

# FOUNDATIONS FUNDING RESEARCH: WHAT DEFINES SUCCESS?

Hilary Pearson

Foundations donate tens of millions of dollars every year, much of it to research projects at Canada's universities. Hilary Pearson, president of Philanthropic Foundations Canada, asks whether this is a useful orientation for foundations, and whether they know they're making a difference. "The answers to these questions," she writes, "depend largely on two factors: the mission or goals of the foundation, and the engagement of the donors." She provides timely insights into the culture of giving in this country, and asks what defines success.

Les fondations versent en dons des dizaines de millions de dollars par année, dont une bonne partie contribue au financement des projets de recherche des universités canadiennes. Hilary Pearson, présidente de Fondations philanthropiques Canada, s'interroge sur l'intérêt de cette orientation et la validité de ses résultats. « La réponse, soutient-elle, dépend largement de deux facteurs : la mission ou les objectifs d'une fondation, et l'engagement des donateurs ». Une réflexion très à-propos sur la culture philanthropique de notre pays et les critères de son efficacité.



**W**hile there are many definitions of philanthropy, most agree that a philanthropic act is one that links an individual (private) act of giving and a common (public) benefit. Every year, Canadian foundations run by families or groups of private individuals choose to give tens of millions of dollars to research, in the hope that it will bring about public "benefit," whether short or long term. Foundation grants are made to universities where research is a dominant activity, to independent institutions of research with a policy focus, and even to groups in the community conducting "community-based" research on specific issues. Why do they choose to do so? And in so doing, how can they know whether they are applying their charitable resources to greatest effect in support of the public interest?

This article addresses three related questions: Should private foundations be involved in funding research at all? If yes, how should it be done, alone or in collaboration? And finally, how do foundations know whether they're making a difference — realizing the changes they want to see in their communities?

Should foundations fund research? There would be few, if any, non-profit research bodies in Canada who would say no. Both inside and outside the traditional university research community, foundation donors are sought out to fund new research, whether in the sciences or the humani-

ties. Researchers at universities across Canada typically count on annual foundation gifts ranging from \$1,000 into the millions of dollars. Outside the walls of universities and colleges, pure research and policy or applied researchers also receive support. In 2003-04, for example, the Canadian Institute for Advanced Research received over \$2.5 million from private sources. At least 15 private foundations were among the donors to CIAR, including several who each gave over \$100,000. Public policy institutes, hospitals and health research institutes count on foundation dollars. And much community-based research, or applied research focused on understanding the root causes of the social challenges faced by communities, is also supported by foundation gifts.

**B**ut typically, foundation board members and donors are not researchers themselves. How do they know what and why to fund? Should it be reactive funding, in response to assiduous and well-presented proposals from advancement offices? It may indeed be "easier" to fund such research than to fund community projects, because researchers, particularly university-based ones, have easily recognized credentials. But does it make sense to apply foundation money to research, given the large sums and long time horizons that arguably only public funders such as the federal research granting councils can support?

The answers to these questions depend largely on two factors: the mission or goals of the foundation, and the engagement of the donors. These two factors are often mutually related and reinforcing. Broadly or generically defined goals, and donors who remain less directly engaged in their foundations' grants, may find it appealing to give unrestricted grants to universities to support the costs of primary

results of the research are disseminated by the foundation itself through a series of working papers.

Research outside a university context by researchers chosen by the foundation is another model. The Lotte and John Hecht Foundation of Vancouver is a small, private foundation that supports medical research, particularly in alternative medicine treatments for cancer. It recently

applicants to propose projects for funding. One such recent application that received funding from the foundation was from the Voluntary Sector Evaluation Research Project, whose goal was to improve the capacity of voluntary organizations to assess their performance and communicate their effectiveness. The researchers in this project were based at Carleton University in Ottawa, but the project was co-directed by a university researcher and a researcher based at a community organization, the Canadian Centre for Philanthropy. And the other principal funder of the project was a public funder, the Social Sciences and Humanities Research Council.

More narrowly or specifically defined foundation missions, and more hands-on donors or foundation directors, tend to be proactive in defining the type of research they want to support through their grants. However, engaged and mission-driven foundations choose to support research in very different ways. The university-based and supported model is probably still the most popular one in a Canadian context.

research, for example. Such funders rarely get involved in defining the goals of the research or in determining the nature of the research team. Under these circumstances, they do not tend to seek out collaborators, as they have no need to do so.

More narrowly or specifically defined foundation missions, and more hands-on donors or foundation directors, tend to be proactive in defining the type of research they want to support through their grants. However, engaged and mission-driven foundations choose to support research in very different ways. The university-based and supported model is probably still the most popular one in the Canadian context. The Lupina Foundation of Toronto, for example, has a specified objective "to promote and provide funds for *research* into the cause, control and cure of health anxiety, social factors in health risk and access to health services, especially by women." It chooses to do so by funding research fellowships with research themes quite specifically defined by the foundation. The fellowships are held at the University of Toronto, which provides an academic peer review process to select the applicants. The

funded a pilot study by a researcher at the BC Cancer Agency who wanted to investigate Chinese herbal remedies for the treatment of lung cancer. The Hecht Foundation board agreed to fund this study based on its knowledge of the researcher who had made the proposal, not on the basis of a peer review. As the foundation and the researcher both acknowledged, there are few peers available who are familiar with herbal medicines. But, in many cases, the willingness of a foundation board to take risks that cannot be taken by a public funder is a significant benefit to researchers. In this case, the risk paid off, at least initially, as the pilot study has been successful enough to attract millions of dollars of additional research funding from the US National Cancer Institute.

**A** third model is the collaborative one, where the private foundation funds research projects that involve several funders and researchers from different institutions. The Max Bell Foundation of Calgary has a mission "to encourage the development of innovative ideas that impact public policies and practices." Within this mission, it invites

Another variation on a collaborative model is that of the Pierre Elliott Trudeau Foundation of Montreal, whose mission is to "promote outstanding research in the social sciences and humanities, and to foster a fruitful dialogue between scholars and policymakers." Through an innovative program of grants to Trudeau Fellows, Scholars and Mentors, the foundation is building a collaborative network in Canada of thinkers and innovators in a range of disciplines in the humanities and social sciences. The goal of the foundation is to "support work of academic excellence that helps to promote public discussion on matters of major societal importance." This goal, like those of the Lupina and Max Bell foundations, makes reference to the application of research conducted in an academic context to issues "of importance to society," an attempt to bridge the perceived research/real world divide.

In all three models (and illustrative cases), the goal of most private funders or foundations is to support research that will have an impact on public policy. Many engaged and mission-focused foundations that choose to fund research rather than

directly supporting community organizations and services, are doing so in the belief that research will lead to a greater understanding of the fundamental causes of social problems and will contribute to their lasting resolution. This can sometimes cause tension between foundations and researchers, because the gap between their respective time horizons can be very wide. Partly for this reason, in spite of their interest in searching for “root causes,” the tendency of many foundations engaged in research funding is to steer away from primary research, toward applied research.

This leads to the second question that frames this article: should foundations work in collaboration with others to maximize their chances of getting better policy outcomes? If so, how can they make that work? Foundations often choose to collaborate with other funders because it enhances the credibility and legitimacy of the research. Collaborations stretch dollars and make research projects possible. The combined forces of several funders can also help to disseminate results and to accelerate their application to policy decisions. Foundations can attempt to structure collaborations either with each other or directly with the research organizations.

But in any collaboration that is more than simply the simultaneous provision of grant dollars by two or more separate funders, difficult questions become immediately obvious. How are the research goals decided? How are checks and balances, reporting requirements and other accountabilities determined? And who determines next steps? Having raised these questions, I do not propose to answer them here, as there is no “right” answer. But a good deal of thinking, and yes, research, has gone into what makes for successful collaboration

between funders, and Canadian foundations are paying attention to it. Formal collaborative funder networks are really only beginning to develop in Canada (as compared to the United States), and experience suggests how difficult it is

making a difference, or succeeding in bringing about positive change. This is the most difficult question to answer: how to define success? What are positive or “best” research outcomes? What makes it worthwhile to fund research?

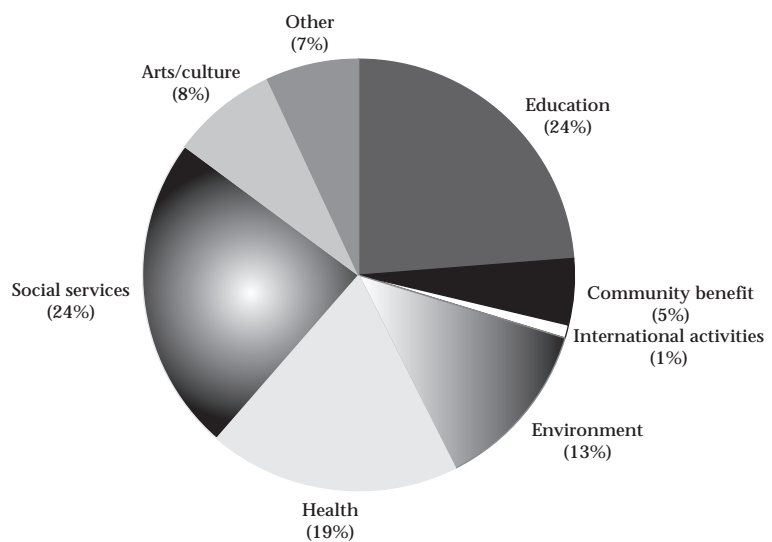
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to collaborate, particularly in funding, not just sharing information. But private funders can see that many of the issues they want to tackle cannot be addressed in isolation. Canadian foundations, even in combination, are not large enough to supply the enormous resources for research provided by many US foundations. In a relatively small country such as Canada, where personal links are tighter and communities are closer, collaboration makes sense.

Ultimately, what foundations want to know is that they are

Success is easier to define for foundations that choose to make their grants to research organizations with good track records and impressive research credentials. The institution itself will define success. But for foundations that want to be involved in the outcomes, this is not satisfying enough. One answer is to manage and define the expectations of research outcomes. A good outcome may be as simple as raising public awareness of an issue. If the research leads to greater awareness (and this can be measured), the project has been successful. If the outcome is defined more concretely as something

FIGURE 1. PHILANTHROPIC FOUNDATIONS CANADA MEMBER GRANTS 2003 (\$177 MILLION)



Source: Philanthropic Foundations Canada.

that will lead to a specific policy change, the expectation of this outcome may be more difficult to meet. Policy change, of course, is not always or mainly driven by research results, even though they can make a huge difference. Perhaps for many foundations, success lies in whether a community need has been met. For this to happen,

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communities need to voice their needs and link them to research goals. In this view, community needs, indeed, must be taken into account by funders in deciding what research to fund.

An example of a private funder that links community voices and decisions about what to research (and what research to fund) is Wellesley Central Health Corporation in Toronto. This is an independent, self-financing nonprofit that defines itself as “a catalyst for change through supporting community-based research, building alliances and organizational capacity, informing public policy and championing supportive housing options.” Wellesley Central funds and occasionally commissions academic and community-based research to support its vision for effecting change in urban health public policy. It makes research grants “to support action-oriented, community-based, policy relevant, urban health research that will make a real difference in the lives and the health of local people.” The emphasis is very much on making linkages between the community’s health needs, the researchers examining potential solutions, and the policy-makers with power to apply solutions. Wellesley Central focuses on enhancing the capac-

ity of each to play their part: it builds community capacity to assess emerging needs and research questions; it fosters collaborative research teams with community and academic partners; and it attempts to situate itself as the “go-to” organization for collaborative urban health research. This is an unusual mandate and role, but since the creation of

Wellesley Central in its current form in 1998, it has been able to build on local, national and international connections, building working partnerships with every university in Toronto and with many partners in the US and in the UK.

While the focus of Wellesley Central is unusual, it is a model that intrigues a number of private funders, who want to learn more about how to fund research that generates “real results for real people in real time.” While universities and research make a strong argument for the fund-

Whether funding basic research or research that focuses on identifying and addressing particular community needs, foundations must take the long view. But the long view is precisely what independent foundations have; it is one of the comparative advantages of this sector, distinguishing it from corporate funders and government, both of which must be more responsive to immediate public pressures. The research advantage of foundations is the ability to stay the course. Both research and public policy will be the better for it.

ing of “frontiers of research,” and many, if not most, foundations do support this argument with grants, a significant number of Canadian foundations are increasingly involved in determination of research goals, partners and outcomes, and doing so in conjunction with community representatives.

Some of these foundations describe themselves as “entrepreneurial.” Others simply want to know in more direct ways that they are making a difference. These foundations do believe that research itself is critical to the development of solutions to community needs, and accept and endorse the view that private funders should provide resources for it as an activity that will contribute to the public good. Their definition of successful research will be decided by the way in which research outcomes lead to change in the quality of the lives of people and communities.

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