



## 2020-21 Strategic Directions

### STRATEGIC DIRECTIONS OF CALGARY FOUNDATION

In this challenging time of a global pandemic and all the restrictions on human gathering and human movement, Calgary Foundation will continue to meet its purpose – For Community, Forever, For Everyone. We will do so in this new context of remote and virtual work, with an open mind to learning how that is best accomplished, while maintaining our commitment to the health of our family of staff and volunteers, our stakeholders and our community. Our strategic priorities are now seen through a different lens, the lens of the global crisis we are all navigating. Collaborations will be virtual and electronic as long as required. Understanding the needs of the sector in this time of crisis and sharing that knowledge with donors who want to help will be increasingly important in the short term and the Community Knowledge Centre can be the tool for this information exchange. Working with the systems of service will be even more important to ensure needed services can be maintained collectively as the sector experiences some of the worst financial challenges ever.

#### ***Take a proactive leadership role in building community beyond grantmaking:***

1. *Deepen impact by taking a systems approach to addressing Vital Priority issue areas:*

Recognizing that ‘picking babies out of the river’ is a short term solution and easier than ‘going upstream’ and determining why the babies are in the river in the first place, Calgary Foundation will seek to understand the systemic cause of the community problems it seeks to address, and strive to influence change up stream for deeper impact. The biggest challenges in community cannot be solved by a grant. A change in the public will is required. Calgary Foundation will explore how it might influence the public will appropriate to the role of a community foundation and in consideration of all its stakeholders, continuing to move beyond grant maker to facilitator of change.

2. *Deepen impact by better understanding, gathering and utilizing data, information and knowledge about community:*

*Knowledge of community* needs and the whole charitable sector are unique and distinguishing characteristics of the Foundation and represent the value it brings to the donor and the charitable sector.

Through *Vital Signs*, the Foundation engages citizens and community leaders in exploring the quality of life of our city, celebrates success and inspires action in areas of need so that this city remains the best city in which to live. The Foundation will continue to partner

with other civic organizations to examine data and present a critical analysis of quality of life in our city. To ensure the continued value of this annual initiative, in alternate years the Vital Signs report will take a deep dive into a specific Vital Priority Area, or a specific demographic.

The *Community Knowledge Centre*, a web-based site, makes the Foundation's unique knowledge of community accessible to donors, agencies and citizens. Through this information engine, donors can find information about community needs and the charities serving these needs, and charities can discover who else is addressing a need, thus encouraging collaboration. Transparency and accountability are fostered. Calgary Foundation will work to improve the user experience on the Community Knowledge Centre.

Data as a tool is underused in the community serving sector. There is opportunity to explore what data might be meaningful to the sector as a whole (funders and charities), and how data might be shared to better support traction on the mission for each organization and the sector. Calgary Foundation will explore how it might lead change in the data landscape for the sector for the benefit of community.

Calgary Foundation will build on its tool kit of resources that support charities, to include tools to rationalize services to preserve mission when resources are scarce, and tools to support people thinking of entering or exiting the market.

- 3. Create space for collaboration between funder groups, and charitable organizations who share a similar mission, to facilitate innovation and capacity building that might rationalize the sector:*

Capacity building is an investment in the future sustainability of the charitable sector, as it strengthens an organization's ability to fulfill its mission, creating a positive impact on the people in our community. Calgary Foundation is committed to supporting charities beyond grant-making, and through our focused efforts in capacity building, is helping charities to develop a resiliency – an ability to adapt to adversity and our rapidly changing environment.

There is increasing donor frustration with perceived duplication of services in the charitable sector. Each year new grassroots initiatives gain charitable status adding to the number of charities serving community and competing for scarce resources. The landscape of funder groups is confusing to charities (private and corporate foundations, public foundations) and the varied and complex demands placed by funder groups on charities requires charities to allocate large resources to the activities of understanding and satisfying funders. Rationalization of both the charitable sector and the funder sector would benefit all concerned. Calgary Foundation will explore how it might create a space for such dialogue and facilitate innovations for the benefit of all – funders, charities, and community.

Calgary Foundation will create space for collaboration between funders. Through the design and implementation of a Funders Roundtable this coming fiscal year, we will share best practices, host conversations around “Big” questions that require a systems-change

approach and seek opportunities for collaborative funding. We will continue to host and facilitate the recently formed Non-profit Capacity Building Network as a way to create a space to better align services and identify gaps.

We will begin to work with our colleagues at the Victoria Foundation to pilot a 4-month intensive program called Thriving Non-profits. This program requires participating organizations to look at their current “ways of doing” in revenue generation and develop and implement new models and strategies for supporting their operations. This program has had overwhelming success in Victoria, and will now be piloted in Calgary, Nanaimo, and Vancouver.

To support charities in all stages of the lifecycle, we will create a “tool-box” of resources that can assist charities through growth, partnerships and mergers, and end of life.

Building on the model of the Indigenous Network, we will seek to join existing or create new networks to help inform the work of the Foundation in all our Vital Priorities, which will deepen our understanding of the needs in the community.

### ***Engage Donors and Champion Philanthropy:***

#### *1. Maintain and grow our relationships with donors in service of their philanthropy:*

Calgary Foundation will continue to provide top-notch donor-centric service. Each year expanded efforts are required to manage process improvement, best practice and design thinking and to adapt to an ever-increasing volume. Over the past two years there has been a 17% increase in Donor Advised granting, a 21% increase in the number of Funds and a 33% increase in the number of complex Funds (requiring extensive research supports). In 2020 the Donor Engagement Team plans to expand by one Administrator position and in 2021 plans to add an additional Stewardship Advisor role in order to meet the growing expectations and needs of Calgary Foundation’s Fund Founders and their families.

#### *2. Deepen and broaden outreach to professional advisors:*

With the creation of the Advisor Engagement Committee in fall 2018, Calgary Foundation signaled to the PA community that we recognize and value their outstanding contributions to nurturing a healthy, vibrant, giving and caring community. 2020-2023 will see an aggressively expanded PA Engagement strategy take shape. Utilizing multi-media (regular e-communications), vlogs/podcasts and development of additional tools to assist Professional Advisors in inspiring philanthropy with their clients, the Foundation will be readily known as a trusted partner and will work side by side to help their clients achieve their charitable goals. With an ever-evolving technical landscape, the Donor Relations team forecasts the need (by 2023) to create a full time Advisor Engagement position to bring additional acumen in house in order to best inspire, inform and educate this community on strategic philanthropy.

#### *3. Build Collaborations with other funders (eg Private Foundations) to deepen impact in community:*

Currently, there are 123 Private Foundations in Calgary with assets over \$1,000,000; 44% of these have had contact with Calgary Foundation. As co-inspirers of philanthropy, there is a natural fit here for collaboration. Development of internal resources (acumen, facilitation training), readily shareable tools, further expansion of ways to disseminate community knowledge and building relationships with Private Foundation families will be a priority for the Donor Relations team in the next 3 years. Engagement with Philanthropic Foundations Canada will also be paramount, with a focus on strengthening relationships with the Calgary chapter.

### ***Build Public Confidence and Reputation:***

- 1. Grow the profile of the Foundation (particularly with prospective donors, diverse cultures, wealth managers, financial planners):*

We will seek new avenues to create awareness in new audiences of the value Calgary Foundation can bring to community. This will include placing key messages in new places using new vehicles. Although there may be fairly high name recognition, fewer people know what the Foundation actually does. Efforts will be made to deepen the understanding of the value Calgary Foundation brings to community and can bring to donors. We will also seek to learn about the role philanthropy plays in other cultures to enhance our value for all communities.

- 2. Encourage and elevate next gen engagement:*

Through our work with family philanthropy, our partnership with the Chamber of Commerce (the Stride), Youth Central and Youth in Philanthropy Initiative (schools), and through our Youth Council we will continue to engage the next generation, learning from them about how they want to be involved in community building.

- 3. Expand and leverage partnerships relevant to our role as a community leader:*

Sponsorships and partnerships are key ways to help build the capacity of the charitable sector and bring awareness to the Foundation. The Foundation will expand this program with a focus on initiatives that align with the Vital Priorities and open doors to new audiences that might work with Calgary Foundation.

### ***Protect and Grow the Assets:***

- 1. Achieve an optimal risk/return investment portfolio:*

The Calgary Foundation manages its Primary Endowment Portfolio (the “Endowment”) with an objective to achieve a long-term rate of return that is sufficient to retain the purchasing power of donations, maximize grants and capacity building initiatives for the charitable community and cover administration costs.

To achieve this goal, management assesses, and if required adjusts, the Endowment's target allocations to public and private asset classes. Management also continues to move forward with the Calgary Foundation's long-term investment strategy to build a robust and diverse allocation (40-45%) to alternative asset classes (real assets, private equity and private debt). Alternative assets have built-in inflation hedges and low correlations to public markets which are expected to lower the Endowment's volatility while generating returns from income and capital appreciation. The allocation to alternative investments should improve the risk and return characteristics of the Endowment to meet its long-term investment objective and achieve performance results that build donor confidence.

To better preserve capital, the Calgary Foundation continues to utilise the hybrid spending formula (Stanford formula) it adopted in 2014 to determine its spending policy. The formula has helped protect the Endowment from capital erosion while minimizing the year-to-year distribution volatility of grants.

*2. Grow the Impact Investment Program while continuing to recycle the initial \$20.0M contribution to the fund:*

The Calgary Foundation's mission will be better served if a greater share of its assets is put towards mission-aligned work. Calgary Foundation's Impact Investment Program (the "Program") actively seeks debt investments in local charitable and non-profit projects with measurable benefit to the Calgary and area community alongside a financial return that maintains the purchasing power of the portfolio and covers administrative costs.

The Program has invested the full \$20 million anonymous contribution into the Calgary and area community and begun recycling funds. Management will continue to maintain a high-quality portfolio of diverse and impactful debt investments while following a diligent investment process. Management will also seek ways to grow the Program's *corpus* beyond \$20.0M.

*3. Grow the Primary Endowment through stakeholder ambassadorship:*

Satisfied donors, advisors, charities and volunteers are the Calgary Foundation's best vehicle to help broaden and deepen relationships. Management will work to ensure the utmost satisfaction in all stakeholders we serve, so they in turn, advocate for the value the Calgary Foundation's Endowment and other assets bring to philanthropy and community.

***Excel in Organizational Effectiveness:***

*1. Innovate: Challenge the status quo, imagine new and different to better serve*

To be a continuous improvement organization, focused on maximizing impact, we know innovation is essential. Through ongoing learning and practice, we will build our skills as an innovative grant maker and community builder. We will identify and challenge the unwritten rules that guide our grant making and other processes to determine if they are

still serving community best. We will explore opportunities to work collaboratively in new ways with other funders, to better support charities.

To support learning the focus this year will be on developing a resource library for staff that includes articles, books, podcasts, and information to build individual capacity in critical areas such as reconciliation, equity, diversity, and understanding the diversity in the culture of giving. The promotion of self-directed learning can be a valuable support in our personal journey that will help us develop the skills to respond to our increasingly complex community.

- 2. Continued internal cultural shift through our reconciliation journey that enhances our capacity to be informed by and integrate an Indigenous lens throughout the organization:*

We will build on our journey of reconciliation, with continued learning that result in shifts in behaviors, and informs changes in process throughout the organization. We will extend this value beyond internal staff, volunteers, board of directors to the community foundation movement in Canada as well as the local charitable sector. It is the process that we are realizing is just as important as the outcomes of this work. With this continued learning, attitudes will shift, the needle will be moved, and we will become part of a changing system whereby we are not complicit in the environments that create problems of inequity with Indigenous members of our community and society.

- 3. Engage Equity-Seeking Groups to learn more about diverse approaches to philanthropy and strengthen our capacity to serve community.*

Foundations have access to forms of power (capital, networks, and influence) and as such it is important for us to be explicit in our commitment to equity. Equity is an approach whereby all people – including those who bear the burden of historic and contemporary forms of marginalization – have equal access to opportunities to define and achieve their role in philanthropy. By engaging with these groups, we hope to spark conversation about the role of philanthropy as a tool for change and keep our organization accountable to the whole community. We are proud of our history of addressing inequality but also recognize that there is more to do both in our organization and the community. The goal is to learn and celebrate the contributions that equity-seeking groups make to the philanthropic landscape, not just as recipients but as active contributors to the improvement of the community.

- 4. Evaluate the various granting streams funded by the discretionary endowment to ensure the most effective allocation of these resources to service community*

Calgary Foundation funds a variety of granting programs from the unrestricted endowment. These include community grants, grass roots grants, pro-active grants, strategic opportunity grants and Major and Signature grants. Given the prolonged economic downturn, and the current needs of charities, these allocations will be reviewed to determine if changes are needed. The long held ‘rules’ for activities that are eligible for

funding will also be reviewed to determine if changes are needed to better support the charitable sector.