

Venture philanthropy

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Venture philanthropy takes concepts and techniques from venture capital finance and business management and applies them to achieving philanthropic goals.^[1]

Venture philanthropy is characterized by:

- Willingness to experiment and "try new approaches".
- Focus on measurable results: donors and grantees assess progress based on mutually determined benchmarks.
- Readiness to shift funds between organizations and goals based on tracking those measurable results.
- Giving financial, intellectual, and human capital.
- Funding on a multi-year basis - typically a minimum of 3 years, on average 5-7 years.
- Focus on capacity building, instead of programs or general operating expenses.
- High involvement by donors with their grantees. For example, some donors will take positions on the boards of the non-profits they fund.

There are three models for engaging in venture philanthropy. The first is traditional foundations practicing high-engagement grantmaking. The second is organizations which are funded by individuals, but all engagement is done by professional staff. Good examples of this type of venture philanthropy are the Robin Hood Foundation in New York City and Tipping Point Community in the San Francisco Bay Area. **The third is the partnership model, in which partner investors both donate the financial capital and engage with the grantees. Most of these are pass-through funds, i.e. they do not have an endowment, but rather grant all the money they are given annually.**

References

1. ^ Forbes via NBC News 'Venture philanthropy' is new buzz in business: Buffett, Gates not the only tycoons reshaping world of charitable giving (<http://www.nbcnews.com/id/13556127/>)

External links

- CNET Universities and industry: A marriage of convenience (http://news.cnet.com/Universities-A-marriage-of-convenience/2009-1023_3-5103748.html)
- Kirsch Foundation Definition of Venture Philanthropy (<http://www.kirschfoundation.org/why/venture.html>)
- EVPA's Definition of Venture Philanthropy (<http://evpa.eu.com/knowledge-centre/what-is-vp/>)
- **The Foundation for Advanced Philanthropy** Advanced Concepts (<http://advancedphilanthropy.org/>)

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