Kerrin: Hello, and welcome to the Untapped Philanthropy podcast. I'm your host and Fluxx co-founder, Kerrin Mitchell. I've spent my career exploring technology's role and amplifying impact within our social sector, and more specifically, helping funders to learn to leverage technology and data to connect and better serve our collective causes, constituents, and communities.

In this podcast series, my team and I will profile social sector leaders, public figures, philanthropists, and industry futurists to explore this fascinating intersection of funding, technology, and policy. We're here to analyze the most critical and formative topics and trends that shape philanthropy both today and tomorrow. We hope this series leaves you inspired to think and act through a more collective and visionary lens.

This week, we invite you to a conversation near and dear to many of the hearts of the Fluxx community and philanthropy at a broader scale, and that is trust-based philanthropy. We're joined today by Shaady Salehi.

Shaady is the executive director of the trust-based philanthropy project, a five-year peer-to-peer funder initiative to address the inherent power imbalances between foundations and nonprofits.

And at its core, trust-based philanthropy is rooted in a set of values that helped to advance equity, shift power, and build mutually accountable relationships. So, Shaady, thank you so much for joining us today.

Shaady: Great to be here. I'm so excited.

Kerrin: And I always love starting out these conversations with a little bit of background on our guests to get you a sense of what moves you. Why do you do what you do? What's your background? So, would you introduce yourself and tell us what brought you to the trust-based philanthropy project?

Shaady: I basically have grown up in the nonprofit sector and I've been working in nonprofits for almost 20 years. And my first nonprofit job was one where I stayed for about 11 years. And the last three years of my time there, I was executive director. So, I started an assistant role and then kind of worked my way up the ladder to the executive director role. So, I stepped into that role at a pretty young age, I wasn't even 30 yet. And I was pretty quickly thrown into this world of navigating funder dynamics, fundraising, and all these other things that you have to do as an executive director, in addition to managing a team and leading our programming and doing all these other aspects of the work.

So that was really my first-hand experience of just those power dynamics that are at play. And, quite frankly, some of the harmful behaviors I experienced from funders. Whether it was someone reprimanding me on a conference call in front of partners and colleagues or some of the more macro stuff like the waiting game for funding, waiting to see if a grant is going to come through the tremendous levels of uncertainty in that work.

So, I really quickly became privy to these power dynamics and how challenging it is for leaders that are trying to do good work and trying to lead teams. So, that was kind of when things crystallized for me, and I saw some of the challenges in this sector that I love so much. I mean, I love the nonprofit sector. I love social justice work. I am a firm believer in this type of work to address some of our social problems. But it was very clear to me that I didn't want this to be the future for future executive directors. And I got kind of burnt out in that role.

At that time I was thinking; what can we do differently to make things easier and better for young emerging leaders, especially women of color that are put into these leadership roles without necessarily having the full infrastructure of support from philanthropy.

Kerrin: Yes, it's actually really interesting. I love the aha moment that you're talking to and with every entrepreneurial kind of spirit or person or leader, there's always that moment when you're typically inspired by something in your own life. I believe firmly that this needs to happen so I love that founder story if you will. And tell us what brought you to you today. I mean you're now fully engaged in the Trust-Based Philanthropy project. I mean, how did that sort of aha moment become what is now today?

Shaady: Yeah, I mean, the aha moment was kind of a retroactive aha moment. Because when I was in it, I was stressed out, and in my executive director role I was in so deep in that in those power dynamics I couldn't even really see the forest for the trees. One of my funders at that time was the Whitman Institute. And they were our only funder that gave multi-year unrestricted funding. And my relationship with the funders was just completely different from the relationships I had with some of my other funders.

Several years ago, we connected with colleagues there when I started doing independent consulting work, just to kind of get a sense of what they were up to and how they were thinking about their work. This was not too long after the 2016 presidential election. And they are a spend-out Foundation, they were actually planning for their five final years and wanted to do some real focus work on building their legacy before they close their doors. So that was really kind of the beginning of it.

They had trust-based philanthropy at that time, and they were probably one of the solo advocates of this approach. And they knew that they wanted to expand this concept of trust-based philanthropy beyond how they described their work and have it be something that other funders could see themselves in. So, I joined them as a consultant to really think strategically about how to make this concept of trust-based philanthropy accessible enough to other funders, and how can we frame it in a way that other funders can see themselves in the work.

So, it started out as a communications campaign. And slowly we began to connect with some of the colleagues they had and began to frame the language in a way that felt more broadly accessible to a number of funders. And then after a couple of years it just kind of snowballed and a few leaders stepped into new leadership roles at foundations, and they wanted to use the language of trust-based philanthropy. And then all of a sudden, we had this container and frame that named an approach to philanthropy that was intuitive for so many funders. And that was really the launch of the project.

Kerrin: And what I think is truly compelling about this is how it calls everyone forward. It invites people to unite around relationships and the common humanity that we all share. So, it's a lens of collaboration and partnership. Practices, like trust-based philanthropy, help us to listen carefully, adjust in real-time, and be consistent, compassionate, and equitable in our decision-making. And in the momentum that it's picking up is something that I'm so impressed by. So a lot of the folks right now who are listening may be really curious about where to even start. Would you mind breaking it down a little bit for our listeners? What are the six trust-based practices?

Shaady: Yes. And before I do that, I want to really emphasize that these practices are best practiced with an intentional equity lens and an intentional approach to sharing power. These are the core values of a trust-based approach. So, we're not applying a racial equity lens to this work unless we're intentionally checking ourselves around our own power and how we're wielding it. If we don't then we run the risk of perpetuating harm.

So, it's important to note that first and foremost that's the foundational aspect of a trust-based approach. Once you lean into those core values, there are six practices that we advocate for that really can be an intentional way of alleviating that power imbalance that exists between funders and nonprofits. And really, if we want to get any work done in this world, we rely on trust and relationships to do that.

So, the first and foremost is to give multi-year unrestricted funding. This acknowledges that the vast majority of funding especially in U.S. philanthropy is project restrictive and tends to be for 12 months at a time. This just really recognizes that the work of nonprofits is long-term. And it's unpredictable. And because of that, it requires long-term unrestricted investment.

The second principle is doing the homework. So, that means that funders take on the onus of due diligence in the early pre-proposal stages. This is a response to the traditional approach in many philanthropic institutions where there are a lot of laborious pre-proposal requirements, like an LOI with multiple attachments and all these different things that nonprofits have to compile, submit, and draft in order to be considered.

The third one is simplifying and streamlining paperwork. This is pretty straightforward. One, it's about alleviating the very lengthy and burdensome application and reporting processes that have become the norm in our sector and either streamlining them or bringing in opportunities for more conversation, conversational reporting, and whatnot.

And then the final three practices are really about how you show up as a funder. It's being transparent and responsive, soliciting and acting on feedback, and offering support beyond the check.

And that final one is really reinforcing that funders bring a lot more to the table than just dollars and financial resources alone. There are networks, there's access, there's guidance, there's moral support, all these things that funders can do that can really signal a real investment in the relationship over time.

Kerrin: And when we focus on the grantees there are things that should be core tenants: how you approach your culture, your operations, and your strategy. But what makes an organization a good fit for this? Is there an ideal client profile that kind of comes to your mind?

What makes a certain funder a good candidate for this kind of approach?

Shaady: Well, you know, first of all, I do want to say that there is this misperception that trust-based philanthropy does not lean on any evidence or data to inform its work. So, we can address that later. But I would say that any funder that genuinely cares about nonprofits achieving their intended impact, and that cares about a more equitable and connected, and democratic society can find some real opportunity in a trust-based approach.

Because the status quo of what we've been doing in philanthropy is not really working toward that kind of vision. We've set up these systems where you know, the funder knows best. And the funder sets the terms, and the funder brings in consultants and academic researchers to inform the strategy. And then nonprofits are treated like contractors intended to deliver on the funder's vision. And that might work in some cases. But it doesn't take into account the actual experiences of people who are proximate to the issues that we seek to address.

Kerrin: And we've set up a system where we don't even see nonprofit leaders and community leaders as experts in the issues that they're working on. And nonprofits are under intense pressure to deliver to every funder, and they often have many. So, it multiplies very quickly for the nonprofit in terms of any sort of challenge they have managing that burden, and it stops them from actually being able to serve the community because they're so stuck in that rigor.

Shaady: I think so many nonprofits get pulled in multiple directions because their job becomes keeping funders happy and satisfying funders and meeting the reporting requirements.

And so, I think also on the flip side we're talking a lot about the challenges that this raises for nonprofits, but it also raises challenges for funders, because when there's this power dynamic at play, funders are setting up these structures that basically just require nonprofits to check the boxes that are set up for them by the funder. And then funders don't get real access to what's happening on the ground and what challenges those nonprofits might be experiencing. In fact, they're probably getting sugar-coated reports because funded nonprofits are so fearful of the possibility of not getting a renewal grant and just want to keep the funding coming through.

So, funders don't get the kind of honesty and transparency necessarily when they're putting these practices in place and they reinforce that power imbalance that's already there.

Kerrin: But the truth is to make the impact that is really wanted in the community, oftentimes, it takes the ability to pivot in real-time to address whatever it be: COVID for example. How do you pivot those funds and ensure you know that you're reacting to what your community needs or the people you're serving needs?

So, it's an interesting conversation about how do you foster relationships in a real-time manner, away from the rose-colored glasses of a six-month readout that is sometimes myopic? And the truth is these are all opportunities for people to step into the tenants, all six of them are opportunities to embrace what you can and what makes sense to your culture. And I think it is a wonderful way to improve your relationship with grantees and move things forward together.

It's actually more about let's show up in ways we communicate and how we partner. So, what about the folks looking for a good starting point? Where’s a good place they can start?

Shaady: Yeah, that's a great question. Because you're totally right, trust-based philanthropy is a journey, it is not a checklist. So, it's ongoing, even foundations that practice all six of those practices are still on that journey and are still continuing to refine their work with that power-conscious racial equity lens that I was speaking about. So, there's always work to be done there.

You know, the advice that I would offer for a foundation that wants to get started is to ask, where is your lowest hanging fruit? Are you already giving some level of unrestricted funding? And are you renewing those grants year after year for the same organizations? Could you

explore making one of those unrestricted grants or one set of those unrestricted grants from a one-year grant to a two-year grant?

That alone t would alleviate some of the paperwork internally because you're not doing that annual paperwork anymore. So, there are opportunities on the staff side of the foundation where you can kind of alleviate some of your own burdens.

Or have you taken a look at your own grant application? Have you gone through your own grant application? And have you seen or heard from your grantees how long it takes for them to fill that out? You might be surprised to learn that it's taking way longer than you expected, or some of the questions you might have might be really big questions that are hard to answer in the designated word limit that you've established. Oftentimes, there are questions in grant applications that could be addressed with a dissertation of a response. I mean, I'm not even exaggerating. You'll see questions like, how is your work contributing to systemic change? These are big questions that may be very difficult to address in writing.

And not to mention a lot of these applications have been built for people who have had training in proposal writing. And so, you're automatically excluding and overlooking leaders who maybe have not had access to that kind of formal training anyway.

So just to kind of recenter on the advice here, go through your own application process. And can you remove some questions? Do you actually need the answers to every single one of those questions to make your decision? Or are there questions in there that are just for your own curiosity? You know, can you remove one or two?

And you know, some of those are kind of structural elements of grantmaking that I know it'd be harder to change if there is no buy-in at the leadership level. But there are some other aspects of a trust-based approach that are really just about the ethos. Can you be more transparent with your grantee partners? Can you be more responsive? You know, if they email you, can you make a note to yourself to just reply? Even if you don't have time to read the whole email? Can you just reply in a timely manner that you received it and that you'll follow up? Some of these walls that we've built unintentionally are not doing any good for facilitating a good relationship.

So are there ways in which you're showing up? Can you solicit an act on feedback? Can you ask your grantee partners? Hey, tell us about giving us some anonymous feedback about our grant application? Or, hey, we're considering starting a new program area? Do you want to give us some thoughts about that — like really kind of bringing them in because they're genuine partners? So again, there are many entry points depending on what feels manageable for you and your organization, in terms of where your starting point is.

Kerrin: It's interesting isn't on the other side of the folks that are kind of running line saying, how do I get started? There are also a lot of skeptics that come in a few forms, noting concerns around well, how do you measure impact? And we talked about this briefly earlier. So, I'd love to kind of deep dive a little bit more into that is how you scale this for larger orgs? You know, things of that nature? And I think you probably have a litany on your website. What are the kinds of things that you sort of say to counteract those doubts? And I know it's a broader question because there are different places that I think you typically hit on around, where we run into evidence-based metrics, things of that nature.

Shaady: I think in our white dominant culture we tend to rely on numbers and scientific measures as evidence. And we're applying scientific evaluation frameworks that have been adapted for the social impact sector that comes from medical research, where you have a control, and you have a test sample and all these things where you can control some of the aspects and some of the variables.

So, I want to offer that, first off, we're applying frameworks for medical research to dynamic social change work that exists within this very complex environment with hundreds of variables at play. So, it's actually unreasonable to apply that framework to a very dynamic social change context. So, part of what trust-based philanthropy encourages us to recognize is that there are other ways of understanding change and impact that go beyond the kind of these pre-designated numbers and metrics that we have grown to be reliant upon. Not to say there aren't certain things that you can look at quantitatively, like climate, right?

If you're a foundation that is committed to ending child hunger you can look at data over the long term because ending child hunger is a long-term effort. Look at the data over 5, 10, 15 years, and look at it on a grand scale. Are things shifting? Invite your partners to interpret that data.

So, part of what we encourage is taking a long view on social impact and being patient and not tying impact measures to specific grants because that's totally unrealistic. If you think about it, a $100,000 grant to an organization that is working on a range of issues that may include child hunger is not going to make a dramatic difference in a 12-month period of time. I mean, it's just unrealistic to expect that. So how, what does it look like if we actually sent our relationships that are rooted in learning with these nonprofit partners, and then you can actually unearth other aspects of the work that you might not even be looking at.

So, I know it's not an easy answer to this, but part of it is that we have to challenge our assumptions of what is measurable and what a financial contribution can actually achieve in a one-year timeframe. And then the rigor comes in when we actually invest in a dialogue-based relationship with nonprofit partners. And then we actually get a chance to get closer to what's going on, we get to hear about the other variables at play, and it can illuminate a different way of learning about the work. And the biggest concern that comes up by the skeptics of trust-based philanthropy is then well, then where's the accountability? Or are we just kind of writing a check, and then, you know, we have to kind of trust that the nonprofit is going to do good work, and then they don't even have to report on it? And that is not the case.

Really what we're talking about is once you signal to a nonprofit, “hey, we trust you to use these resources, the way that you deem best.” That automatically opens up an opportunity to build a relationship of trust that may not already be there. And it creates space for you to say, “hey, you know, let's have a conversation about what you're learning and what's going on.” It just creates a bigger container to really understand the whole of the work that's going on so that we can be better funders and we can be better-informed funders to support that work.

Kerrin: Well, when we look at the individual foundations I think that's a really interesting place. And I definitely think any listeners should go check out the Trust-Based Project website because it talks a lot about some of these things that I think Shaady is touching upon. But as we look at this sort of movement on a whole, what are some of the biggest challenges you face in mobilizing as a larger unit as it as a movement if you will?

So, as we look at sort of the larger movement and mobilizing it for the benefit of philanthropy in general, what are some of the major challenges? And how do you anticipate overcoming them? As we look to that broader rollout?

Shaady: I think the biggest challenge is just that many of us are just very comfortable with the status quo. And there is not a widespread willingness to give up power in service of the greater good. Even if people might say they're willing when it comes to trust-based plans they tend to reinforce some of these inherent power imbalances. So, this question around how are we going to measure impact? It's like, well, that is just inherently reinforcing a mindset that it's the foundation's job to identify and determine and measure and extract impact measures to prove that they're doing something.

So, that's fundamentally reinforcing a power imbalance. So, it requires us to imagine a different paradigm and recognize that the current paradigm is just not working. We're still grappling with some deeply rooted inequities in our society, which were revealed in 2020, with the pandemic and with the racial reckoning where organizations that have been working on these issues for decades are still seeing tremendous health disparities and seeing tremendous systemic racial inequity.

And to me, it's clear the status quo is not working, and we need to think about a different way of doing this work that is more collaborative, invests in the leadership of people who are closer to the issues, and signals trust to those leaders so that they can have the room and space to breathe and envision what that future can look like. So, the biggest barrier is just kind of letting go of power. It's not easy to give that up and it's not easy to try to see the possibility of sharing that. So, I think part of it requires a real understanding that when you give up some power it actually allows you collectively to become more powerful.

Kerrin: How do we help to bring technology to solve human problems? And a lot of these are our human problems around collaboration, structure, and understanding. So how do you see the role of technology coming in to help? So, if I gave you a magic wand and you could create anything and bring that change forward in a technological fashion, what would you ask for to help augment the work you're doing?

Shaady: That's a great question. A lot of different things come to mind. I mean even looking at what happened to all of us during the pandemic, where all of a sudden video conferencing became not just the lifeline for many of us who work desk jobs but also became a way of staying connected with family and friends around the world. So, that just shows that there's an opportunity for technology to create an opportunity for connection across time zones.

And across cultures, there are technological advancements around simultaneous translation, where people from different cultures and languages can connect with each other. So, I think there's so much immense potential in technology to facilitate connection across different walks of life. If I think about it from a trust-based philanthropy standpoint there are the obvious things, technology can capture, we can record a conversation, accept a written proposal, and have a recording of a conversation.

Maybe there are ways to actually think about technology as an aggregator of stories in a way that can really help catalog stories as examples of impact. I think our sector still struggles with seeing stories of data and social change work. From the beginning of time, we've really relied on stories for sharing history, sharing culture, and documenting impact in different ways, but it

just hasn't really been embraced by our sector. So maybe there's a way where technology could catalog stories and identify trends that could tell a cohesive story of impact?

I don't want to assume that technology can do it all on its own, because, again, it really starts with those values. So, technology would need to be designed with values of equity and power-sharing.

Kerrin: That really could inform how we build as technologists that cross-technology initiative to show up in a consistent manner and pull as much information as possible to eliminate every part of the manual process that we possibly can. And then the timing of it is honestly just perfect with things like Philanthropic Data Commons and some of the other initiatives afoot. And what does that mean in regard to trust-based philanthropy and how do we balance that? Can we hear your insights as to how you would approach that?

Shaady: Yes, I think there is this misperception that there's no rigor and a trust-based approach like it's willy nilly philanthropy. Like you're just writing a check and you're walking away. And that couldn't be further from the truth. I think part of it is that rigor exists in the relationship. So, we're not saying that building trust and relationships is always easy. It's not. In fact, that process of building trust over time and building a power-conscious relationship is where much of the rigor lives. And this relies on a lot of these quote, unquote, soft skills. In our culture, we don't really celebrate these as real skills but they are essential interpersonal skills to actually getting anything done in any context, social impact sector, business, or technology. We rely on relationships to get anything done.

And when you look at it in a trust-based philanthropy context, we're starting out in a relationship that is fundamentally imbalanced. You've got a funder that gets to decide where the money goes, who receives it, and how much. And you've got organizations and leaders that need that money to advance their vision. So, that's inherently imbalanced. So, when you start on the uneven ground from the get-go you have to work hard to be able to build trust and build transparency.

And sometimes it's uncomfortable and sometimes you might be working with nonprofit leaders who have experienced a lot of trauma and harm in the past. Take my own example as an early Executive Director having to navigate that world. I got burned and there are a lot of leaders out there that have been burned. And so, they're engaging in these hunger relationships, feeling pretty distrustful because of their past experience. So, the rigor is about really seeing and acknowledging and working at building a relationship that can be genuinely mutually accountable. And a relationship where transparency and dialogue really become part of the way you interact. But that means that sometimes you might have to navigate through some uncomfortable conversations. Sometimes you might not earn trust right out the gate. These are things that are part of that rigor that we don't really celebrate in our culture but are just such essential aspects of the work and that's ongoing.

Kerrin: So, I think we're going to wrap this up and we're going to end the podcast on a rapid-fire note. I'm going to run through a series of short, quick questions, and I encourage you to respond with the very first thing that comes to mind. Are you ready? All right. What's been your favorite part of your job thus far?

Shaady: That I get to work with a bunch of powerful visionary funders that are genuinely committed to shifting the culture of philanthropy?

Kerrin: Heck, yes. I just did a little snap you couldn't see. All right, outside of trust-based philanthropy, which trend or industry initiative in philanthropy are you most excited about?

Shaady: I just read a really fascinating New York Times article about participatory budgeting which is part of that participatory philanthropy movement. I find it to be so fascinating and really has a lot of potential.

Kerrin: And lastly, just for fun, what book are you reading right now? And would you recommend it?

Shaady: I love this question because I really love the book I'm reading right now. It's Imaginable by Jane McGonigal. She's a futurist and game theorist. And it's really all about stretching our imaginations to think about what the future can look like so that we can be more resilient to respond to crazy things that will likely happen in the future. I can't recommend it enough. It's just really just pushing me to think differently about everything that I do and assume about life.

Kerrin: That is a very good endorsement. I will check that out. Shaady, thank you so much for joining us today!