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Keeping Your Community Foundation Ahead of the Technology Curve

How the latest technology trends could help you serve your community better

Today, when community foundation leaders talk about technology, they talk about products like Impact Manager, GIFTS, or Guidestar—names that barely existed just 10 years ago. Ten years from now, the household names in community philanthropy technology are likely to involve innovations that currently are in their infancy or are not even yet imagined. Not every technology trend will matter to community foundations, and the pace of evolution of new tools can be overwhelming to all but the most tech-savvy. But community-based funders now have an opportunity to get in early and use the new technologies to leverage what they already do and capitalize on what they already know about their communities. Foundations that ignore the potential of the tools may find themselves playing catch-up later.

In *On the Brink of New Promise: The Future of U.S. Community Foundations*, we discussed the dramatic transformations that have occurred since the early 1990s in the transactional and back-office software used by community foundations (see the *Community Foundations and Back-Office Technology* sidebar). Today, a new

WHAT ARE FUTURE MATTERS?

On the Brink of New Promise: The Future of U.S. Community Foundations explored the changing context around community philanthropy and what it might mean for the future of community foundations. But as the context for the field continues to shift, Blueprint Research & Design, Inc., and the Monitor Institute will be developing a number of quick reports (*Future Matters*) in 2006 to expand on the original report and discuss ongoing and emerging issues and trends that may matter to the future of community philanthropy.

Please write to us at info@communityphilanthropy.org to share examples of how your community foundation is using technology to serve your community, to let us know if this report was helpful to you, and to tell us what else you would like to see in upcoming Future Matters.

wave of technologies is beginning to radically change the ways that communities themselves organize and work to solve local problems.

New types of technological tools, loosely termed “social software,” now allow communities to collaborate in ways that may have important implications for community foundations and their work. Many of these technologies are still in the early stages of development. But at a time when nearly two-thirds of all American adults use the internet on a typical day, much of the new software is beginning to demonstrate very real potential for enhancing the ways in which people and organizations are able to connect, share information, and work together.

Some of the new innovations will have direct application to the work of community philanthropy. They may help community foundations reach new communities and donors, restructure how they operate and deliver services, or even develop entirely new roles for their organizations. Other technologies will simply proliferate in the environment around community foundations. They will be used by people and businesses in

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the community, and may even begin to pop up in grant proposals that come across community foundation desks. Regardless, understanding emerging innovations will be important to helping philanthropic organizations better understand and serve their communities.

New technologies will continue to emerge and spread whether community foundations pay attention or not. In some cases, the tools could potentially bypass community foundations as hubs for community knowledge and action. But funders that can integrate and capitalize on emerging online innovations will have a distinct advantage in playing leadership roles with their constituencies.

COMMUNITY FOUNDATIONS AND BACK-OFFICE TECHNOLOGY

The entrance of commercial charitable gift funds in the early 1990s highlighted important gaps in the technological capacity of community philanthropy organizations. Commercial entrants like the Fidelity Charitable Gift Fund offered donors seamless transactional processing and immediate and detailed information about an individual’s philanthropic accounts, similar to what customers had already grown accustomed to in their banking and other financial activities.

Since the 1990s, many community foundations have begun to improve their back-office technologies to remain competitive. At the field level, Community Foundations of America (CFA) and the Council on Foundations’ Community Foundation Leadership Team (CFLT) have developed the Technology Steering Committee (TSC), which monitors the technology environment for issues and trends that are important to the field and provides advice and guidance on how to incorporate the new technology into the ongoing activities of community foundations. The group has developed a technology “roadmap” to help community foundations improve their core systems for processing grants, managing financial information, and monitoring outcomes and impact. The TSC has also developed a wide range of resources to help community foundations address how they use new technologies in relating to the outside world—such as developing websites and mechanisms for online giving—and in dealing with internal technical issues like networking, knowledge management, and online grants and financial processing. The result of all of these changes is that transactional efficiency has shifted from being a distinguishing value of community foundations to being a baseline standard that all community philanthropy organizations must meet.

Community foundations will need to ask themselves two key questions: “How is technology changing the capacities of our competitors and the expectations of our users?” and “What is the real work of our organization and how can technology help us?”

This document aims to explore some of the developing technologies that may be important to communities in the decade to come, and

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examines their potential to change the ways that community philanthropy organizations **share information and knowledge, build community, and mobilize resources and collective action** to address local issues.

Tools for Collective Intelligence

Many of the newest social software tools focus on helping people share information in new ways—transforming how communities find, share, and make sense of information about local issues and opportunities.

Among the most widespread of these tools are **geographic information systems (GIS)**, which allow people to create “smart maps” that help them graphically visualize various types of information (traffic congestion, or population density, or youth asthma rates in different locations). GIS tools are becoming increasingly integral to real estate, public health, crime mapping, transportation planning, and other activities. (Read the NationalPublicRadiostoryat <http://www.npr.org/templates/story/story.php?storyId=5151938> for examples of how Google’s mapping function has been combined—“mashed up”—with various types of data.)

GIS mapping tools can allow community foundations to help residents, nonprofits, donors, and other funders see and understand the distribu-

tion of local needs, services, and grants in new ways. The Long Island Community Foundation, for example, provides support for the Community Mapping Assistance Project of the New York Public Interest Research Group (www.nonprofitmaps.org/webmapping), which assists local nonprofits in developing user-friendly, interactive maps that help policymakers, community groups, and residents use social, demographic, and economic data to understand regional issues. As the technologies continue to develop, building the capacity to use GIS maps could help a community foundation identify ecologically sensitive lands for conservation, understand changing demographics and what they mean relative to the service areas of local nonprofits, or even depict the geographic distribution of their own grantmaking to their staff and boards.

Other tools, called **social bookmarking** tools, are helping to change the way people find information by allowing communities to “tag” websites and information they find important with keywords that, when combined with the labels of others, begin to serve as a way of cataloguing information in easy-to-find ways. Sites like del.icio.us (<http://del.icio.us>) al-

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low communities to share bookmarks of websites and to see which are considered the most useful to other informed members—and, by extension, to connect users with the most relevant ideas and thinkers on a given topic and provide access to best practices and effective approaches. An experiment called the NP Tech Tagging Project (<http://del.icio.us/tag/nptech>), for instance, allows users to mark any webpage for the attention of the nonprofit technology community with the simple tag “nptech,” so that important resources will be easy for others to find and use. Similar efforts at tagging could allow a community foundation or other

grassroots organization to flag websites and information that would be of interest to local residents or nonprofits—creating a set of “meta-bookmarks” for their constituencies that make important information sources easily available to any member of the community.

Another online tool, the **wiki**, allows large groups of people to collaboratively work on common documents, webpages, or websites. Wikipedia (www.wikipedia.com), the largest and most well-known wiki, allows thousands of “virtual strangers” to create and maintain more than a million quite reliable encyclopedia entries on topics of all sorts.¹ Other wikis help groups share information in real time and allow remote access to shared content. “Library Success” (www.libsuccess.org), a wiki started by a librarian at Norwich University, for example, allows librarians

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and knowledge management experts throughout the world to pool and access information about best practices and effective strategies in their profession. Similar types of applications might allow community foundations to develop forums for helping groups of community members, nonprofits, and funders to share, update, and highlight information about local issues and resources quickly and efficiently.

Beyond the emergence of tools for organizing information, another information revolution is occurring in the area of **digital video**, which now allows regular people to create and share compelling stories through motion media, a form once reserved solely for television and documentary filmmakers.

¹ There has been considerable discussion of whether the lack of central editorial control of wikis permits the insertion of unreliable information; some hold that the system is “self-correcting” and that large numbers of participants assure the elimination of unreliable information, while others point to instances of spurious or incorrect information in Wikipedia as evidence that more central control is needed.

Cameras and editing software are now inexpensive enough for many people to afford, and there has been an explosion of “grassroots” video production, particularly by young people. This new capability for storytelling has not yet reached its full potential, but early evidence of the power of digital video can be seen at the new TV network, Current (www.current.tv), launched by Al Gore, which is built on viewer-created videos developed by its

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constituents, or at YouTube (www.youtube.com), which provides a platform for users to view and share video online. The new capabilities of digital video can offer a potent vehicle to help communities and nonprofits tell the stories of the work they have done and the challenges they are facing.

Together, all of these new information technologies could offer community foundations the tools they need to unleash the community knowledge they and their grantees hold as a critical new type of local news and information source. This may become especially important as the growth of alternative media sources, the increasing capacity of individuals to create and share content, and the erosion of the economic base of newspapers as advertising and classifieds go online begin to change the structure of the traditional news business, creating an opportunity for community foundations to partner with traditional and new media providers to serve as an important vehicle for sharing community information.

Tools for Community Building

One of the most radical revolutions in social software today is emerging from a set of tools focused on **social networking**. The idea behind these tools is to allow internet users to create virtual communities that transfer their real-world

connections and chains of social acquaintances online. There are now more than 200 social networking sites on the internet that allow people to access the networks of friends and friends of friends to make new acquaintances, develop professional and business contacts, and find others who share similar interests.

The largest social networking site, MySpace (www.myspace.com), now receives nearly as many page views as Google, and was recently bought by Rupert Murdoch's News Corporation. Another system, MeetUp (www.meetup.com), fosters offline meetings between interest groups that are formed online, and was effectively used as a political organizing tool for presidential candidates Howard Dean and John Kerry in the 2004 elections. And a site called LinkedIn (www.linkedin.com) applies social networking tools to a business context, while the commercial software developed by Visible Path (www.visiblepath.com) attempts to interact with customer relationship management (CRM) systems to help target potential customers beyond traditional circles. While these sorts of public sites are relatively broad and unfocused, the continued development of social networking systems holds great potential for community foundations, both as tools for organizing and building community and as a means for extending and enriching donor management and outreach. It is not difficult to imagine a time when social networking tools might help a community foundation to gain entrée, through trusted connections, to previously closed networks of donors or to organize residents with shared concerns.

Another set of tools attempts to blend both community building and knowledge sharing. **Group discussion** sites like Omidyar.net (www.omidyar.net/home) and the Skoll Foundation's SocialEdge program (www.socialedge.org) create online forums for discussing ideas, building connections between individuals, and accessing information related to social issues and social entrepreneur-

ship. In many cases, these online discussion tools have required extensive effort to moderate the contributions and to maintain user interest and activity. But the model of online communities and group discussion tools nonetheless represents another potentially important vehicle for helping community members identify others with shared interests and concerns and for bringing groups together to discuss and implement possible solutions.

Tools for Mobilizing Resources and Action

In the wake of the outpourings of generosity following hurricane Katrina, the tsunamis in South Asia, and September 11, already high expectations for the potential of online giving have continued to grow. A survey conducted in late 2005 found that more than 26 million Americans reported giving to a charity online. In South Korea, the nation's only community foundation,

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the Beautiful Foundation, has attracted more than 26,000 donors over the last five years, more than 90 percent of whom contribute over the internet.

As the scale of e-philanthropy has grown, more sophisticated **online matching** tools for facilitating that giving have emerged. Sites like DonorsChoose (www.DonorsChoose.org), which connects teachers with project ideas to potential funders, and volunteer sites like VolunteerMatch (www.volunteermatch.org) and Idealist (www.idealists.org) began in the mid- to late-1990s and have created sophisticated online systems for connecting philanthropists with potential recipients. Other tools are emerging that connect people to opportunities for group action. Global Giving (www.globalgiving.com)

THE INTERNET: NO LONGER OPTIONAL

Why are new technologies so important in today's environment for community philanthropy? More people are using the internet to obtain information and connect with others than ever before, changing many of our old assumptions about communication and community.

According to the Pew Internet and American Life Project, more than 70 percent of adult Americans now use the internet. More than 90 percent of these users send email as a way to connect with friends, family, and colleagues; nine out of 10 use search engines to find information; and nearly three-quarters go online to get the news. These figures are only expected to increase as the penetration of high-speed broadband access in homes continues to grow.*

Technological tools will also be particularly important to the emerging "millennial" generation—young people born in the 1980s and 1990s. This new generation, whose oldest members are now 25 years old, rivals the size of the massive baby boom generation born in the 1940s and 1950s.

According to futurist Peter Leyden, the Millennials "are the first generation to grow up completely immersed in the new digital tools and the new media of the internet. They live and breathe these new technologies and media..."**

As these demographic changes continue, philanthropy organizations will need to recognize that technology is no longer an add-on; it has become a defining feature of how entire generations and communities operate.

* Pew Internet and American Life Project, www.pewinternet.org/trends.asp

** The Greatest Generation Yet: Preparing for the Millennial Generation's Impact on Politics, Peter Leyden, New Politics Institute, www.ndnpac.org/npi

provides opportunities for donors to learn about and contribute to pooled funds to support locally run social and environmental projects across the world. And another site, Fundable (www.fundable.org), aims to facilitate group action by allowing people to pool money to raise funds or make purchases. If fundraising goals are achieved, the collected money is released for the designated purpose. If not, all monetary commitments are refunded.

Such advanced online matching tools could help community foundations assist their donors in finding organizations working on the issues they care most about, connecting and pooling funds with peers interested in similar issues, and facilitating fast and easy philanthropic transactions. For example, community foundations could easily use services like Groundspring's "Donate-Now" button (www.groundspring.org) on their websites to give donors the opportunity to contribute online to any current grant recipients.

Technology and Community Philanthropy's New Promise

To stay relevant and vital to their communities, community foundations cannot remain static as the world around them continues to change. Community philanthropy will need to move beyond traditional approaches and activities to consider what strategic leadership roles they need to play for their communities and how best to play them. As they do this, online innovations such as the ones described in this report will continue to multiply and develop. Some of them may produce dramatic changes in our communities and workplaces. Others will disappear as quickly as they arrived.

The task of understanding the new tools and how they could be applied to the work of community foundations can sometimes seem daunting, and too huge and unfamiliar to tackle. But there are

a range of simple steps you can take to begin exploring the new technologies:

- You can use this report as a starting place, and explore the various websites it references to get a sense of some of the technologies that are developing. Visit the different sites and imagine how you might apply each tool to the work you now do in your community. Additional examples of how nonprofits are using technology can be found at www.netsquared.org.
- Invite local young people into your office to share the technologies they are using with you, while also giving you a chance to introduce them to the community foundation and philanthropy.
- Simply jump right in and try one of the new technologies at a small scale. Create a simple wiki using a site like backpackit (www.backpackit.com) or seedwiki (www.seedwiki.com) to allow a set of your grantees to share documents and other information with you and their peers. Or work with your local university to use GIS to map a local issue or key demographic change.
- Meet with local nonprofits to consider whether there are technologies that you could make available to them that would help them with their work, or sit down with local media outlets in your region to discuss potential partnership opportunities that would help you share knowledge about your community.
- Contact a philanthropic support organization, like Community Foundations of America, the Council on Foundations' Community Foundations Leadership Team, the Innovation Funders Network, or your local Regional Association of Grantmakers to help you examine some of the new technologies that are emerging.

The challenge of following technology trends, however, is about more than merely tracking the latest websites and software. As community foundations look to demonstrate their distinct local knowledge and leadership, understanding new technologies provides a chance for the foundations to lead, not lag behind, commercial firms and other players.

Not all new technologies will be valuable for all foundations, but it is likely and perhaps certain that some will be. Some of the tools will redefine where and how communities define themselves and come together to address local issues. This is the work of community foundations. Rather than seeing the developing innovations as a threat, community foundations now have an opportunity

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to understand the new possibilities and capabilities that can be engendered by technological innovations—and to consider how they might be creatively applied to the strategic roles the organizations play in their communities and to the ways that funders can share knowledge and coordinate action with their partners.

The Future of Community Philanthropy

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