

Maximizing the Value and Impact of Funder Collaboratives: Lessons from Funders for Housing and Opportunity

Executive Summary

There is a [growing movement toward funder collaboratives](#) as a way to have more efficiency, impact, and engagement with peers and practitioners. A [2021 Bridgespan Group survey](#) of 100 funder collaboratives found that nearly three-fourths had been formed since 2010, and nearly half since 2015. The amount of money given through philanthropic collaboration has also increased: It now tops [\\$2 billion annually](#).

A growing body of research has been examining the [key ingredients](#) of funder collaboratives, [how they are used](#), how they [add value](#) what happens when they don't.

In addition to what the field has already illuminated about the value of funder collaboratives, we've found that two kinds of problems are uniquely ripe for tackling most

effectively through collaborative means: those that require an intentional focus on dismantling systemic racism and issues that require us to work across sectors and systems. Housing justice is our mission and a prime example of the kind of work that hits fully on those two characteristics. In this report we expand on an article we authored in the Stanford Social Innovation Review, [Housing Justice and Systems Change Through a Funder Collaborative](#), and dig deeper into lessons we've learned about getting the most out of funder collaboratives—offered from a place of humility, given our collaborative's newness—to help the field learn in real time from this evolving and promising form of philanthropy. We begin with observations about value and impact, followed by what we are learning about how to maximize a funder collaborative's benefits and achievements.

VALUE OF FUNDER COLLABORATIVES

1. For individual members, the value of learning together cannot be overstated.
2. The connections and relationships that members develop spark collaboration, coordination, communication, and leverage that extend beyond the collective itself.
3. Collaborative funding lets funders test the water without re-inventing the starting point.
4. Participation in a collaborative increases each funder's influence and reach, while also mitigating some of the risks associated with bold grantmaking practices or nontraditional areas of investment.
5. Participation inspires members to change their organizations' strategy, processes, and areas of work.
6. For grantees, a funder collaborative can offer crucial support to launch and grow.
7. A funder collaborative can establish or revitalize a field of work by framing it in relevant ways.

About Funders for Housing and Opportunity

In 2015, nine major philanthropies recognized a significant gap in the field: Few national funders were working to address the upstream causes of homelessness and the ramifications of unstable housing on Black and Brown communities. These funders had the bold idea to form a new pooled fund, Funders for Housing and Opportunity (FHO), dedicated to addressing the cross-sector, systemic causes of housing injustice.

At the time, several major private donors were moving away from directly supporting housing programs. But FHO's founders envisioned a collaborative body of funders who think broadly—who may or may not have an explicit focus on housing but recognize that housing intersects with other sectors, such as health, education, the environment, social justice, economic mobility, and transportation, to affect individual, family, and community outcomes.

Through collaborative grantmaking around three strategic priorities—policy, advocacy, and organizing; narrative change; and elevating what works—plus cross-sectoral outreach and cultivation of a learning community, FHO aims to:

- increase knowledge sharing and collaboration among members and grantees;
- increase cross-sector awareness of and collaboration on the connection between housing and opportunity; and
- increase the resources available for affordable “housing with opportunity.”

Through these strategies, we aim to see a future where all renters have access to safe, stable homes they can afford in communities that support better health, economic mobility, and access to good jobs and schools, free from the barriers and harms of systemic racism.ⁱ

Knowing that deeply entrenched racial bias, discrimination, and segregation limit the housing options and life opportunities of millions of Black, Indigenous, and people of color, we equate housing justice with racial justice. Our work aims to dismantle racial inequities, repair harms, and restructure the systems that determine how land is used, how communities are developed, and who gets to live in thriving places. We do this by supporting conversations about racism in the housing sector, helping to develop new BIPOC leaders, funding BIPOC-led organizations, and supporting organizations to authentically engage people with lived expertise. FHO also supports organizations that build the leadership, power, and wealth of people facing housing instability, especially communities of color that are most impacted.

Examples of FHO's Collaborative Funding



Policy, advocacy, and organizing. FHO's investments have enabled policy advocates to introduce or support 42 housing policies and have contributed to enactment of 27 local, state, or federal policies. For example, FHO has invested \$4.4 million over six years to Opportunity Starts at Home (OSAH), a collaboration involving National Low Income Housing Coalition, Center on Budget and Policy Priorities, Children's HealthWatch, and National Alliance to End Homelessness. OSAH is steered by 18 multi-sector national organizations, and 84 members champion a shared policy platform. Policy wins related to this funding include: \$28 million for the Housing Choice Voucher Mobility Demonstration; two bipartisan proposals related to family stability and eviction; \$20 billion of housing provisions in federal infrastructure bills; and a targeted renters' tax credit.



Narrative change. FHO has given \$3.2 million in narrative change grants, and FHO members have contributed another \$7.95 million in aligned funding directly to these grantees. For example, FHO gave \$1.8 million over four years to the Housing Justice Narrative Project, a collaboration of Community Change, PolicyLink, and Race Forward. Building on FHO-funded research, the project disseminated tools and lessons for advocates to use to reshape public dialogue around housing and achieve policy wins. More than 1,500 housing leaders were trained and supported to use narrative research in organizing and advocacy. The project's next phase aims to improve housing justice in at least five sites, and in federal policies for recovery, through adoption of the racial equity housing narrative. FHO also convenes narrative change grantees to facilitate connections and learning.



Elevating what works. FHO has approved \$4.6 million in grants for this priority. For example, grants totaling \$550,000 over three years to the multi-sector Welcome Home Coalition in Portland, OR, supported improved provisions for housing affordability within transit-oriented development and the extension of Oregon's COVID eviction moratorium and rent payback period. The coalition co-created housing advocacy trainings with people who have lived experience, which enhanced the leadership skills of people directly affected by the regional housing crisis.



Flexible COVID local responses. During the start of the COVID-19 pandemic, FHO raised additional funds to support efforts to keep people housed. Nearly \$3 million in grants were approved for COVID-19 responses. For example, FHO gave a \$75,000 grant to Arch City Defenders (ACD) in St. Louis, MO, to shelter vulnerable residents, address basic needs, organize otherwise unrepresented voices, and provide court advocacy. ACD challenged and delayed the disbandment of three encampments of unhoused individuals, including by filing a federal class action lawsuit; kept hundreds of tenants stably housed; connected hundreds to CARES Act benefits; and stopped eviction proceedings. The grantee also established the STL Housing Defense Collective, in which all advocacy is directed and led by people with lived experience.



Flexible national responses. FHO gave \$450,000 to a partnership of the Center on Budget and Policy Priorities, National Alliance to End Homelessness, National Health Care for the Homeless Council, National Low Income Housing Coalition, National Innovation Service, and Urban Institute. The partners developed and published a Framework for an Equitable COVID-19 Homelessness Response that guides states and communities on using federal public health and economic recovery funds to meet public health goals, increase housing stability, and prevent future increases in homelessness—all with a racial justice and equity lens. The partners also collected resources and tools for implementing the framework.

Value of Funder Collaboratives

FHO's experience affirms recent research findings about how high-functioning funder collaboratives add value by:ⁱⁱ

- Building knowledge, capacities, and trusting relationships among members and their organizations, and between funders and grantees;
- Providing a forum and vehicle for tackling large-scale, cross-cutting challenges;
- Expanding the effectiveness, size, scale, and reach of philanthropic efforts and amplifying their impact; and
- Reducing risk and increasing leverage.

A recent survey of FHO members, and interviews and focus groups conducted in 2022, reinforce those findings and offer additional insights. This report includes quotes from our members from across these sources. We've kept the quotes anonymous so they could speak candidly about the impact the funding collaborative has had on them and their home institutions.

1. For individual members, the value of learning together cannot be overstated.

For funders who are new to an issue as complex as housing, a learning collaborative offers exposure to knowledge at a depth, breadth, and level of nuance it would be hard to achieve on one's own—on topics from homelessness and displacement to housing vouchers, renters' rights, home ownership, and housing stability. "There's a very disparate spectrum of how people approach housing and how they feel folks are either deserving or not deserving of housing," a senior program officer at a member foundation explains. "FHO has been a safe space for me to learn with an open heart and open mind about what that spectrum is and how philanthropy approaches it."

The emphasis on learning gives members a place to ask about everything from concepts, such as housing justice as racial justice, to the nuts and bolts of how to work with private equity stakeholder groups, how to incorporate narrative change into a foundation's other work, and how to improve the grants process for new or community-led organizations. Learning also prompts reflection on members' own organizations. "We use FHO quite a lot in our conversations in our own program, as a measuring stick," says a program director. "It has allowed us to test our own unconscious bias, and challenge it."

SETTING A LEARNING AGENDA

FHO incorporates a substantive learning agenda into all of its triannual meetings. Recent topics identified by members, included: repercussions of the COVID-19 pandemic and the eviction crisis; post-election opportunities for philanthropy to engage with the federal administration on priorities for homelessness and housing; unpacking the legacy of racism in the housing sector; and the challenges and opportunities facing localities in deploying Emergency Rental Assistance.

According to member survey responses, the types of learning that FHO members most appreciate focus on:

- Housing's intersection with other sectors and disciplines;
- Understanding key concepts, such as racial equity and narrative change, and practices, such as sharing power with grantees and building power among the people most affected; and
- Understanding the work of other cross-sector collaboratives.

Learning together, by brainstorming and “workshopping” ideas, broadens collaborators’ perspectives and builds momentum. “It opens up your eyes to think about something differently, to consider a different strategy,” a senior program officer explains. “We hear what others are prioritizing, and if there’s a group of us who want to [consider] it as a pathway going forward, we talk about where to start.” And while FHO focuses on renters, some members have come together outside the bounds of FHO to work on the topic of building income, assets, and pathways to home ownership for Black, Indigenous, and Latinx people.

A third FHO member, who heads a \$1 billion, multi-year commitment to housing, adds: “This has helped us make better decisions about what we want to fund and what we don’t, and how it fits in our theory of change. It’s not something you can learn from reading alone.” This type of group learning has informed FHO’s framing of housing justice, for instance, and its commitment to racial equity.

Notably, for some funders the learning aspect is the most important feature of the collaborative. As a well-resourced member notes, “If [my foundation] wants to fund things in housing, we can just do it. We don’t really need the leverage. We’re in it for the collaboration and for the learning.”

2. The connections that members develop stimulate collaboration, coordination, communication, and leverage that extend beyond the collective itself.

Cultivation of shared values and safe discussion space within FHO encourages and enables members to connect and share information outside the collaborative, too. In fact, members say it is the combination of “what we do together and the offline conversations that make a difference.” Like the explicit focus on learning, these connections broaden the landscape for each member. Those whose foundations primarily support direct services but not policy advocacy or narrative change, for instance, find it valuable to connect with colleagues whose organizations do, and at least one

such member says the exposure is “helping to move [my foundation] a little more toward those areas” of grantmaking.

“A SAFE PLACE TO ASK QUESTIONS”

During an FHO member spotlight session in 2021, senior leadership of a major foundation described their foundation-wide strategic shift underway and noted there were many areas they wanted to explore, but they were uncertain where the exploration would lead.

“After our presentation, a number of other FHO members reached out and set up one-on-one calls with us to explain how they built their portfolios and what it meant for them to explore housing during times of change in their organizations,” recalled the member. “It was really helpful for us to hear other folks’ journeys and be able to ask really specific and candid questions, both on content and on how to move things internally.”

Similarly, leaders of smaller or regional foundations appreciate having access to representatives of larger or national foundations, and vice versa:

- A program officer at a regional foundation found the collaborative helps her make the case that investing nationally has value even though grant dollars may not return to the area, because it can produce systemic change.
- A member whose organization joined FHO to be better connected nationally was pleased to find that her foundation was a little ahead of others on racial equity work and could offer lessons that informed FHO’s emerging strategy.
- Members whose foundations have limited resources to conduct due diligence find the knowledge that other FHO members have already vetted and funded a grantee “very helpful.”

Working together despite the differences among foundations has fostered a sense that we have “a common set of goals and purposes that we are asking grantees to work toward,” a member notes. This enables collaborators to “make sound decisions in unison” about whom to fund and for what purpose. It also enables the collaborative to act nimbly when needs emerge, such as in response to the COVID pandemic. Through COVID, FHO launched a \$2.9 million fund for COVID-19 rapid response efforts supporting local work to help unhoused or unstably housed people and national work to include racial equity in protocols for allocating federal and state emergency housing assistance funds.

In this sense, an FHO member notes, the collaborative is “a force multiplier”; his foundation has invested more in FHO over time because “we’ve been able to see the leverage we’ve gotten by supporting a large range of organizations that resonate with [my foundation’s] values and priorities, as well as an expanded network of places.” We see this effect when we consider that FHO members are individually spending millions of dollars on direct grants that align with FHO priorities but might not otherwise be made (\$2.8 million for policy, advocacy, and organizing efforts and \$7.95 million for narrative change).ⁱⁱⁱ

3. Collaborative funding lets funders test the water without re-inventing the starting point.

FHO is a place where people come ready to try things they would not otherwise have the ability, interest, or understanding to do, but with the confidence that they are supported by others who have gone before. As a senior program director says, “Collaborative grantmaking allows for a little more experimentation. We can try ideas out and then bring them back to our organizations, with results.” This has been the case for several FHO members, who cited learning they gleaned from FHO on narrative change, advancing health equity through housing, and policy advocacy. This benefit also holds true for investing in new or different grantees. In a 2022 survey, FHO members reported at least 29 instances in which their foundations made new grants after being introduced to grantees through connections or investments made in FHO.

4. Increasing influence and reach, while mitigating risks.

Participating in a collaborative increases each funder’s reach, by geography and by the scope of work funded. As researchers noted in 2020, “Such alliances are increasingly important in the quest for social change in the face of large-scale challenges like climate change, political polarization, and inequity, which require contributions from across sectors to create meaningful impact.” To that list we can add a coronavirus pandemic; several FHO members who typically fund within a prescribed geographic area were able, through our COVID-19 Rapid Response Fund, to support on-the-ground responses to the housing crisis in many more localities.

At the same time, a funder collaborative helps to push toward bold grantmaking practices and nontraditional areas of investment, even as individual members have varying levels of risk tolerance. For example, the collaborative can provide cover for members whose organizations deem it risky to support policy, advocacy, and organizing efforts. Even though federal tax law allows foundations to support, in certain ways, grantees who advocate for public policies on behalf of the communities they serve, many funders are bound by their boards or their internal strategies to avoid advocacy. Other foundations are more committed to direct services than to policy change. Nonetheless, members from these foundations often find value in supporting our pooled fund’s grants in this arena.

Similarly, some funders are less explicit in their institutional language around investments in racial equity. Different organizations are at different points in their journey around racial equity, even as individual members wholeheartedly support the work. Others are comfortable with framing and approaches around racial equity but are not yet ready to pursue a trust-based approach that seeks to share power with grantees, elevate community voices, and enable the people most affected by housing injustice to drive how systems operate. Letting FHO serve as a collective voice on racial equity “allows us to impact areas we might not be able to do as individual funders,” a senior foundation executive explains. Says another, “The cloak of FHO gives you freedom to be in conversations you wouldn’t otherwise be in.

We don't have to take every single grant back to our board or president."

The same is true of changing grantmaking practices to eliminate barriers to funding for newer, community-connected grantees that often lead local racial equity initiatives. This can mean: streamlining the grant application process (e.g., substituting interviews for lengthy proposals, waiving requirements for deep cash reserves); agreeing to a single set of outcomes and measures that all funders will accept; shifting to annual rather than quarterly results reporting; giving grantees risk capital to experiment with solutions; providing technical assistance on financial management; and/or funding operating expenses. Some foundations resist these changes because they require giving up direct control, but being able to point to other, highly regarded organizations in the collaborative who have adopted these practices can persuade them to make adjustments.

5. Collaboration inspires members to change their organizations' strategy, processes, and areas of work.

These changes include:

- Greater intentionality about racial equity, community voice, and power sharing.** Sixty percent of respondents to FHO's 2022 member survey said that what they have learned through the collaborative has influenced how their foundation views equity in grantmaking. One foundation revised its theory of change and funding strategy to reflect racial equity priorities and is beginning to address income and asset development for communities of color. Another began to advance health equity through housing. "It was the thought leadership of FHO and others who helped us think differently," this member says. A third member shared what FHO taught her about "incorporating lived experience" not only with her foundation but with colleagues at a National Academies of Sciences, Engineering, and Medicine roundtable. A fourth says that even though her organization isn't rushing to shift power, "if we didn't have exposure to it [through FHO] we would move much more slowly."
- Development of a housing focus, or redevelopment of a housing portfolio.** At least two members have seen the theme of housing justice permeate portfolios in their organizations beyond housing (e.g., anti-poverty and environmental programs) since joining FHO. Another foundation organized half a dozen lines of work that spanned several units but had lacked a cohesive strategy or goals into a portfolio focused on housing and youth homelessness. A foundation that normally works on housing affordability and community development became familiar with housing stability, sustainability, and climate justice through FHO and is using what the collaborative learns to incorporate those themes into its own program design.
- Adoption of a new narrative around housing.** Funders for Housing and Opportunity gave Community Change, PolicyLink, and Race Forward a grant to analyze the dominant housing narrative, design and test new messages, and train housing leaders to use a new narrative centered on racial justice and housing security in their organizing and advocacy efforts. Members were trained on the narrative as well, and several found ways to integrate the narrative into their work and how they communicate about it, as well as shaping thinking and efforts on how narrative change can happen. Some have also shared the narrative research with their grantees, extending the reach and ability to align narratives across the field.
- Measurement of foundations' performance and impact.** After FHO engaged a participatory evaluation consultant to help shape the collaborative's theory of change and performance measures, at least two members made a similar engagement to facilitate their foundation's strategy shift. "It was a game changer for us," one member says, in clarifying a vision and pathway forward.

6. For grantees, a funder collaborative can offer crucial support to launch and grow.

Researchers have found that grantees of funder collaboratives benefit from “greater ability to collaborate with others to drive impact at a systems level, greater reputation boost, and more/better non-financial support.” Our experience has been that a funder collaborative also can:

- **Create a way for emergent organizations, especially community-based ones, to connect directly with funders.** As one FHO member puts it, the collaborative offers a “plug-and-play” process for making these connections, especially for organizations that may not have a long record of outcomes achieved.
- **Provide early investment needed to grow housing justice organizations and movements.** FHO was the first funder of the Housing Justice Narrative Project conducted in partnership by Community Change, PolicyLink and Race Forward; they subsequently raised an additional \$7.95 million in support. We also were the first funder of Opportunity Starts at Home (OSAH, a cross-sector advocacy campaign to meet the rental housing needs of low-income people), and our initial \$900,000 grant positioned them to achieve impacts that helped grow the movement.^{vii}
- **Provide focused time for grantee partners to reflect on their work, share lessons learned, and think about ways to connect or collaborate in a safe space.** FHO’s first cohort of Elevating What Works grantees has met monthly on its own to share strategies for eviction prevention and is now developing an information-sharing project and a national policy brief.

7. For the field, a funder collaborative can (re)establish an area of work by framing it in relevant ways and building a critical mass of activity around it.

Five years ago, when our collaborative formed, the philanthropic agenda around housing was in flux. Several major funders were ending their investments in housing, and others had not yet incorporated housing into their strategy. A message that foundations were leaving the field rippled through the nonprofit housing sector. By emphasizing the interconnections between housing and other fields, such as health, education, economic mobility, and homelessness, we sought to reestablish housing as an important philanthropic focus. “That helped us send a message that housing matters to all the other strategies we invest in,” says a senior foundation executive. “The FHO work has given us more competence in looking at housing and homelessness in its entirety [and] moving away from either/or thinking,” a program director adds. “They’re not separate but all part of the same problem.”

In addition to emphasizing interconnections, we have worked to reframe housing as a cross-cutting social justice issue that requires finding systemic solutions to racial inequities. FHO is not the only entity promoting this frame, but we are pleased to see our effort helping the field.

For instance, a four-year, \$1.8 million grant to the Housing Justice Narrative Project trained more than 1,500 housing leaders in using racial equity and cultural strategies in housing advocacy, and participants indicated that this increased their understanding of and interest in doing so.^{viii}

Impact By The Numbers

FHO’s investments have contributed to 103 policy advances: 51 housing policies supported or introduced, and 52 local, state, and federal policies enacted.

FHO grantees were instrumental in securing \$124 billion in state, local, and federal revenue for affordable housing.

More than 1,500 housing leaders have been trained in housing narrative change.

Source: FY21 FHO Annual Report

Maximizing Impact of Funder Collaboratives

In our work, we continually look at what our impacts are on the field, on our grantees, and on each other as a collective and a shared space for learning, alignment, and influence. From the feedback we've collected from our members and executive committee, we've identified the following strategies for maximizing the effectiveness of funder collaboratives. For more on these lessons, review the complementary article in SSIR, [Housing Justice and Systems Change Through a Funder Collaborative](#).

- Funder collaboratives should be a “leading edge” of knowledge and practice for members.
- Racial equity and trust-based approaches are powerful—and necessary—drivers of philanthropy seeking justice.
- Systemic injustices are interconnected, so the solutions must be, too.
- A sense of community can produce the trusting relationships and learning that funders need to take risks and make bold changes.
- A funder collaborative's power to influence change lies in the ability to speak with a unified voice and leverage collective capacities.

CONCLUSION

We know that systems change doesn't happen quickly or easily. It took centuries to embed racism in housing. It will take decades to change deeply ingrained narratives, and nearly as long to demonstrate the efficacy of solutions well enough to shift policies. But we also know that when funders learn and act together, when we combine not only our resources but our knowledge, experiences, and connections alongside a commitment to address power inequities in the philanthropic sector, our collective solutions have the potential and power to shift the field toward transformative solutions.

ⁱFHO Theory of Change for Process Activities and Outcomes, June 2018

ⁱⁱSee, for example: Carcedo, J., Davis, M., Folkerth, M., Grubein, L., & Kabel, C. (2020). “Is More Always Better? A Reflection on the Dynamic Nature of Nationally and Regionally Focused Funder Collaboratives.” *The Foundation Review*, 12(2). <https://doi.org/10.9707/1944-5660.1516>; Ditkoff et al. 2019; Gibson, C. and Bokoff, J. (2020). “[Teaming Up for Advocacy: How to Effectively Use a Collaborative to Drive Change](#).” Candid Learning for Funders (formerly GrantCraft); Grady et al. 2018; and Powell et al. 2021.

ⁱⁱⁱFY21 FHO Annual Report

^{iv}Carcedo et al. 2020

^v“[How Foundations Can Support Policy Change](#),” Bolder Advocacy, 2021.

^{vi}Ditkoff et al. 2019

^{vii}FHO FY21: Impact at a Glance.

^{viii}FHO FY21: Impact at a Glance.