

# Impact-Driven Philanthropy

Impact-driven philanthropy is the practice of strategically using our time, talents, and resources to influence meaningful and measurable change in communities. Guided by clear goals and strong values, impact-driven philanthropists have a passion for addressing problems and a commitment to partnering with the people closest to the problems we aim to solve.

The approaches to solving community issues are as diverse as the issues themselves. There is no one size fits all approach to community impact and thousands of nonprofit organizations exist to work on the issues in unique ways. Before you jump into your giving, we recommend defining the problem(s) you want to solve and what types of approaches you are most interested in funding.

## DEFINE THE PROBLEM

Before you begin picking organizations to support, it's a good idea to get your own sense of the problem you want to solve, its likely causes, and different approaches to solving it. Writing a problem statement can help you identify the people and places you're trying to impact and the root causes of the problems you'd like to help solve. You will likely have a unique problem statement for each of your focus areas.

As you develop your problem statement, ensure that it includes the intended beneficiaries and describes what really concerns you about the problem.

### Example problem statements:

- Lack of access to affordable, healthy food is leading to an increase in child obesity in low-income families.
- Homeless youth face unique challenges and require youth-specific interventions and solutions, yet often are included in programs for homeless adults, increasing risk for a highly vulnerable population.
- Pregnant women in low-income communities have many barriers to quality healthcare, resulting in poor maternal and infant health outcomes in these communities.

## DETERMINE THE APPROACH

Impact-driven philanthropy understands the interwoven complexities of community issues and makes intentional choices about the approaches to fund. Each organization will have a specific approach to meeting the needs of the people they serve and working to solve the underlying problems. As a donor, it's important to know what questions to ask the nonprofit partners to get a full understanding of their approach and its effectiveness.

### Nonprofit approaches can be broadly categorized in four ways.

- Service provider
- Research and development of knowledge
- Advocacy for policy change
- Scholarships

Organizations can choose to focus on one approach, an overlap of many, or provide the full spectrum of approaches through their work. The approach that is right for you is the one that will achieve your philanthropic goals most effectively. Your goals may be associated with outcomes, timing, visibility, and levels of risk. Some approaches may take years before a donor can see the results of the investments. Other approaches, like providing direct services, highlight the impact of your gift almost immediately. Understanding your own preferences and objectives will help you determine the approaches you'd like to fund.