- Pooled funds are often open to experimentation and will seek to ensure that application processes are light touch and achievable for applicants.
- Pooled funds recognise the pressures their grantees face and, as a result, are more likely to introduce simpler and more streamlined grants management and reporting processes.
- Pooled funds enable grantees to receive funding from a collective of funders that are more likely to introduce aligned reporting, saving on time and individual responses.

“The application process for the Civic Power Fund was straightforward and quite easy. A pooled fund tends to take on more of the administrative burden which is really helpful as that’s difficult and takes up a lot of staff time” - Grantee

Legitimacy established with funders

The act of bringing together a group of funders in a pooled fund can help grantees to become known to a broader range of trusts and foundations.

- Pooled funds create opportunities for grantees to develop relationships with other funders, especially where grantees are small, grassroots organisations that may not otherwise have access.
- Receiving funding from a pooled fund can help to bolster the credentials of an early stage organisation, which can then lead to onward funding from other sources.

“[Grantees of pooled funds] get known by lots of funders - that’s helpful. The cohort approach makes you feel like there’s a lot of funders on your side who have an alignment of their mission - that’s very useful and helpful.” - Funder

“So many organisations wouldn’t be able to get funding from a big funder. Civic Power Fund is a good option for building out early capacity. It’s something you can put as part of your track record, which can then lead to getting money from other funders.” - Grantee

Raised salience of an issue area

Pooled funds often fill a gap (for example, in the case of an urgent need, such as in the response to the pandemic or in an emerging area), which funders may not have the capacity to invest in substantially by themselves, but nevertheless recognise that it is an important area to explore. Pooled Funds can then be powerful tools to raise the salience of the issue, which grantees are seeing as a benefit:

- By their very nature, pooled funds have a specialism. This means that they are often clearer about where their priorities are and can effectively raise the salience of the issue they are working towards.
- Pooled funds are less likely to chop and change based on a strategy redirection. Their remit is defined, which can result in long-term commitment to the issue and provide greater long term reassurance and continuity for grantees.

“One of the things grantees struggle with is funder strategy changes, which means they have to bend and shapeshift. Building an organisation around a clear strategy means that you might have a shift around how to deploy the funds, but it’s not going to be fundamentally different.” - Funder collaboration

Developed field infrastructure

Many funders will fund a range of different organisations working across multiple issue areas. By contrast, pooled funds have a defined area of focus. This means that they can offer additional support to grantees by strengthening the ecosystem and forging connections between their grantee cohort, and beyond.

- The cohort approach that a pooled fund can foster is welcomed by grantees, many of whom can feel detached from others and welcome the opportunity to share learning and seek out opportunities for collaboration.

“The Civic Power Fund cohort is very useful and important because the grassroots organising scene in the UK is relatively small ... it has been important for us, in particular hanging out with organisations that get money from funders - we’ve been learning how to do that.” - Grantee

“Pooled funds bring people together, through convening and sharing learning, it’s a value we can provide. It’s harder to do that as a funder with a dispersed pool of grantees.” - Funder collaboration

Opportunities - summary

Our research sought to go beyond reflections around collaborative funding models in general and dig deeper into the specific value of pooled fund models in particular. When discussing the opportunities and value of pooled funds, our interviewees shared a wealth of feedback and were generally excited about the potential that they bring.

Pooled funds are a tool funders can engage with to **advance specific strategic goals**. They present an opportunity for funders to **share risk, support innovation** and **distribute power** - both in terms of the topic areas addressed, and in the types of governance and grant-making methods employed by pooled funds. The opportunity to **share learning** with other funders and **expand the pipeline** of potential grantees was considered to be advantageous by funders. Overall, funders and funder collaborations expressed a strong desire to be **ever-more strategic** and **connected** in their grantmaking and pooled funds offer a valuable vehicle for operating in this way.

We also heard positive feedback about the opportunities pooled funds bring to grantees. Pooled funds are often much **closer to the work** and take the time to **build trusted relationships** with their grantee partners. This approach is hugely valued and, when it works well, can lead to **strong and effective funding partnerships**.

A distinctive feature of pooled funds is that they are **'in the same boat'** as their grantees - i.e. they also understand the challenges inherent in seeking and securing funding themselves. This brings a **unique perspective** and **degree of understanding**, which funders tend to lack. Overall, pooled funds are playing a vital role in contributing beyond just funding, but also in **raising the salience of an issue area** and **building up the field infrastructure**. This is deeply valued, by funders and grantees alike.

4. Challenges



Reflecting on the challenges of the pooled fund model

Our research identified multiple challenges linked to the pooled fund model. This section elaborates on reflections from our interviewees across the following areas:

Challenges experienced by funders and funder collaborations:

- Relinquishing control
- Securing sufficient resources
- Ensuring long-term sustainability
- Overcoming operational challenges
- Demonstrating sufficient value-add to both field and funders

Challenges experienced by grantees:

- Funding limitations
- Perpetuating traditional models
- Managing overstretch
- Increased competition
- Raised expectations

Relinquishing control

Sharing power and relinquishing control sit at the very heart of the pooled fund model. We've heard from interviewees that this is a key challenge for many funders, especially trustee boards, and often a barrier to engaging in pooled funds:

- Joining a pooled fund means accepting the risk inherent in passing on a share of funding. For trustees, compliance is a challenge as they are ultimately liable for their funding decisions.
- Giving up control of a share of funding needs a funder to trust the pooled fund and its leadership. Developing this trust can be time-consuming and requires sustained effort on behalf of the funder and the pooled fund.
- If funders struggle to fully cede control and are unable to give unrestricted funds, they place limitations on the pooled fund, which will make operations more complex and can limit the fund's ability to achieve its intended purpose.

“It comes down to an issue of control.” - Funder collaboration

Securing sufficient resources

If a pooled fund is to deliver its full value, it needs to be resourced accordingly. This requires funds to make multi-year grants and cover appropriate overheads. Interviewees running pooled funds, as well as many funders, recognise this as a key challenge:

- Pooled funds need to be in a position to give multi-year grants of an appropriate size to enable grantees to grow and flourish. The ideal time horizon is not 1-2 years, but 3-5 years (for both pooled funds, and their grantees).
- To add value and be credible, pooled funds need to be able to hire expert staff, who can contribute to more than just grant-making (e.g. thought leadership, field building.)
- To deliver a different, more equitable way of funding, pooled funds need to be able to cover the true costs of this process, which requires considerable time and care.
- To realise the full potential value of a pooled fund, it needs to be able to invest in field building activities, convening and funder plus work - otherwise there is little to distinguish it from traditional grant-making.

“Sometimes a lot of responsibilities can be put on the pooled fund and they don't necessarily have the resources to deliver. It's easy to misalign expectations. For a pooled fund to be successful, they need resources.” - Funder

Ensuring long-term sustainability

Pooled Funds need to be given time to deliver impact. However, securing sufficient long-term resources creates a constant need to fundraise, to maintain energy and keep funders interested. This gives pooled funds an inherent sense of fragility and is cited as one of the key pressures by staff leading pooled funds.

- Staff running pooled funds have to constantly fundraise while delivering.
- Pooled funds are faced with the worry of funders pulling out as their strategies or funding priorities change, their focus shifts elsewhere, or key staff or trustees that have been internal advocates move on.
- The need to fundraise can make it harder for staff of pooled funds to relay honest feedback or findings as they risk jeopardising the funding relationship.
- Without sufficient long-term backing, a pooled fund runs the risk of not being able to sustain its level of activity and investment, ultimately falling short of delivering the value it set out to create.

“Pooled Funds aren't a magic wand. They often take a while before their hoped-for impact can be realised.” - Funder



“You become subject to the whims and strategic review cycles of all of the funders - there is always a level of uncertainty. It's really hard for a pooled fund that set out to give unrestricted long term support - that's just not how funding is given and pooled funds need to raise the money themselves.” - Funder

“The challenge (regarding grantees receiving longer-term funding) is that the pooled fund is also fundraising and figuring out where the money is from - they are facing restrictions themselves.” - Grantee

“There is a danger with the pooled fund model that you don't remain as invested as in other funding relationships, as the interest wanes and the money is given upfront. How do you set up those expectations at the beginning and keep the energy going?” - Funder

Overcoming operational challenges

The complexity and dual facing nature (funders and field) of pooled funds means they are fundamentally difficult and time-consuming to get off the ground and to maintain. Key challenges in this area interviewees raised are:

- Staff of pooled funds have to manage lots of different relationships, e.g. navigating different funder cultures, funding restrictions and reporting requirements, as well as field and grantee relationships, which can be very time-consuming.
- Practical and administrative challenges around compliance, financial management and cash-flow relating to holding funds from a wide set of funders can be resource intensive to manage and require staff expertise.
- There is a risk that practical challenges take up disproportionate amounts of time, create additional pressure on staff and take away resource from delivery.
- High pressures on key staff could potentially heighten a key person risk.

“When done badly, pooled funds can be a really admin intensive way of doing something you want to do anyway.” - Funder collaboration

Demonstrating sufficient value-add to both field and funders

A pooled fund takes up a position between funder and field. Done well this is a big asset, however, getting this positioning right vis-a-vis both funders and field is a key challenge we came across:

- From inception, a pooled fund needs to show its value-add to both funders and field. This means showing that the fund is creating more than just grants.
- To demonstrate value add, the fund's positioning and communication need to be purposeful and strategic, which require the right level of resourcing.
- If a pooled fund does not manage to get its positioning right, it can lose credibility. It can lead to funders perceiving the fund primarily as an extra overhead and the field seeing it as increasing competition, effectively removing resources from those on the ground.

“The communication and positioning of the pooled funds are really important, so that they are seen as an ally rather than a competitor. Otherwise, they can be seen as inserting another layer of compliance and distance into the funding relationship. The pooled fund has to build value for the grantee and needs to articulate that very clearly.” - Funder collaboration

Funding limitations

If pooled funds are insufficiently resourced, or only resourced for the short-term, there is a risk that they will fund in a way that limits grantees' ability to flourish. Challenges in this area include:

- Without having secured their own long-term funding, pooled funds can find themselves in a position of only being able to make shorter-term grants - otherwise they risk committing funds they don't yet have.
- Where a pooled funds is insufficiently resourced relative to the problem it is trying to address, but keen to support an underfunded field, the temptation is to make a good amount of relatively small grants.
- Even with light-touch funding processes and non-financial support, one-off, small grants are rarely what organisations need to grow and build their work.
- This is especially problematic in areas where grantees do not have routes to follow-on funding, as expectations have been raised without resources to build on them further.

“The size of the grant is an issue. To be strategic and have a real impact, grants need to be bigger and over multiple years.” - Grantee

Perpetuating traditional models

If a pooled fund positions itself as a different way of funding (e.g. closer to grantees, more equitable or transparent), it is crucial that this is reflected in its funding processes, accountability mechanisms and the quality of its interaction with grantees. This requires purposeful design and resource and can bring the following challenges:

- Pooled funds must see themselves as accountable to both funders and field and regularly check their own balance, value-add and accountability.
- Where the quality of the funding relationship is not sufficiently different, the pooled fund risks perpetuating traditional funding models, albeit under a different label, and will lose credibility with the field.
- A pooled fund hosted by an existing funders runs the risk of its approach and processes being directed by the host's. This can lead to a more traditional way of funding and also potentially blur the lines between host and pooled fund.

“Intermediaries need to be careful not to get in the way. We could take up space that's not ours to take up. Intermediaries can be a radical part of funding, but need to all the time work on that, keep challenging ourselves and keep power balance and flow of funds in mind.” - Funder collaboration

Managing overstretch

The pressures of fundraising, delivering and managing multiple stakeholders, while also keeping overheads low, can lead to a mismatch between the pooled fund's ambitions and capacity. We heard the following reflections from interviewees:

- Staff running pooled funds can end up with very limited bandwidth. They need to manage a lot of powerful partners and it can be hard to hold that space.
- Overstretch may lead to pooled funds focusing on grant-making only, without capacity to deliver the funder plus or field building work they intend to do.
- Where there is awareness among grantees how stretched pooled funds and their staff are, it may impact grantees' willingness to ask for additional support.

“The strategic potential [of a pooled fund] can be undermined because it is built around the idea of giving out money to grantees. This works to build the ecology of the field but there is often not enough left for learning and influencing. If we [funders] do not give enough for that bit, then the strategic piece [of the Pooled Fund] does not get realised.” - Funder

Increased competition

Where a pooled fund gets its positioning wrong, it can have an adverse impact on the field it is aiming to support - leaving it less well-resourced and more competitive. Interviewees raised the following challenges:

- Pooled funds are an additional cost layer that may take up valuable funding and reduce available resource that would otherwise go straight into the field.
- Where pooled funds insert themselves in between funders and grantees, they can act as a gatekeeper, reducing the direct contact between the field and funders.
- This could reduce the ability of grantees to fundraise in the long-term due to a lack of funder access, contacts and relationships.
- There is a risk of pooled funds increasing competition for funding due to a particular structure or design.

“I don't want to lose a relationship with an individual funder because we are receiving money through the pooled fund. We'd still like to receive funding from the big funders and for them not to think 'tick we've funded them through the pooled fund', so won't fund them directly.” - Grantee

Raised expectations

A new pooled fund will raise expectations – however, even a well resourced pooled fund cannot support all potential grantees in a given field. This raises the following challenges cited by interviewees:

- Pooled funds operating in a relatively new or underfunded area, will most likely be significantly oversubscribed.
- Even with light touch application processes and valuable feedback mechanisms, some organisations will miss out. This will create ‘winners’ and ‘losers’ and some organisations are less likely to feel the immediate impact of a pooled fund.
- This means expectations need to be carefully managed and communicated.
- If only a subset of the field is repeatedly funded by a pooled fund – and also by other funders, who see the pooled fund grant as a stamp of approval and follow suit – this could lead to inequality, field divisions and resentment.

“There is a wider space that is created [by a pooled fund], and then left.”
– Funder.

Challenges – summary

Pooled funds hold the potential for a different way of funding. However, **they are no panacea** and purely by existing, they are neither inherently modern, nor radical or expert.

A key challenge to pooled funds achieving their potential, is **the need to be resourced accordingly**. Without sufficient long-term funds to give multi-year grants and deliver funder plus activities, pooled funds cannot deliver their value and promise. This creates **constant fundraising pressures**. In a funding market where **pooling is not routinely done**, where **boards are reluctant to give up control** and **worry about compliance and overheads**, making the case for investment into pooled funds is difficult and time consuming.

Even where a pooled fund has got off the ground, challenges remain. These include **operational issues, financial pressures** and **relationships to sustain**. More importantly, pooled funds **must get their positioning between funder and field right**, to be seen as a value add and credible partner by both.

These challenges mean that pooled funds often come with **a sense of fragility**. They are **hard to set up**, but perhaps even **harder to sustain** and it is easy to see how a pooled fund can fail to fulfil its potential. And that perhaps is the biggest challenge: if a pooled fund, having raised expectations, begun to invest in organisations, raised the salience of an issue then disappears again, it could **stifle the field** and undermine the very reason it came into existence in the first place.

5. Key Ingredients



What does it take for a pooled fund to be effective?

Pooled funds are complex and individual – they are highly context dependent and typically respond to a particular situation or question, and it is unlikely that one fund looks exactly the same as another. As part of this research, we nevertheless wanted to attempt to distill what it takes for a pooled fund to be effective. We asked all interviewees to name the key ingredients needed to make a pooled fund effective. The answers were rich and wide ranging, but there was also a significant level of convergence. We then tested this further with the focus group.

The diagram on the next page summarises these ‘key ingredients’, grouped into six categories: **Strategy, Resources, Structure, Leadership, Values and Context.**

Not every pooled fund will tick every single box to the same extent – the context in particular will likely dictate differences. However, we believe that in order to effectively deliver a pooled fund in the long term, these key ingredients are fundamental.

We hope the diagram can offer both pooled funds themselves, as well as funders, a tool for reflection, discussion and assessment.

Strategy

- Clarity of purpose and vision
- Meaningful value-add
- Positioning as a field partner
- Defined timeframe
- Informed by community seeking to serve

Resources

- Appropriate level of funding and commitment
- Ability to fund long-term where needed
- Adequate core costs and staffing
- Capacity for field building

Structure

- Governance reflecting purpose and values
- Equity in decision-making
- Autonomy of funding decisions
- Low burden funding processes
- Measurement, evaluation, learning and accountability framework

Leadership

- Specialist topic expertise
- Credible field player
- Energy, passion and ambition
- Ability to form trusted relationships
- Accountable to the field and community
- Championing the work

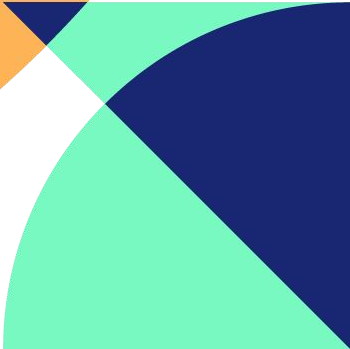
Culture

- Equity
- Values
- Trust
- Transparency
- Honesty
- Open to Challenge
- Agility
- Flexibility
- Deep Listening
- Field-generous
- Radical
- Prepared to fail

Context

- Field receptiveness
- Funder (staff and trustee) willingness to shift power and maintain this shift
- Political and social conditions ripe for change

6. Civic Power Fund Case Study



Introduction to the Civic Power Fund

The Civic Power Fund (CPF) is a pooled fund for grassroots community organising. It was founded in 2021 and is governed by movement builders. Its strategy is built around three main areas:

- **Organising:** It provides direct support to grassroots groups using community organising to build civic power and win lasting change.
- **Infrastructure:** It helps build the infrastructure organising needs to thrive, turning short-term activity into long-term change for excluded groups.
- **Leadership:** CPF invests in the civic leaders committed to building power and uplifting the voices of those who need change.

This case study reflects on the work of CPF, applying the 'Key Ingredients' framework introduced in the previous section. We draw our assertions based on the reflections shared by our interviewees.

Civic power is the capacity of citizens to organise and effect change

www.civicpower.org.uk

Strategy

We consistently heard that CPF has a clear and defined strategy built around a strong evidence base. It demonstrates that community organising is a proven route to social change when there is a salient issue regarding an imbalance of power.

Our interviewees held CPF's strategic clarity and direction in high regard. It is widely acknowledged as an influential strategic field leader that positions itself as a field partner and is informed by the community it is seeking to serve.

“If you think organising is a route to social change over a 10 year period then Civic Power Fund is going to be better equipped than you to achieve that outcome. There's a strategic case for long term power building.” - Funder

“Civic Power Fund's approach is so consistent. They've done a fantastic job - it's so exciting.” - Funder

Resources

CPF has a proven model and is demonstrating its effectiveness. However, it experiences a number of the challenges elaborated on in Section 4 (challenges), particularly in relation to its resourcing. These can be summarised as follows:

- In order to be effective in the longer term, CPF requires consistent, substantial, long term investment. This would enable it to make larger, multi-year grants and therefore to pass on greater security and longer term support to its grantees. It would also reduce fundraising pressures on the team and free up senior time.
- Funders will sometimes place limits on their contributions to CPF in order to direct funding towards a particular group, issue or geographical region. This can result in CPF having to modify its ways of working, which may or may not align with its overall objectives.

“Funders re-purpose grants to Civic Power Fund - making it difficult for it to be successful. They can be too prescriptive.”

- Funder

Structure

CPF has thought deeply about its governance and grant making practices to ensure it is shifting power away from traditional power holders to the grassroots.

Its Community Action Fund was set up to support grassroots campaigning and community organising in the UK. CPF took great care to ensure that applicants' time was not wasted, that the decision-making process was participatory and grounded in lived experience of the issues it was seeking to address.

CPF has made its application and reporting processes low-burden and accessible, something that has been consistently highlighted and appreciated by grantees.

Notably CPF does not have any of its funders play a role with regards to making grant-allocation decisions.

“The application process for Civic Power Fund was straightforward and quite easy. A pooled fund tends to take on more of the administrative burden which is really helpful as that’s difficult and takes up a lot of staff time.” - Grantee

“We set out to embody trust-based philanthropy with a truly democratic, participatory process led from the grassroots.” - Civic Power Fund

Leadership

CPF's leadership, staff team, governance set-up, energy and commitment have been widely praised as exemplary and held up as good practice by funders, grantees and other funder collaborations.

A key distinction between funders and pooled funds is the opportunity pooled funds have to become thought leaders in a specific area and to advocate for their work and that of their grantees. CPF has played a key role in this regard. It has instigated numerous research reports, convenings and events for its grantees, funders and the wider field, in order to raise the salience of community organising and demonstrate its effectiveness.

This 'funder plus' offering is extremely valuable for generating greater interest in the work and its value. CPF has tirelessly championed the work of its grantees, and of others in the field, with great enthusiasm and passion - something that interviewees valued highly.

"You see CPF doing wider convening, articles about organising - getting it on the agenda. They're not just making grants, but they're also talking about it and advocating for it in the wider space, convening conversations - so it's not just the grant giving." - Funder collaboration

Culture

A great deal of thought has gone into crafting the founding culture and ethos of CPF. This has led to a deep level of trust with grantees, and the wider field. Its approach is built on deep listening, generosity and a profound degree of respect for the work of its grantee partners. This relational, trust-based funding approach requires time and resources to develop and maintain.

CPF's culture is widely acknowledged to be exemplary and hugely well-regarded by grantees, other funder collaboratives and funders alike.

“Our relationship with Civic Power Fund is excellent. I think it's the best relationship we've had with any funder. I feel very much like they understand the language, understand what we're seeking to do. They always have our back. They collaborate with us and everyone across the cohort ... They enable others - the ability to understand how to do that is at the heart of their work. They are useful and important. They will advocate for us and they will always be there if we need them.” - Grantee

Context

Community organising brings people who share a problem together to win change that matters to them. And yet we are currently facing a situation where our democracy is in trouble. Many communities across the UK are despairing of their decision makers but lack the capacity and resources to create the change they want to see.

CPF is shifting power towards the communities that need it. However, there is still a reticence on the part of many funders to relinquish their own power and contribute to a pooled fund.

This creates a challenging context for CPF. It has a proven model and has identified a vast source of community power. But, CPF requires significant long-term support and backing in order for it to achieve its objectives in the medium and long term.

“There’s a fundamental gap in the UK around funding organising. The associating countervailing power is weak. Issue based power is weak. It’s particularly weak when you look at geographical structures of the UK.” - Funder

Conclusion: Civic Power Fund Case Study

CPF is an exciting, innovative and much needed addition to the social justice sector. It is **strongly values-led** and has set out to **build long-term capacity, understanding and infrastructure** for organising and movement building, so community power is adequately resourced and can thrive. It is committed to **shift power** from traditional power holders towards the grassroots and is doing this in a **thoughtful, participatory and trust-based** manner.

Across our interviews, CPF was highlighted as **an exemplary pooled fund**, valued by grantees and admired by funders and other pooled funds alike. This is confirmed when plotting CPF against the key ingredients for an effective pooled fund - it embodies most of them fully.

The key ingredients where CPF experiences **challenges are resources and context**. In order to deliver its huge potential and achieve a fundamental power shift, CPF **needs to be better resourced**. It needs to be backed by the funder community over the long-term and in a manner and that allows the team to realise their **vision for a meaningful and lasting shift in power**.

7. Guiding Questions



Introduction to the Guiding Questions

Strong and long-term funder commitment is crucial for pooled funds to realise their potential and to overcome many of the challenges inherent in the model. However, reluctance among funders, especially trustee boards, to cede control as well as a lack of understanding of the pooled fund model are key barriers to funders contributing to pooled funds.

This section aims to offer funder staff and trustees a set of guiding questions to aid the thinking and decision-making about whether to invest in a pooled fund. The questions are intended to be used as a decision tool:

- If the answer is yes, we suggest moving onto the next question.
- If the answer is no, it's best to go back to the drawing board as a pooled fund is unlikely to be the right funding vehicle at this time.

There are five overarching questions to work through, each supported by several sub-questions.



5 guiding questions for funder staff and trustees when considering whether to invest in a pooled fund

Question 1. Can you solve the issue you are seeking to address by yourself?

Question 2. Is a pooled fund the right vehicle?

Question 3. Is this the right pooled fund?

Question 4. Are you ready to shift power to a pooled fund?

Question 5. Can you maintain the commitment in the long term?

5 guiding questions - additional prompts

Question 1. Can you solve the issue you are seeking to address by yourself?

- Can you be effective in solving this issue individually or does it require a collective approach?
- Do you have sufficient resources, capacity and expertise to achieve the impact or change you are hoping to realise?

Question 2. Is a pooled fund the right vehicle?

- Does the issue lend itself to being addressed by a pooled fund? Will it benefit from a collective approach and the additional value a pooled fund can bring? [Pooled funds anecdotally work well in the following areas: (a) A coordinated emergency response; (b) A specific, well-defined strategic change; (c) Sharing learning and/or risk in a new area; (d) Shifting power. - Although this is not an exhaustive list.]
- Is there enough appetite among funders to enable the pooled fund to reach sufficient scale to meet its aims?
- Could a looser collaboration / aligned funding be a more straightforward and less costly alternative?

Question 3. Is this the right pooled fund?

- Do you trust that this is the right host, set-up and leadership for a pooled fund on this issue?
- Does the pooled fund have the 'key ingredients' to be effective in terms of strategy, resources, structure, leadership, culture and context (see section 5.)?
- Is there sufficient shared ground between your values, objectives and approach to change and those of the pooled fund?

5 guiding questions - additional prompts

Question 4. Are you ready to shift power to a pooled fund?

- Do you have sufficient additional resources (funds and time) to contribute to a pooled fund?
- Are staff and trustees willing to give up power and control over a share of your funding, and understand what this entails?
- As board members, are you comfortable with the level of risk associated with contributing to a pooled fund?
- Have you worked through how joining a pooled fund will need to be reflected in your processes?
- Which elements of your approach and processes are you willing to let go of or compromise on?
- What changes do you as a funder need to make internally to build up organisational skill and institutional knowledge on how to be an effective partner in a pooled fund?
- What is the internal (and perhaps external) narrative about your participation in the pooled fund?

Question 5. Can you maintain the commitment in the long term?

- Do you have sufficient additional resource to support the pooled fund over an appropriate length of time to enable it to achieve its strategic aims; e.g. five years and beyond?
- What changes do you need to make internally to ensure that you will continue to honour this commitment even when staff, trustees or strategies change?

8. Conclusion

Pooled funds are here to stay

Pooled funds are becoming **more mainstream** in the UK philanthropic sector and are likely to remain a fixture in the foreseeable future. In light of this, funders - and trustee boards in particular - need to be apprised of their value and worth. In reality, **the scale of the challenges we face will require deep, lasting collaboration** and funders should reflect on this when evaluating their overarching strategies. This is likely to require a **major mindset shift** and a **reckoning around power structures**. Effective pooled funds offer funders **a tool to make this power shift** and **collaboratively achieve their strategic aims**.

“We need to have a mindset shift that the way you achieve your outcomes is not by closely guarding spending and measuring pre-agreed metrics, but actually it’s about taking risks and placing the power in the hands of the communities you want to build up - it’s a huge mindset shift. There’s such a huge piece around changing the structural and individual barriers that stand in the way of that.” - Funder collaboration

“Funders often have a big strategy review but it doesn’t always include collaboration. No single organisation can achieve big progressive change. But we can achieve it if we come together around aligned goals.”
- Funder collaboration

Growing pooled funds in the future

If we accept that effective pooled funds have a unique value proposition as a key mechanisms of funder collaboration and are here to stay; **what needs to happen for them to become more mainstream in the UK?** Interviewees suggested the following:

- It is essential to **demystify pooled funds** and increase the understanding of the model and its merit among foundations, especially trustees. **Trustee education** is seen as key, for example via trustee training or induction (e.g. via a programme hosted by the Association of Charitable Foundations or other bodies).
- There is a need for **more robust evidence on the impact** of pooled funds, as well as data on the costs (overheads) involved, to allow **greater transparency** and **comparison** (e.g. cost/benefit analysis).
- Funders should openly **share their own practices** with others, for example, how they have adapted their due diligence processes and enabled trustees to build trust in a pooled fund and its staff.
- Funders involved in pooled funds as well as grantees should **celebrate pooled funds** and **advocate for the model** (or for specific pooled funds), e.g. via speaking, articles or events.
- Trustees are encouraged to consider the **analogy with the foundation's investments**, which are routinely outsourced to expert investment funds, **ceding power** to those seen to have a different set of expertise - which is not unlike pooled funds.
- Pooled funds need to **demonstrate their value** and show how **exciting and innovative** the work is - to make funders want to be a part of it.

Assessing the merits of pooled funds

It is too simplistic to state that a pooled fund is an inherently 'good' or 'bad' model. Too much depends on the fund itself, its **guiding purpose and the context** within which it is working - and **each pooled fund needs to be considered on its own**. However, an effective pooled fund model holds the **potential for a different way of funding and achieving change**. This has been demonstrated by multiple examples where a pooled fund has offered an **innovative and refreshing approach to philanthropy**. We hold up the **Civic Power Fund as an exemplar** in this regard.

“If as a foundation you want to achieve things there are many ways to do that. There are more ways than giving individual grants to individual organisations ... if the purpose is that you just want to get money to charities then pooled funds aren't for you. But if you're trying to improve structures, and if a group of funders all put in and it can align with your strategic aims then it has real value.” - Funder

“Pooled funds and partnerships are a great way of working and it's something we want to do more of.” - Funder

Considerations for funders

Funders need to make their own **individual decisions** on whether pooled funds are an appropriate vehicle through which to achieve their strategic aims. But for funders who are keen to explore new, more collaborative approaches, we encourage staff and trustees to engage with the **‘Key Ingredients’** that make a pooled fund effective.

We also urge funders that are considering whether to initiate or invest in a pooled fund to review the **‘Guiding Questions’** we have set out. These provide a **road map** for funders seeking to **reckon with their power** and explore ways to place **greater equity and trust** in their grantmaking.

“In the future we need to have a series of really strong, thriving intermediary funds with a clear and robust vision that are actually resourced for the long term to do this work. This would shift more social justice spending into a way that genuinely reflects the wants and needs of communities and would provide more opportunities for them to have their work celebrated and championed.” - Funder collaboration



Thank you

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