

## ***Key Findings: Overview of Private Philanthropy in Puerto Rico*** (2007)

In order to better understand the current philanthropic landscape in Puerto Rico, Fundación Flamboyán conducted a short and informal study, focusing on the ***major foundations and giving organizations and how they go about their work***. A series of interviews were carried out with selected Directors, Program Officers and Consultants of different philanthropic organizations and whenever possible informational material was collected during the interviews and through the websites of each organization. The focus of the interviews was to learn about how each foundation approaches grant-making, their program areas and current projects, and to elicit their overall observations regarding the current status of philanthropy in Puerto Rico.

The following Key Findings do not attempt to provide a full picture of philanthropy or philanthropic giving in Puerto Rico, rather, they offer a summary of the most salient ideas, opinions and reflections presented by the people interviewed for this overview.

### **Key Findings**

- **Modeling transparency.** Several interviewees mentioned the importance and need for foundations to show transparency in how they conduct their work. Examples of working openly include: developing clear guidelines, selection criteria and RFPs, communicating with solicitors and grantees, reporting on annual funds distribution, issuing annual reports and, developing an internal evaluation process to measure their impact, among others. It was noted that some local foundations are at an early stage in implementing some of these practices.
- **Few RFPs.** Most foundations do not publish Request for Proposals (RFPs) to inform the local community about available grant funding (although announcements do go out for Awards, such as the Premio Tina Hills, presented by Angel Ramos Foundation and Premio Solidaridad, presented by Miranda Foundation). Several interviewees mentioned that the reason they do not publish RFPs is that they fear being inundated with a large number of proposals that cannot be met through the limited funding available at each foundation. Therefore, foundations rely on “word-of-mouth”, their websites and telephone calls to deliver information about funding and the application process.
- **Effective giving strategies.** Most interviewees brought up the issue of whether making a large number of small grants is an efficient way of doing philanthropy. They talked about questioning and trying to better understand whether they make a reasonable impact through small grants.
- **Most local grant-making goes to Education.** Although historically a majority of philanthropic funding has supported efforts to improve education, there is little information regarding the impact of this investment, what has worked well and what the challenges have been. In other words, we lack a comprehensive analysis of how philanthropic interventions have impacted the field of education in Puerto Rico. Within this area, foundations have focused on early childhood education, tutoring, after-school programs, school and district turnaround efforts, conflict resolution, music education, libraries and arts education, among others.

- **Funding Trends.** Nonprofit organizations looking for funding tend to send the same proposal to several foundations. Soliciting organizations adapt their proposal to each foundation's guidelines and ask for an amount of money that is in keeping with what each of the foundations usually gives. This poses the problem that the same nonprofit organizations may be getting funding from all of the principal foundations and funding organizations, while others are being excluded. Furthermore, although funding organizations interviewed for this study do not usually give multi-year grants, most of them do tend to fund the same organizations over a long period of time.
- **Measure Foundation Impact.** None of the foundations have a formal evaluation process to evaluate and measure the impact of a grant(s) or the impact of the foundation's investment in a given program area (ie. Education, Health) over time. Most foundations do require a final report and proof of how the funds were spent from their grantees. And, some final reports include information such as number of people impacted, number of events held, number of paid salaries, etc. However, several interviewees talked about current efforts to improve evaluation process.
- **Nonprofit capacity.**
  - ✚ All interviewees are concerned about developing the capacity of the nonprofit organizations they support. Interviewees talked about the need for nonprofits to become stronger and more self-sufficient. Most nonprofits, they explained, urgently need to develop the skills to evaluate and improve their own work, create clear financial plans, produce audited statements, buy and use effective technology, and create leadership succession plans, among others.
  - ✚ Examples of current local capacity-building efforts include: (a) one foundation is investing in a model focused on developing leadership and sustainability in a selected number of nonprofit organizations through trained consultants offering their services over a long period of time, and (b) another foundation has established "capacity building" as a strategy for their grant-making by supporting nonprofit organizations that are working to improve their ability to do their job well.
  - ✚ Interviewees discussed the importance of offering nonprofit leaders and staff the opportunity learn and share ideas, particularly those working in the same service areas (e.g. Education, Health, etc.). Some areas in which nonprofits need assistance include: getting 501c3 certification, establishing a strong Board, fundraising, creating a sustainable financial plan, working with donors, conducting self-evaluation, developing leaders, and succession planning.
  - ✚ The nonprofit sector also lacks centralized information and resources, and there is little clarity regarding who comprises the local nonprofit sector. Lack of local information limits how much people can connect with one another and learn about what each organizations is doing.
- **Measuring Nonprofit Impact.** Although expressed in different ways, several interviewees discussed the need for nonprofit organizations to "validate" their work. Nonprofits need to develop and implement a process that serves as a self-evaluation and improvement tool. Results could then be used not only for their own benefit, but also to demonstrate to the public and to potential donors the impact of their contribution. Yet to do this, they need financial resources and expertise in evaluation.

- **Foundation Professional Development.** All interviewees talked about the need for professional development and networking opportunities for foundation personnel. Some suggestions include: inviting lecturers to discuss different topics in the field of philanthropy; focusing on professional development opportunities for Program Officers; discussing effective technology for grant-making; looking at best practices in the field; learning about what other foundations are doing in the area of evaluating philanthropic impact; creating the space to come together to discuss local trends, challenges and opportunities.
- **Fostering Philanthropy.**
  - ✚ Interviewees pointed out the importance of on-going communication and events that foster philanthropic involvement among citizens and that is not focused on highlighting or giving press to a specific foundation or event. Currently, development of philanthropy seems to occur mostly on the month of November, designated as “philanthropy month”. There is a need for on-going news and articles that deepen the public’s awareness and understanding about local philanthropy and nonprofit organizations.
  - ✚ Puerto Rico does not have a tradition of philanthropy. The impression of most interviewees is that Puerto Ricans are generous in times of crisis (such as hurricanes, etc.) but are not familiar with the concept of foundations and planned giving. Potential philanthropists and/or donors tend to attend galas and other fundraising events, but have little knowledge about nonprofit organizations, how they benefit society and what they can do to support them.
  - ✚ Interviewees also discussed a lack of information about local philanthropy and mentioned that philanthropy in Puerto Rico does not have a culture based on facts and information. There are few reference materials that gather information about local foundations and what they do, and few studies analyzing the impact and challenges of local philanthropy. (Some efforts have been made in the past to establish a “regional association of grant-makers” in Puerto Rico.)