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Building Community Vitality

DISCUSSION
GUIDE

On the Brink of New Promise
Scenario Discussion Guide

April 2009

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Scenario Discussion Guide

What is this tool?

This tool includes seven scenarios and guiding questions that can be used to frame local discussions about the future.

Scenarios are invented stories that help us imagine different, yet plausible, futures. They challenge us to test assumptions about what might happen and why, and to carefully consider our choices for adapting to change. The scenarios that follow are designed to help shed light on how choices made today within the field of community philanthropy could shape the field tomorrow.

The seven sketches that appear here look back from 20 years ahead, in the year 2025, to examine different trajectories that the field might take.

There are literally endless combinations of the external forces described in *On the Brink of New Promise* and innumerable possible responses to them. The scenarios in this set were selected to give a flavor of these possibilities, and they highlight some of the coming threats and opportunities that we believe have not yet received the attention they deserve. Many other stories could—and should—be told, because looking ahead in this way helps leaders build skill in seeing changes more quickly. This, in turn, helps organizations respond more rapidly, shaping their own futures before someone else shapes them. As events unfold and your community changes, you might even try your hand at writing your own scenarios.

How to use this tool

These scenarios can be used as part of the **Getting Oriented** section of the toolkit. That section recommends that you first use the **Presentation** and **Assessment Scales**, then switch to these scenarios and their guiding questions, and conclude with section three of the **Getting Oriented** package, **Appetite for Change**.

You could also use these scenarios and their accompanying questions as standalone tools to spark discussion across your organization, with partner organizations, or in a larger community setting. They may be helpful individually or as a set, and can be modified to include some relevant local details or possibilities.

To use the scenarios, have meeting participants read them and think about the implications of each of these possible futures for your foundation and the way you operate. You might pick a few that seem particularly relevant to your circumstance and have a discussion about them with your board and/or staff. Each scenario is accompanied by a series of questions to help guide your conversation.

AN IMPORTANT NOTE ON SCENARIOS

All situations described in the scenarios that follow are fictional. When possible, the names of organizations have been selected to convey a real sense of place and activity. This is not, however, intended to reflect the choices and behaviours of actual organizations.

Who should use this tool?

We recommend these scenarios be discussed as part of a group exercise, perhaps at a staff meeting, a board retreat, or a planning meeting with other community organizations. You can ask participants to read them in advance of the meeting or give them time to read the scenarios while they are all together. The scenarios can also be found in the full report, *On the Brink of New Promise: The Future of US Community Foundations* (pages 21-33).

Related resources

What If?: The Art of Scenario Thinking for Nonprofits, by Diana Scarce, Katherine Fulton, and the Global Business Network community, Global Business Network, 2004.

<http://www.gbn.com/ArticleDisplayServlet.srv?aid=32655>.

The Art of the Long View: Planning for the Future in an Uncertain World, by Peter Schwartz, New York: Doubleday, 1991.

Scenario I: Consolidating for Clout

By 2014, the discontinuation of tax deductions for gifts of shares or land dried up much of the expected intergenerational transfer of wealth and significantly reduced prior levels of charitable giving. With charitable contributions down more than 25 percent from their peak in 2007, Toronto United Way CEO Bruce Dallimore, Toronto Community Foundation president Tanya Anderson, and the Chinese Community Endowment Fund executive director Nelson Cheng convened 10 Toronto-area community-based foundations (including the Foundation Fighting Blindness, the Salvation Army, the Women’s Future Fund, the Toronto Enterprise Fund, the Laidlaw Foundation, and the community giving programs of TD Waterhouse and Rogers Communications) to discuss ways they could collaborate to cut costs. In an unprecedented move, all 10 organizations agreed to merge under the umbrella of the consolidated Toronto Funding Center (TFC) over the next five years, although they each maintained their separate identities and programs.

“The initial idea was that it just didn’t make any financial sense for all of us to have our own separate organizations and back offices anymore,” explained Dallimore, who shifted from the United Way to manage the TFC. “But what we ended up finding is that the benefits of consolidating have been far greater than any initial cost savings we were originally hoping for.”

The closer relationship between the funds also helped them see where their interests and expertise overlapped and complemented each other. With help from the John S. and James L. Knight Foundation, the TFC began to map funding flows in the GTA, which they used as the basis for coordinating local activity on four key local priorities: healthcare for the elderly, early childhood development, job training, and after-school care. This tool and process proved particularly valuable as public funds for these programs continued to shrivel. In particular, the funding maps allowed the philanthropic partners to bring new information to the table and facilitate community input into the budgeting process for the relevant public departments.

Since 2022, the Center has coordinated grants from its component organizations when possible, but has also managed to leverage more than \$20 million from other private and government sources to support local initiatives. According to Dallimore, “It wasn’t always a perfect fit between all of us, but once we consolidated our back office, we quickly realized that it didn’t make any sense to keep trying to operate our front offices completely separately either. We will always maintain the different approaches and strong separate presences within each of our core constituencies, but we are also helping all of the different parts of the area come together as part of a larger community. We can do a lot alone, but we have even more capacity when we can easily work together too.”

Consolidating for Clout Questions for Discussion

Imagine yourself and your organization in this scenario.

- What would it mean for your community and the services it receives?
- What would it mean for your organization? For the way you do your work?
- Would your current strategies work if this scenario came to pass? How would you respond to the situation?
- Could you achieve greater efficiencies if you shared back-office functions (HR, financial management, data management, accounting, IT, administrative) with other community philanthropy organizations in your community?
- What prevents these sorts of relationships from already happening in your community?
- Have you explored opportunities to work together with other community philanthropy organizations in your area on programmatic and community leadership issues?

Scenario II: Working Across Boundaries

Inspired by the tremendous success of Community Foundations of Canada in building networks of community foundations cooperating on environmental issues that crossed geographic boundaries, a group of 10 community foundations across Ontario and Quebec launched the Newcomer Support and Navigation Collaboration (NSNC) in 2016. Starting that year, each community foundation led its own organization through a year-long community assessment and agenda-setting process. The 10 foundations then came together in a summit to identify the challenges common to each of the different regions, develop cooperative programs to address these challenges, and create a plan for funding key priorities. The plan was used to engage other community foundations across the country, local government, and other private and corporate funders in achieving better outcomes for newcomer communities throughout Canada.

According to Marion Cho, the consultant who facilitated the process, “We knew that if community foundations in Canada could create environmental solutions that cross geographic boundaries, there was no reason we couldn’t find solutions that bridge the regional boundaries to supporting newcomers. What surprised us, though, was that the issue at the top of all of our agendas was actually an issue shared by *all* Canadian communities, not just our local communities: the fact that governments don’t work together across departments and jurisdictions to ease the settlement of newcomers.”

The NSNC funds launched coordinated advocacy and organizing programs in each of their communities, and were soon joined by several of the country’s largest private and community foundations. The three-year collaborative effort culminated in 2022 with the Federal and Provincial governments developing joint policies. According to Cho, “Newcomers will soon be settled and full participating members of society. Our success in getting these levels of government to work together to make that transition easier shows how we Canadians can take the lead, capitalize on our collective power, and improve quality of life for everyone.”

Working Across Boundaries Questions for Discussion

Imagine yourself and your organization in this scenario.

- What would it mean for your community and the services it receives?
- What would it mean for your organization? For the way you do your work?
- Would your current strategies work if this scenario came to pass? How would you respond to the situation?
- What groups could you partner with to better represent all of the various constituency groups within your community?
- What organizations that you don't traditionally see as partners could you work together with to have a greater impact on your community?
- Could you help bring together all of the various philanthropic organizations in your community to develop a coordinated plan for achieving shared goals?

Scenario III: Standing on Principle

Back in 2012, recognizing that they simply couldn't match TD Waterhouse and other charitable gift funds when it came to the efficiency and cost of the transactional component of donor service, the Community Foundation of Ottawa decided that it would take a new tact to differentiate its services: injecting its community-based values into every aspect of its operations. Most visibly, this has meant that the Community Foundation of Ottawa will only accept donor advised funds (DAFs) that comply with its institutional principles about social justice, diversity and equity.

According to the Community Foundation of Ottawa's president Benoit Marier, "We decided the best way we could add value was to get serious about really standing for something. We realized that it was silly to allow people to make grants that didn't promote the types of social justice values that we feel are essential to a strong and healthy Ottawa. And while it forced us to make some difficult choices, we were confident that it was the right direction for the foundation."

The sorts of difficult choices that Marier refers to began to emerge almost immediately after the announcement of the foundation's new policy. Local businessman Jim Walters publicly declared that he would remove his \$350,000 donor advised fund from the Community Foundation of Ottawa. "I don't think it's their place to tell me what to do with my money," he explained, from the Walters & Co. building in downtown Ottawa.

But the foundation's commitment to its community principles was reaffirmed over the ensuing two years, as the number of DAFs skyrocketed by more than 300 percent. Donors were attracted to the institution's clearly articulated point of view. In the 10 years since, the Community Foundation of Ottawa has added more than \$9 million in assets in more than 300 new donor advised funds.

"We've been blown away by people's interest," said Marier. "The alignment between our DAFs and grantmaking ensures that we're all working toward common community goals. And because all our donors' interests are in sync with ours, we've also seen an increase in the number of our people who transferred their assets to our general fund as they got older."

The alignment of its operations with its principles has also meant that the foundation has changed the way the community foundation invests and uses its endowment assets. Beginning in 2014, the foundation began screening its investment portfolio for socially responsible corporate practices. "Our grantmaking was supporting our principles, but we weren't being so careful with all of the rest of our assets," admits Marier. After seeing positive asset growth from socially responsible investing for almost five years, the community foundation of Ottawa board then agreed to go a step further, and began to allow the use of its endowment more proactively to make PRIs, loans, and investments in Ottawa-based businesses and social ventures.

As board chair Susan Herndon puts it, "Everything in the foundation—from our investments to our staff and board to our grantmaking—is now aligned with the community principles that we believe will make Ottawa a better place to live and work. Looking back, it's just hard to see why it took us so long to take a stand."

Standing on Principle Questions for Discussion

Imagine yourself and your organization in this scenario.

- What would it mean for your community and the services it receives?
- What would it mean for your organization? For the way you do your work?
- Would your current strategies work if this scenario came to pass? How would you respond to the situation?
- In this case, the community foundation differentiated itself from other options by making its values clear. How does your community foundation distinguish itself from other giving options?
- Is there a set of shared values that drives the work of your community foundation?
- How could you use your foundation's other assets (beyond grant funds) to help your community? Have you considered PRIs and other less traditional approaches?

Scenario IV: Aging Accountability

With the population aging, an intergenerational transfer of wealth was steeply on the rise in 2012. The Greater Saint John Community Foundation recognized that this new generation was not contributing philanthropically with their new wealth to the same degree that their parents had. The Foundation took the opportunity to introduce innovation to their approach.

As Greater Saint John Community Foundation president Stephen Reyes explained, “We realized that by continuing to fund as we had been for decades, we weren’t responding to the needs of the community. We started sitting on more committees and really getting to know the new generation of donors. We found out that they had higher expectations than their parents did; they wanted to know more about how their money was spent, and what kind of impact it made on the community. We had to find more creative ways of publishing not only who was receiving our grants, but also the outcomes that were a result of the investment.”

Reyes has spent the last year developing outcomes measures for recipients of grants from the Community Foundation, and by including the voice of both grantees and donors, thinks he has found a win-win solution. “We had to be really delicate because the community organizations receiving our grants don’t have a lot of capacity to be filling out all kinds of forms, yet we want to be accountable to those who are providing the funds. We had to reinvent the reporting mechanisms that we’ve been using for years.”

The outcomes measurement system in Greater Saint John has been adopted throughout New Brunswick, and is effectively bridging the information gap. Not only that, it’s also creating a sense of comfort in a new generation of donors, who can see the impact their contributions are making. As an unexpected benefit, it’s made it a lot easier for community members to find out about organizations that they can volunteer at and attend events, which has made a big impact on the vitality of the community as a whole.

Acing Accountability Questions for Discussion

Imagine yourself and your organization in this scenario.

- What would it mean for your community and the services it receives?
- What would it mean for your organization? For the way you do your work?
- Would your current strategies work if this scenario came to pass? How would you respond to the situation?
- Does your community foundation adequately respond to the needs of your community? How often do you involve multiple stakeholders in decision making?
- Have you considered ways to ensure that you are responsive and accountable to the needs of your community?
- If other types of community-based philanthropy organizations have been created in your area, how can you work with those groups to make sure that together the needs of all of your community's constituencies are being met?

Scenario V: Regulating to a Standstill

“A key reason for our predicament was the requirement that we maintain our disbursement quota,” explained Julie Beauchamp, Executive Director of La Fondation Communautaire de l’Estrie. “When the economy started heading into the biggest downturn since the Great Depression, we were not able to keep giving grants.”

Unfortunately for Julie and other community foundation leaders, in 2012 there were no changes in the length of time you could carry-forward excess or shortfalls to the disbursement quotas created by the Canada Revenue Agency. This forced community foundations to continue to meet a minimum spending requirement through the struggling economy. Suddenly a huge amount of the movement’s effort was devoted to figuring out how community foundations could work together to maintain their charitable status, causing the movement as a whole to look inward instead of outward.

According to Beauchamp, one effect, at least in her area, was that community foundations were dedicating their staff to more traditional operational functions to maintain compliance, rather than getting out into the community, experimenting, and trying new approaches.

“Among other things, community foundations just couldn’t keep the best and brightest program staff,” she explained. “Those folks were tired of filling out forms and wanted to get back to making a difference in their communities. Community foundations basically cannibalized themselves—promising great understanding and community knowledge but then making the work of program staff so miserable the real innovators left to work elsewhere—like with us.”

Because of the standstill going on in community foundations, giving circles came in to occupy their space. Since technology and outsourcing had made it possible to just “rent” back-office functions, the Quebec Giving Circle was able to focus on creating flexible programs for helping donors and community activists to connect, both with one another and with local nonprofits. And it wasn’t long before donors looking for greater engagement began to head to the QGC. Its membership rose more than 350 percent between 2019 and 2021.

Similar growth was also happening at other types of community giving vehicles, like the Centre Québécois de Philanthropie, which gained province wide recognition (and a huge boost in donor interest) after its community education fairs and outreach programs began to demonstrate statistically significant impact on high school completion outcomes in the province.

According to Centre president Jean Lapointe, “Sometimes I’m glad we are not a community foundation. If we’d had to stick only with the traditional grantmaking activities that fit under the community foundation requirements, we never would’ve hit on this approach, or gotten the sort of results in the community that we have.”

Regulating to a Standstill Questions for Discussion

Imagine yourself and your organization in this scenario.

- What would it mean for your community and the services it receives?
- What would it mean for your organization? For the way you do your work?
- Would your current strategies work if this scenario came to pass? How would you respond to the situation?
- What does the disbursement quota mean for your community foundation? Will it have any effect on the way you do your work?
- How can you ensure that the development of standards of practice for community foundations create a “standardization” of service at your foundation?

Scenario VI: Kintera, the Competitor

It was no surprise that Kintera—bolstered by its extensive acquisitions of grants management and nonprofit fundraising software companies in the early 2000s—became the newest giant in the philanthropic data management field. But what did surprise many in the field was the way the company leveraged its dominance in online giving to patent data collection practices and consolidate information across nonprofits and donors to develop a massive, proprietary database of donor and fundraising information.

By early 2014, Kintera began to offer a new service as the “data aggregator” for the field, mining its collective databases to provide unparalleled information about trends and patterns in giving that began to draw both nonprofits and funders away from community foundations. Kintera software was able to make tailored online grant recommendations to donors based on their giving history and the giving patterns of other donors with similar interests, while at the same time providing nonprofits with a way of reaching out to donors directly without help from intermediaries.

The company’s dominance over community change information snowballed throughout the 2020s, as its leadership position allowed it to increase revenues and decrease costs as it scaled. At the same time, it continued to siphon donors and community-based organizations away from community foundations, and raised costs for community foundations that chose to use its proprietary services. By 2025, according to an analysis by *Globe and Mail*, almost 40 percent of all organized philanthropic transactions were managed through Kintera systems, and estimates of the company’s market share today actually put the figure at closer to 50 percent.

Kintera, the Partner

After adding Collaborative Standards and MicroEdge—two of the field’s largest grants management software providers—to its already extensive holdings of technology companies in 2015 and 2017, Kintera was positioned to manage the back-office and transactional functions of a vast majority of the nation’s community foundations. Looking ahead and recognizing the power of this massive grants dataset, Community Foundations of Canada and the Council on Foundations negotiated an unprecedented continental partnership with Kintera in 2017 to link and unify the back offices of participating community foundations across the continent, using Kintera software.

As a result, each community foundation was able to essentially outsource its back-office operations and enjoy the economies of scale that came with consolidating multiple organizations’ operations and finances. This allowed each foundation to offer transactional costs and standardized reporting competitive with those of the national charitable gift funds.

Within communities, the partnership revolutionized the way community foundations were able to work across localities. The merged back-office data allowed community foundations using Kintera to identify trends in grantmaking across communities, coordinate activity as never before, and provide donors with the opportunity to tap the community knowledge of a national network of local funders. One impressive example of this was the rapid growth in financial support for aboriginal student scholarship programs that was enabled soon after a group

About Kintera

Where it is today

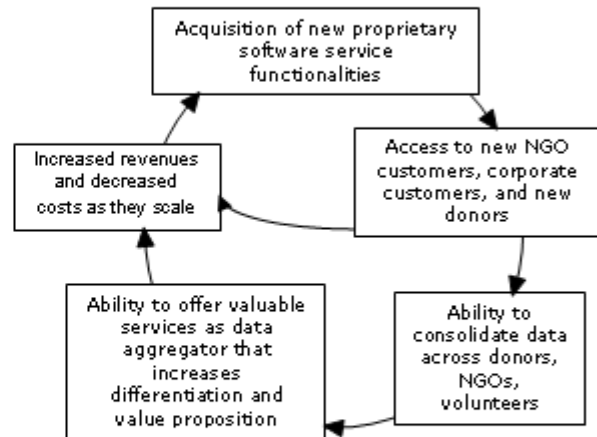
A leading provider of online solutions that enable nonprofit organizations to use the Internet to increase donations, reduce fundraising costs, and build awareness and affinity for an organization's cause by bringing their employees, volunteers, and donors together in online, interactive communities.

Where it could be in the near future

In reality it is only a small leap to get from today—where Kintera is a key player in online giving—to tomorrow, when the firm could capitalize on its proprietary database of information on nonprofits and donors and its marketing muscle and real-time presence on websites around the world to both build and serve the market for community change information.

Source: Monitor Institute hypothesis of possible Kintera strategy

Kintera's strategy



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About Kintera

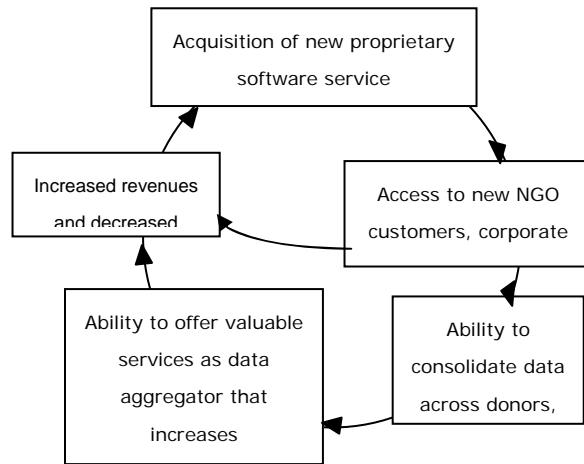
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Kintera's strategy



Kintera, the Competitor and Kintera, the Partner Questions for Discussion

Imagine yourself and your organization in this scenario.

- What would it mean for your community and the services it receives?
- What would it mean for your organization? For the way you do your work?
- Would your current strategies work if this scenario came to pass? How would you respond to the situation?
- Are these two scenarios feasible? What is your sense of the potential threat of these organizations as competitors or their potential promise as partners?
- Are there things that you can do as an individual foundation about national commercial providers, or are relationships better negotiated collectively for the field?
- Beyond back-office technology providers, do you see other commercial firms, innovations, or products on the horizon that might affect the way you do your work?