Capacity-Building Support - Funding to support “capacity-building” seeks to bolster an organization’s infrastructure, management, and governance. The ultimate goal is to strengthen the organization for the long term so that it can become more productive and effective overall. A capacity grant is not intended to produce measurable outcomes on a particular project, but to fortify the organization so that it can achieve its mission. It serves as an investment in future effectiveness and sustainability of the nonprofit, as well as a bridge to maturity by improving the nonprofit’s operations, programs, finances, and organizational structures. Capacity-building goals include strategic planning, board or staff development and fundraising development.

Charitable Industrial Complex – This term, coined by Peter Buffet, refers to a “save the day” mentality in which philanthropists with limited knowledge about a particular place, problem, or issue think they are best suited to solve a particular problem. The Charitable Industrial Complex allows the ultra-wealthy to feel better about amassing wealth by “doing good,” while permitting the current system of inequality to remain in place. Foundations that operate with the charitable industrial complex may adopt market principles as a part of the giving strategy and be run by the same actors who create the very problems that philanthropy seeks to redress.

Charity - Charity seeks to provide direct rescue and relief. It typically consists of small donations to nonprofit organizations. In contrast, philanthropy typically refers to giving that occurs over a longer term and is more strategic in nature.

Deficit Focus vs. Asset Focus - Deficit-based philanthropy focuses on community needs and problems, while asset-based philanthropy focuses on strengths and opportunities within a community. Deficit-based strategies can identify areas of need, but a singular focus on problems can perpetuate a negative outlook and obscure the skills and power that people have to contribute to solutions. Asset-based strategies encourage community members to identify strengths and build upon them. An assessment of community assets shifts the narrative from “fixing” to “building upon.”

Diversity - The physical presence of people from a wide variety of religions, races, disabilities, sexual orientations, genders, ages, and socioeconomic status. A diverse workplace is not necessarily an equitable workplace. Nor does the presence of people who are diverse necessarily produce decision-making that optimizes results for the groups their diversity reflects. A foundation that focuses only on diversity cannot presume that it has equity as a goal. Diversity is also considered to be in connection with “inclusion” (see below).

Ecosystem - Refers to all of the individuals, organizations and institutions engaged around a particular social issue or campaign including, but not limited to, nonprofits,
funders, and community leaders. Participating as part of an ecosystem means funding based on a holistic and collaborative strategy informed by the needs of the field. A successful ecosystem should foster collaboration between nonprofits instead of incentivizing competition and the creation of replicative nonprofits.

**Equity** - Improving equity means promoting justice, impartiality, and fairness within the procedures and processes of institutions or systems, as well as their distribution of resources. Tackling equity issues requires an understanding of the underlying or root causes of outcome disparities within our society.

**General Operating Support** - General operating support invests in an organization’s overall mission and functioning rather than a specific program. Nonprofit leaders can choose how to use the money—whether it be overhead, programs, or technology upgrades. With this freedom, nonprofit leaders can ensure that day-to-day operational needs are met, which allows them to focus more on their mission.

**Inclusion** - As a term, inclusion is typically grouped together with “diversity” and “equity.” Inclusion consists of involving people from diverse backgrounds in processes. Inclusion applies to people of all different backgrounds and characteristics including: religion, race, disability, sexual orientation, age, and socioeconomic status. Inclusion is the degree to which diverse individuals are able to participate fully in decision-making processes. While a truly “inclusive” group is necessarily diverse, a “diverse” group may or may not be “inclusive.”

**Just Economies** – An aspiration in which a “just transition” would occur from our current, extractive economy to a regenerative economy. In a just economy, the economy would be ecologically sustainable, communities will possess economic control, resources would be redistributed, power would be democratized, and past socioeconomic and racial injustices would be redressed. In order to achieve a just economy as an end, the means of transition must prevent the perpetuation of past and current inequities.

**Mission Creep** - An organization’s mission “creeps” when it gradually broadens an organization’s objectives, causing it to become stretched too thin so that it can no longer effectively meet its goals. Precise missions can prevent mission creep by maintaining focus on the organization’s core values.

**Movement building** - The philanthropic practice of funding social movements through investing in infrastructure, capacity building, and leadership. Often lacking traditional metrics, these investments seek to empower the people most affected by a problem or condition to push for change through direct action. Funders in this space typically partner with organizations/individuals and develop goals and timetables collaboratively. Funders can begin to support movement building by making a grant that uses a single issue as an entry point into wider strategies and campaigns, partnering with organizations to develop what capacity and programs are necessary, challenging their institution’s geographic funding boundaries to fund regional or national campaigns, and highlighting the interconnections between various social issues.
**Mutual Aid Organizations** - Networks of community members, frequently formed on an ad hoc basis, that seek to match community volunteers and resources with those in need. Mutual aid organizations lack traditional top-down leadership structures and strive to operate horizontally. They are often formed in times of need in order to address government inaction or systematically disadvantaged communities. Mutual aid organizations push back against the predominant “everyone for themselves” attitude and instead adopt the outlook that everyone has something to contribute and everyone has something they need.

**Participatory Grantmaking** - A means to democratize philanthropy, this practice shifts power from foundation staff to those most affected or harmed by particular problems or challenges. The goal is to increase accountability, transparency, and collaboration. There are various frameworks for participatory grantmaking and all of them seek to transition the role of a foundation as an arbiter to a facilitator of decisions. Some examples of participatory grantmaking include inviting non-grantmakers to sit on boards, design strategies or conduct research.

**Power Sharing** - Refers to grantmakers’ inclusion of grantees and nonprofit/community partners in decisions and grantmaking. The foundation should act as a partner in creating solutions by getting close to the communities it seeks to serve and learning more about existing power dynamics. This practice relies on the collaboration of funders, nonprofits, and community leaders rather than a foundation’s predesigned initiative.

**Programmatic Support** - These grants support a nonprofit’s specific program or project and are typically evaluated by program-based outcomes. In contrast, general support grants provide a nonprofit unrestricted funds, programmatic support earmarks funds for a specific use.

**Racial Equity** - Racial equity embodies the goal of creating a society where race no longer plays a predictive or determinative role in one’s socioeconomic status, social mobility, health, educational attainment and other conditions.

**Return on investment (ROI)** - In the finance world, ROI is a metric of profitability and efficiency. Similarly, many funders use ROI in comparing grant dollars spent to outcomes achieved. In philanthropy, ROI is a more fluid concept because social good can be hard to measure. ROI is used to evaluate the efficacy of programs as well as a program’s positive impacts. In evaluating a nonprofit’s ROI, funders should consider both the tangible and intangible value the organization adds to the community.

**Social justice philanthropy** - Focuses on targeting the root causes of social, economic, and political injustices by making contributions to organizations that work towards structural change. Social justice strategies typically include the people who are harmed by those injustices in decision making and involve foundation contributions of time, knowledge, skills, and access to their nonprofit partners.
**Structural Racism** - Structural racism is present not merely in individuals but baked into the larger social, economic, and political systems in which we all participate. It is evident in the legitimization of historical, cultural, institutional, and interpersonal dynamics that systematically advantage whiteness and disadvantage people of color. Our current public policies, practices, norms, and cultural representations are a result of accumulated white privilege stemming from American history and culture. These unequal practices maintain race stratification and result in chronic adverse outcomes for people of color.

**Systems change** - A philanthropic strategy that identifies key organizations already working on a problem and helping them come together to achieve the common goal. Systems change philanthropy acknowledges the interconnected nature of social problems and conditions and requires that funders understand themselves as part of the ecosystem— as well as both a part of the current problem and future solution. To employ a systems change strategy, funders base giving on participatory, and flexible practices that aim to transform and dismantle inequality by working for policy change, scaling disruptive innovations, supporting rights advocacy, changing the flow of money and other resources, and improving the evidence base used by actors within the system.

**Technical Support Grants** – Similar to capacity building grants, these seek to strengthen an organization as opposed to producing specific, measurable outcomes. The difference between capacity building and technical support is mostly literal— technical support typically covers computers, technology access, and help with IT. Technical support grants can also include funds to support legal fees, training fees, leadership development, and financial management.

**Traditional philanthropy/grantmaking** - As opposed to social justice philanthropy, traditional philanthropy focuses on alleviating immediate suffering by funding direct aid. It is frequently criticized as supporting “band-aid” solutions that are short term and reactive rather than proactive in nature. The funding structure usually operates as a top-down method, as does much of social justice philanthropy, with most funding decisions being reserved to the foundation without beneficiary input. Traditional philanthropy fulfills serious economic and social needs as they arise. Traditional philanthropy can also have a focus on rebuilding and view giving as investments. While traditional philanthropy varies, it frequently looks like high level donations to traditional organizations like food banks, museums, and hospitals.

**White Savior Complex** - The white savior complex is a white person’s self-serving assumption that they should be saving people who lack resources or power. White saviors typically help others in defined parameters, while supporting or remaining complacent towards policies and practices creating inequitable outcomes. This can take many forms, such as short mission trips to do work that would have been better left to the locals, or voluntourism, where white people exploit images of who they deem as “less fortunate” on platforms like social media.
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