



Graterol Consulting
Integrating Social Research & Technology

EVALUATION
OF THE CHICAGO SITE
OF THE FUNDERS' COLLABORATIVE
FOR STRONG LATINO COMMUNITIES,
A PROGRAM OF
HISPANICS IN PHILANTHROPY

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PREPARED BY:

Celia Graterol, MPH, Founder & Principal
celiag@graterolconsulting.com

Keira Armstrong, MPH, Research Associate
keiraa@graterolconsulting.com

Mill Valley, California
www.graterolconsulting.com

Contributors

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1) Introduction

This report describes the values and overall objectives of Hispanics in Philanthropy, and a brief history of the Funders' Collaborative with a focus on the Chicago site. It presents evaluation findings and describes the Collaborative theoretical framework and the methodology used to conduct the assessment. Findings and recommendations from the Chicago site partners and grantees are discussed at the end of the report.

Hispanics in Philanthropy: Organizational Background

For 30 years, Hispanics in Philanthropy (HIP) has been working to connect those committed to Latino communities with the communities' most pressing needs. Spurred by the historic underfunding of Hispanic communities, HIP has designed multi-site, wide-impact models to leverage resources for the benefit of supporting emerging Latino leaders, families and communities.

HIP's mission is threefold:

- To increase philanthropic investments in Latino communities;
- To increase the participation of Latinos in philanthropy; and
- To foster policy change through philanthropy to enhance equity and inclusiveness.

Founded in 1983, HIP has grown from a small group of Latino foundation professionals to a 550-plus transnational network of funders, academics, community leaders, businesspeople, and government officials. To date, HIP and its partners have raised more than \$45 million to invest in strengthening Latino communities across 16 sites in the United States and in three countries in Latin America. HIP brings together its partners to support Latino communities through collaborative grantmaking for capacity building by way of the Funders' Collaborative for Strong Latino Communities and the Giving Partnerships for Strong Latino Communities, as well as through initiatives focused on particular populations or issue areas, such as aging, education, and the LGBT community. HIP also has developed transnational initiatives, exploring models that draw upon U.S. Latino communities to promote economic development in their countries of origin.

The Funders' Collaborative for Strong Latino Communities

Background

The Funders' Collaborative exemplifies what can be accomplished when local communities and nonprofits work together to create synergies with national organizations. The Collaborative was created in 2000 to address key issues of sustainability, growth and long-term development faced by Latino nonprofit organizations, while also cultivating the next generation of Latino leaders. Through this program, HIP supports small to mid-sized Latino nonprofits and their leaders through grants, training and technical assistance. Rather than fund programs and services, the Collaborative funds capacity-building projects that strengthen organizational systems and build the knowledge and skills of nonprofit staff, board, and volunteers. These projects develop leadership in the Latino community, while enabling organizations to better

serve and mobilize their communities by becoming more efficient, strategic, and sustainable. The program is based on the theory of change that building stronger Latino leaders and nonprofits will build stronger Latino communities.

HIP connects Latino nonprofits to new funding sources, and helps funders leverage their dollars and support multiple nonprofits through a single grant, thus maximizing the impact of their contributions. With HIP's past dollar-for-dollar match, the organization has doubled funders' grantmaking resources and increased their impact several-fold. Through the Funders' Collaborative for Strong Latino Communities, HIP has brought together more than 160 funding partners and supported approximately 600 grassroots Latino nonprofits. These nonprofits are in out-of-the-way places like Capulin, Colorado and Siler City, North Carolina, as well as larger metropolitan areas like Boston, Chicago, and Los Angeles. The Collaborative provides participating organizations with the capacity to better represent their communities and more effectively address the unique needs of Latinos locally, nationally, and internationally.

Program Objectives and Approach

The four principal objectives of the Collaborative are as follows:

1. To strengthen the organizational capacity of small to medium-sized Latino nonprofits.
2. To increase philanthropy's understanding of Latino nonprofits, the communities they serve and the role they play in civil society.
3. To foster leadership among Latino nonprofits that incorporates a vision of inclusiveness and collaboration.
4. To increase the net amount of philanthropic dollars flowing to Latino nonprofits.

HIP has a multi-layered approach to achieving these objectives, which includes leading collaborative grantmaking among local funding partners and providing technical assistance and training to its grantees.

Grantmaking

In partnership with local funders, HIP provides financial support by way of capacity-building grants, which enable small to medium-sized Latino nonprofits to use funds to undertake projects to build or bolster capacities within their organizations. HIP handles the program management aspects of the Collaborative, while funders take part in grantmaking decisions.

HIP works with its local funding partners in each site to secure the funds necessary to hold a grantmaking round of the Collaborative. HIP manages the fundraising effort, but often receives input and assistance from local funders in approaching potential partners.

Once all funds have been raised for a round of grantmaking, HIP works with the local site committee, which consists of one representative from each of its funding partners in the site, to identify a pool of potential applicant organizations. HIP staff then manage the application phase of the Collaborative, creating and disseminating the request for proposals, holding information sessions for potential applicants, providing technical assistance to applicants

throughout the development and submission of proposals, and conducting due diligence on proposals and applicant organizations. After vetting all applicants, HIP disseminates several proposals to each of its local partners, which assist with proposal reviews and conduct site visits. At the completion of reviews and site visits, HIP prepares all materials and reviewers' feedback for the grants allocation meeting, where HIP and the local site committee of funders discuss all proposals and make final grant decisions. By way of the reviews, site visits, and grants allocation meeting, HIP aims to help its local partners become more familiar with local Latino nonprofits and leaders, and to gain a deeper understanding of the issues they are addressing in their communities. Local partners provide valuable input based on their knowledge as experienced grantmakers and, in some cases, their familiarity with the applicant organizations. This knowledge sharing helps to expand the awareness of the partners of the Collaborative. HIP believes that this increased awareness and understanding ultimately impacts the way in which the individuals on the site committee approach their efforts as grant makers and community leaders, and that it has an influence on the efforts of their institutions as well.

After all grant decisions are made, HIP notifies all applicants of the decisions, then works closely with selected organizations to make any necessary refinements to project details and budgets. HIP staff then create and process grant contracts, and disseminate payments to grantees to begin their capacity-building projects. Once the projects are underway, HIP monitors the progress of its grantees by being on-hand to respond to any questions or challenges that may arise, and by conducting informal check-ins about six months into the grant period and collecting progress reports annually. HIP and the local partners of the Collaborative gather either remotely or in-person throughout the year for site committee meetings, at which HIP shares the latest updates regarding grantees in the site and partners discuss other pertinent issues related to the Collaborative, a particular grantee organization, or the local community.

Technical Assistance and Training

In addition to supporting Latino nonprofits and communities through grant funding, HIP strives to foster and strengthen Latino leadership by providing technical assistance and training. From the start of the grantmaking cycle with the release of the RFP to the completion of the grantees' projects, HIP is available as a resource and to provide one-on-one Technical Assistance (TA) to the organizations. HIP also supports the development of these leaders by way of its annual grantee convenings, during which executive directors, board members and other staff of the grantees take part in trainings and workshops on particular capacity-building topics. Through these trainings, nonprofit leaders obtain knowledge and skills that they are then able to bring back to their organizations as stronger, more effective leaders. HIP views the information sessions, grantee convenings, and one-on-one technical assistance that it provides to grantees as opportunities to assist and guide nonprofit leaders as a means of preparing them to more effectively perform their work, lead their organizations, complete their projects for HIP and other funders, and, ultimately, serve their communities.

Recent Program Developments

HIP recently made changes to its Funders' Collaborative model that include a new process for site selection and a new matching structure in which the funds raised by the local funders are matched 1:2 by HIP's national funding partners.

In addition, looking toward the next generation of innovative grantmaking, HIP has expanded its work into new focused initiatives to more deeply address particular areas of importance to the Latino community, such as an LGBT initiative, an aging initiative, and a Puerto Rico Donors' Education Collaborative. These new initiatives will build on the model of the Funders' Collaborative and use lessons and insights from HIP's 30+ years of experience to more effectively strengthen Latino communities.

The Chicago site of the Funders' Collaborative

Background

The Chicago site of the Funders' Collaborative was founded in 2002, at a time when the Latino community in Chicago was facing significant economic and social challenges. According to the 2000 U.S. Census, there were almost 754,000 Latinos in the city of Chicago, constituting 26% of the population. The majority of this community was of Mexican descent (70%), with Puerto Ricans making up 15%, Cubans 1%, and Latinos of other national origins the other 14% of the Latino population.¹ In Chicago, as with much of the country, the Latino community is younger, on average, than most other ethnic groups as well as the general population. Of Latinos in Chicago, half were 25 years of age and under, whereas the median age was 35 for Whites and 32 for the general population, which means that the Latino community in the city, as is the case with much of the country, was quite a bit younger than most other ethnic groups and the general population.²

This young Latino community faced a number of significant economic and social challenges. The educational achievement gap between Latinos and other ethnic groups was significant. Of Latinos 25 years and over in the city, only 46.6% were high school graduates or higher, and only 8.5% held a bachelor's degree or higher. Comparatively, 78.4% of Whites and 71.8% of the total population in Chicago had at least graduated from high school, and 36.3% of Whites and 25.5% of the total population held a bachelor's degree or higher.³ Economically, the Latino population was worse off than other ethnic groups as well. Of the 300,000+ Latinos in the labor force, 9.6% were unemployed, as compared to just 5.5% of Whites. The average earnings of Latino households were \$46,547 as compared to \$68,084 for White households and \$56,313 for the total population of Chicago. Per capita income for Latinos was \$11,801, just 40% of the per capita income for Whites (\$29,174), and 58% of the same for the total population (\$20,175). 17.9% of Latino families were below the poverty level, compared to 8% for White families.⁴

Overview of the Chicago Collaborative

Acknowledging and seeking to address the aforementioned challenges faced by the Latino community in Chicago, HIP established the Chicago Collaborative in 2002 with the support of six local funding partners. Since the inception of the Chicago site, HIP managed operations remotely, as it did with the majority of the Collaborative sites, from a regional office in Minnesota until early 2012 and thereafter from its New York office.

¹ U.S. Census Bureau. (2000). *Profile of General Demographic Characteristics: 2000, Census 2000 Summary File 1 (SF 1) 100-Percent Data: Chicago city, IL*. Retrieved July 9, 2013, from http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_00_SF1_DP1&prodType=table.

² U.S. Census Bureau. (2000). *Profile of General Demographic Characteristics: 2000, Census 2000 Summary File 2 (SF 2) 100-Percent Data: Chicago city, IL*. Retrieved June 25, 2013, from http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_00_SF2_DP1&prodType=table.

³ U.S. Census Bureau. (2000). *Profile of Selected Social Characteristics: 2000, Census 2000 Summary File 3 (SF 3) - Sample Data: Chicago city, IL*. Retrieved June 25, 2013, from http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_00_SF3_DP2&prodType=table.

⁴ U.S. Census Bureau. (2000). *Profile of Selected Economic Characteristics: 2000, Census 2000 Summary File 4 (SF 4) - Sample Data: Chicago city, IL*. Retrieved June 24, 2013, from http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_00_SF4_DP3&prodType=table.

Grantmaking

Four foundations, one government entity, and one individual donor participated in the inaugural round of grantmaking of the Chicago Collaborative, collectively contributing \$185,000. With a 1:1 match from HIP's pool of national matching funds, HIP and the local partners were able to provide \$288,500 in capacity-building support to 16 Latino nonprofits in the Chicago Metropolitan Area in this first round in 2003.

Together, local funders in Chicago contributed nearly \$1M since 2003, all of which leveraged a 1:1 match from HIP's pool of national matching funds, meaning that HIP was able to match almost \$1M for the Chicago site. Through six funding rounds, the Chicago site raised, leveraged and disbursed more than \$1.7M in grant awards to 47 Latino nonprofits. The difference of \$273,875 (10% of incoming contributions until 2004, 15% thereafter) was assigned to HIP to go toward the cost of managing the program over the 10 years it was active in Chicago. The local partners included foundations, a key government agency, and individual donors active in the Latino community. Table 1 shows a list of the participating funders and their contributions.

Table 1: Chicago Collaborative Funders and Contributions

Funder	Total \$ Amount	Rounds of Support
Local Funds		
The Chicago Community Trust	\$ 275,000	5
Polk Bros. Foundation	\$ 220,000	4
Illinois Department of Human Services	\$ 195,000	6
Woods Fund of Chicago	\$ 150,000	5
The Chicago Tribune Foundation	\$ 50,000	3
Daniel and Karen May Foundation	\$ 35,000	3
Chicago Bar Foundation	\$ 22,500	3
Salomón Strategic Solutions (Doris Salomón, Individual Donor)	\$ 10,000	4
BP Foundation (former employer of Doris Salomón, which matched her contributions 1:1)	\$ 5,000	3
Mammel Foundation	\$ 10,000	1
Wieboldt Foundation	\$ 10,000	1
Ivan Medina, Individual Donor	\$ 7,500	2
Jesus Guadalupe Foundation	\$ 5,000	1
Total Local Funds	\$ 995,000	6
Hispanics in Philanthropy (HIP) Matching Funds		
HIP National Matching Funds	\$ 847,500	6
The John D. and Catherine T. MacArthur Foundation (Regional Match)*	\$ 75,000	2
Bank of America Charitable Foundation (Regional Match)	\$ 50,000	1
Washington Mutual (Regional Match)	\$ 25,000	1
Total HIP Matching Funds	\$ 997,500	6
Grand Total	\$1,992,500	6

*The John D. and Catherine T. MacArthur Foundation also gave \$15K for evaluation of the Chicago Funders' Collaborative.

Table 2 below summarizes the history of the grants awarded to 47 local Latino-led, Latino-serving nonprofits in each one of the six grantmaking rounds that took place through the Chicago Collaborative.

Table 2: Chicago Collaborative Grantmaking History

Round	Start Date	Grants Awarded	Total \$ Amount	Grant Range
1	December 2003	16	\$288,500	\$5,000-\$30,000
2	August 2005	11	\$181,500	\$6,000-\$30,000
3	June 2006	14	\$230,750	\$10,000-\$27,500
4	March 2008	17	\$314,500	\$10,000-\$30,000
5	October 2009	19	\$320,700	\$6,000-\$24,500
6	October 2010	20	\$367,675	\$12,000-\$20,000
Total		47	\$1,703,625	\$5,000-\$30,000

Grantee Convenings

In addition to capacity-building grants, the Chicago Funders' Collaborative implemented grantee convenings once or twice annually, offering grantee professional development workshops and facilitating connections with the local funders. Topics included board development, best practices in nonprofit management, marketing, working with consultants, and fundraising, among others. These convenings also provided opportunities for peer-to-peer networking and information sharing, which are key factors in strengthening Latino nonprofits across Chicago.

2) Summary of Findings

Impact on the Funding Partners

The Funders' Collaborative brought together a diverse and committed group of local funders in Chicago. During the interviews the Evaluation Team conducted in March 2013, funders stated that the promise of matching national and regional funds from HIP attracted a group of funding organizations and individuals with wide interests and missions to focus resources and attention on Latino-led, Latino-serving organizations in the greater Chicago Area. Funders in Chicago have a long history of working together in funding collaboratives and the Funders' Collaborative for Strong Latino Communities built on and benefitted from this experience. All of the funders appreciated the chance to network with peers and many came to the table because a trusted colleague actively recruited them. Funders reported that their participation in the collaborative increased their knowledge of issues affecting the Latino diaspora in general, the Latino community in Chicago in particular, and of the Latino-serving nonprofits in the area.

The matching funds from HIP served as a powerful motivating force for foundations to participate. The ability to make a bigger impact in the community, to be flexible with funding, to fund outside their geographic or issue area, and to fund smaller, developing nonprofits were all attractive aspects of working with the Funders' Collaborative. Also, funders appreciated the chance to fund capacity building and to learn how this type of grantmaking impacted nonprofit development.

While many funders report that they have not substantially changed their grantmaking strategies (often constrained by defined program areas or geographic areas), they do indicate that their increased awareness, professional connections, and knowledge of Latino-led, Latino-serving nonprofits has impacted their funding. One funder reported that because of her detailed knowledge of the nonprofits' development process, she was more likely to fund them outside of the Collaborative. Also, funders reported that capacity-building grants provided through the Funders' Collaborative allowed some small Latino-led nonprofits to grow enough to meet their own institution's funding criteria. One funder reported that participation in the Collaborative shaped the mission of her Foundation, and changed her approach to grant making and advocacy.

Funding partners thought that the administrative support provided by HIP could have been more consistent, and that they needed additional support in developing and leading the Collaborative in Chicago. The committee of local funding partners felt that it did not have enough on-going fundraising support to sustain additional rounds of grantmaking. All funding partners said that they would be interested in participating again if the appropriate structure was established to maintain the program in the region as they acknowledged the Collaborative's lasting impact on the discourse about Latino issues and nonprofit capacity building. For future rounds of the HIP funding collaborative, funders would like to see the matching funds continue. They also hope for increased staffing support in Chicago, improved communication and relationship building with HIP, and more timely evaluation of the program's impact. They encourage HIP to study current local priorities and needs and to consider

approaching leadership development in new ways, such as funding fellowships for Latino leaders to research current issues in the community.

Impact on HIP

On the other hand, HIP presented a different perspective regarding their approach to funding collaboratives. During the key staff interviews the Evaluation Team conducted in March 2013, it became evident that in order to implement a successful low-cost, high-impact collaborative model, HIP must secure the involvement of a strong local funder in each site who can act as a convener, has enough clout to bring other funders to the table, and can be an effective leader to connect HIP, local and regional funders, and grantees.

HIP is working to improve its grantee monitoring and evaluation system at local, national and transnational levels to provide more timely and accurate information on the progress and impact of each of its Collaboratives.

HIP recognizes that infrastructure needs of Funders' Collaboratives change from site to site and, thus, HIP should respond uniquely to those differences by reviewing and adjusting its financial model. In the Chicago site, HIP applied the \$273,875 in program management fees over 10 years (~\$27,000 per year) primarily to its fundraising efforts and to administrative support during the application phase, and during grant distribution and monitoring. As such, HIP was able to fundraise almost \$1M in national funders' dollars and distribute grants to 47 Latino nonprofits in Chicago. However, as with other sites of the Collaborative, HIP asked the local funders in Chicago to contribute a good deal of their time during the grantmaking process, including conducting proposal reviews, site visits, and participating in grant decisions. At times, HIP also asked Chicago funders to help in planning grantee convenings, perhaps more so than in other sites. Program management fees enable HIP to fundraise, manage the grantmaking process, monitor projects, and provide training for Latino nonprofit leaders. By adjusting its fee structure, HIP may be able to more fully fund staffing for the Collaborative in Chicago and in other sites, and thus improve the effectiveness of this program.

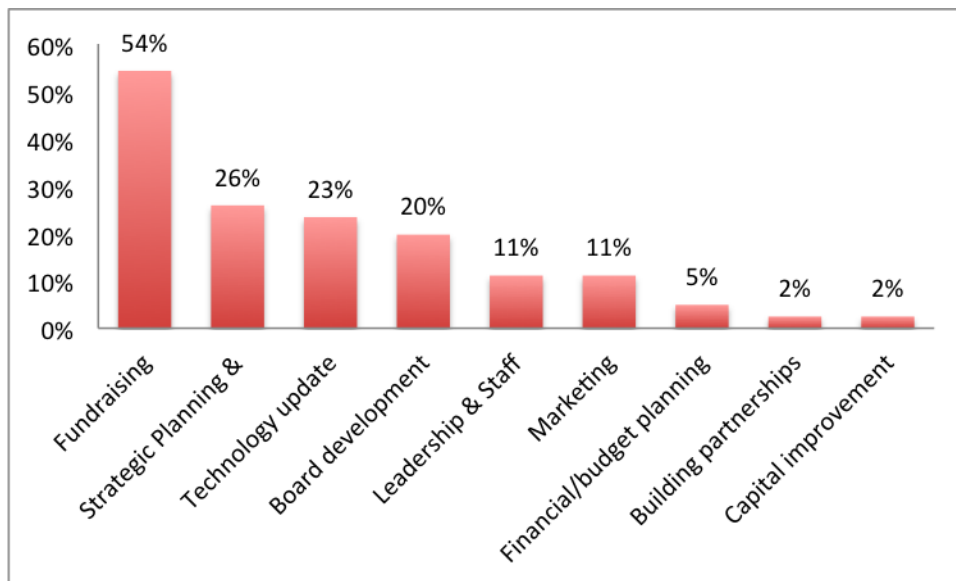
Lastly, as a response to the decrease of generalized capacity-building dollars available to nonprofits in recent decades, HIP has reviewed its fundraising and grantmaking models in partnership with local, national and transnational funders to identify more specific funding areas aligned with the needs of Latino communities across the Americas, including health, aging, poverty, education, LGBTQ, and others.

Impact on the Grantees

The Funders' Collaborative provided 97 grants to 47 grantees through six rounds of funding. A survey completed in fall 2011 (October to December) provides a snapshot of the grantees. The organizations funded varied in size and scope. Some were nascent and small, with few or no paid staff, and an annual budget of around \$22,000. Others had been providing services in Chicago for over 40 years and had operating budgets of more than \$2M. Most of the grantees (62%) received more than one round of funding, allowing them to complete multiple capacity-building projects, some strengthening their capacity in several areas and other completing multiple stages of the same initiative.

As seen in Figure 1, the majority of grants (54%) focused on developing and/or implementing fundraising plans. An additional 26% of grants focused on strategic planning efforts led by consultants. Board development and training was often a part of these efforts, most times in order to more actively engage the board in either strategic planning or fundraising. Many organizations invested their grants in technology upgrades, which included hardware and software as well as website and database development to support fundraising and financial management. A few organizations applied for support for feasibility studies around partnerships or capital improvements.

Figure 1: Funding Categories for Grants thru Six Rounds of the Chicago Collaborative*



*Many grants funded more than one category, therefore percentages add to >100

Of the grantee final reports reviewed by the Evaluation Team, 86% indicated that grantees met the goals of their projects. Most grants (78%) funded a specialized consultant to lead or develop strategic plans, fundraising plans, technology updates, financial management systems, or board development and training. An additional 19% included hiring internal staff to conduct similar work, especially in the areas of fundraising and accounting. To continue their capacity building and organizational development work, 48% of reports indicated that organizations used additional sources of capacity-building funding.

The grants resulted in concrete organizational change during the funding cycle for 70% of the nonprofits funded. These changes included staffing changes, new board members, moving into a new space, starting a new program, or increasing their volunteer participation. Since there is no long-term follow-up with grantees, it is challenging to assess whether these changes were sustained or what their impact has been on the organizations' success over time. The grantees relied heavily on consultants to develop their strategic and fundraising plans. If most of the funding went to short-term consultants, it would be interesting to see the longer-term results.

Grantees reported new partnerships and funding sources as a result of participating in the HIP Collaborative. One third reported new partnerships as a result of their participation and 44% reported new funding sources as a result of the HIP grant. The acquisition of these sources reflected a commitment to diversifying their funding bases and came from individual donors, foundation, government or corporate grants, corporate sponsorship of events, increased event participation, in-kind professional services, and increases in earned revenue.

Most grantees reported that they highly valued their participation in the Collaborative. The most valuable aspects of the Collaborative mentioned by grantees were networking with nonprofits and funders, funding financial planning and management, board and staff development, fundraising, strategic planning and technology. 89% of the grantees who attended the workshops, reported favorably on the topics, especially when they included concrete tools to use in nonprofit management and development. They wished for more opportunities to network, including more frequent, half-day, in-depth workshops. Most grantees reported that the funding received from the Funders' Collaborative increased the capacity of their organization in the areas of financial management, programs, board, staff, and technology.

3) Evaluation Purpose, Methodology and Framework

About Graterol Consulting

Graterol Consulting assists nonprofits and funders with organizational development services including evaluation, strategic planning, and program design. Based in the San Francisco Bay Area and working throughout California and nationally, the Graterol Consulting team conducts single- and multi-site program evaluations, and facilitates strategic planning and program design. Our services include the LogicMap™, a unique web-based tool that integrates traditional research methods with online resources used to engage stakeholders, facilitate real-time learning, and bring clarity to a planning and evaluation process.

Purpose of the Evaluation

The purpose of the evaluation was to conduct an assessment of the Chicago site of Hispanics in Philanthropy's Funders' Collaborative for Strong Latino Communities and produce a summary of findings from the site. The evaluation was funded by the John D. and Catherine T. MacArthur Foundation and produced by Graterol Consulting with the active contribution of HIP and the local funding partners of the Chicago Funders' Collaborative.

The evaluation was guided by the following research questions:

1. Did the HIP funding support grantees to better meet their goals and/or missions?
2. What improvements and positive changes took place in the grantees as a direct result of the program?
3. To what extent has the Collaborative contributed to the capacities of the grantees?

Assessment Methodology

This section describes the methods used by the evaluation team to conduct the evaluation and the challenges and successes of implementing the methodology.

Background Materials Review

The evaluation team conducted a comprehensive review of the Funders' Collaborative at the national level and at the Chicago site level. Materials reviewed included the following:

- Background documentation of the HIP Funders' Collaborative describing the guidelines and capacity-building goals.
- Past evaluation reports of the Funders' Collaborative and its other sites.
- All Chicago grantee proposals, grant contracts, and progress and final reports. Appendix 1 shows the summary of grantee data, which was synthesized under the following categories to study impact of the capacity-building grants: funding round; funding category; goals/objectives; how goals/objectives were met; whether a consultant was hired or not; impact summary; if the organization received other capacity-building grants, the associated funders, and the goals of those grants; whether organizational change took place or not;

what type of change; whether there were partnerships with other organizations, how many, and whether they were developed thanks to the Collaborative grant; grantee convening impact and recommendations; whether new funding sources were acquired, how many, if they were impacted by the HIP grant, and what type of funding.

- All available Chicago local funders' websites.

Local Funders' Key Informant Interviews

In collaboration with HIP staff, the Evaluation Team developed the questions and guidelines (see Appendix 2) for the local funders' interviews. In March 2013, the Evaluation Team conducted a total of 7 interviews with 2 individual donors and 5 representatives of the local participating foundations using web-conferencing software GoToMeeting. Due to scheduling constraints, one additional foundation director responded to the same interview questions in a written statement after the interviews had been concluded. Interview notes and recordings from the 8 total participants were analyzed and summarized in Section 4.1.

HIP Staff Key Informants Interviews

The Evaluation Team conducted key informant interviews in March 2013 with Hispanics in Philanthropy leaders: Diana Campoamor, President and Gracia Goya, Vice President, U.S. and Transnational Programs. The interview notes were analyzed and summarized in Section 4.2.

Grantee Surveys

The Evaluation Team analyzed the information gathered by the following two grantee surveys (Section 5):

- Online grantee survey administered by previous evaluator in fall 2011 (October to December). (see Appendix 3)
- Second online grantee survey developed and implemented in SurveyMonkey during March 2013 in collaboration with HIP staff to complement the findings from the first survey. (see Appendix 4)

Assessment Challenges

This project faced two challenges. First, it was conducted well after the end of the initiative (10 years from the first grant cycle and one year after the grant period for the sixth and final round had ended). Second, the Evaluation Team had a very short time period to conduct the assessment and finish the work.

These factors made surveying funders and grantees difficult. Because of the short time period allotted for evaluation, the Evaluation Team could not schedule interviews with all of the local funders who participated in the HIP collaborative. The short time period of assessment and the length of time since the funding was provided to grantees resulted in a relatively low response rate on both grantee surveys. It is likely that many nonprofit staff members that participated in the Funders' Collaborative are no longer in the same position. Because of the difficulty in reaching grantees, the Evaluation Team relied heavily on the information available in the

proposals and progress reports to create summaries and recommendations about the grantee experience. Additionally, the Evaluation Team drew from grantee survey data collected by a previous consultant unassociated with Graterol consulting who had begun the project in 2011, but was unable to complete the evaluation.

Evaluation Framework: Capacity Building and Collective Impact

The framework for assessing capacity building used by the Urban Institute⁵ informed the Evaluation Team’s analysis of the program’s impact on grantees. Further, the framework for assessing collective impact of the Stanford Social Innovation Review⁶ informed our analysis of the overall success of the Funders’ Collaborative.

Capacity Building

The Urban Institute highlights three perspectives for assessing organizational capacity (Table 3).

Table 3: Funders’ Collaborative (FC) Objectives Mapped with the Urban Institute (UI) Capacity-Building Areas that Determine Nonprofit Success.

UI Category	UI Category Description	FC Objectives
1 Sustainable Development	Organizations identify needs, set priorities/ issues and review strategies to address them through evaluation and strategic planning, increase ability to achieve outcomes and better serve the community.	To increase philanthropy’s understanding of Latino nonprofits, the communities they serve and the role they play in civil society. To strengthen the organizational capacity of small to medium-sized Latino nonprofits.
2 Civil Society and Social Capital	Organizations involve their constituencies (e.g., increased civic engagement of their participants, increased volunteers), increase advocacy, and strengthen their networks.	To increase philanthropy’s understanding of Latino nonprofits, the communities they serve and the role they play in civil society. To foster leadership among Latino nonprofits that incorporates a vision of inclusiveness and collaboration.
3 Organizational development and management	Organizations increase financial capacity (e.g., revenues, monitoring), increase ability to increase and diversify funders, increase staff size, increase board size and engagement, improve infrastructure (e.g., office space, technology, websites, marketing, databases)	To strengthen the organizational capacity of small to medium-sized Latino nonprofits. To increase the net amount of philanthropic dollars flowing to Latino nonprofits.

Depending on the mission, mode of service provision and organizational culture of a nonprofit, they will choose to address capacity building in very different ways. While increasing capacity

⁵ Carol De Vita, Cory Fleming and Eric C. Twombly. “Building Nonprofit Capacity, A framework for Addressing the Problem.” Center on Nonprofits and Philanthropy, The Urban Institute, April 2001.

⁶ Hanleybrown, Fay, John Kania and Mark Kramer. “Channeling Change: Making Collective Impact Work.” Stanford Social Innovation Review, January 26, 2012.

in any one area will help an agency, nonprofits need to build capacity in all three in order to grow, continue to meet the needs of their constituents, and be sustainable in the long-term. The intersection of these areas builds a stable organizational base.

Table 3 describes how the Collaborative objectives consider success from all three areas. With a focus on strategic and development planning and technology upgrades, grantees were better equipped to respond to their members and funders. As well, the Collaborative facilitated funders’ improved understanding of the Latino nonprofits and the communities they served. Developing staff and board members’ leadership and connecting them with peer organizations and funders was also a focus of the Collaborative, which supports stronger civil engagement and strengthens social capital among Latino-led, Latino-serving nonprofits and their communities.

Collective Impact

The Funders’ Collaborative effort is a great example of organizations joining forces to engage in collective impact. Table 4 summarizes the conditions necessary for successful collective impact. The Collaborative shared common criteria for funding organizations and the objectives of the funding. Grantees shared evaluation and monitoring instruments to report progress and challenges. Grantee Convenings acted as reinforcing activities to support networking with funders and other organizations. HIP was the backbone organization and communication hub to support the grantmaking process.

Table 4: Conditions for Successful Collective Impact*

1 Common Agenda	All participants have a shared vision for change, including a common understanding of the problem and a joint approach to solving it through agreed upon actions.
2 Shared Measurement	Collecting data and measuring results consistently across all participants ensures efforts remain aligned and participants hold each other accountable.
3 Mutually Reinforcing Activities	Participant activities must be differentiated while still being coordinated through a mutually reinforcing plan of action.
4 Continuous Communication	Consistent and open communication is needed across the many players to build trust, assure mutual objectives, and create common motivation.
5 Backbone Support	Creating and managing collective impact requires a separate organization(s) with staff and a specific set of skills to serve as the backbone for the entire initiative and coordinate participating organizations and agencies.

* Channeling Change: Making Collective Impact Work. Stanford Social Innovation Review, January 26, 2012

4) Findings and Recommendations from the Local Funders and Lessons Learned by HIP

The information gathered during the local funders' and HIP staff interviews in March 2013 is summarized and divided into the 2 sections: 4.1) Perspective from the Local Funders and 4.2) Lessons learned from HIP. Section 4.1 includes perceived individual funder and foundation impact, funders' perspective on the role of HIP, and recommendations for the future. Section 4.2 includes the perspective of HIP staff and their lessons learned. These sections summarize the results of the content analysis from the funders and HIP key informant interviews performed by the Evaluation Team. Direct comments from interviews are in italics.

4.1 Perspective from the Local Funders

Impact at the Individual Funder Level

This section describes the personal impact the Funders' Collaborative had on the local individual funding partners.

Benefits

- Increased knowledge about Latino issues and the breadth of Latino-led, Latino-serving nonprofits in Chicago.
- Increased knowledge on how to implement capacity-building grantmaking.
- Opportunity for professional development in philanthropy.
- Strengthened professional relationships with other funders.
- Led to increased awareness about and participation in the transnational funders collaborative focused on Mexico and the Mexican diaspora.
- For individual donors, giving through the Collaborative provided structure and information about grantees and their progress that simple individual donations don't offer. – *Proposals and reports let you know what they [grantees] are doing with the money.*

What brought them in to the Collaborative and helped to keep them?

- Funders were recruited by HIP staff or by other local funders. Having a strong local partner was essential to outreach to other local funders. A trusted leader in the community made other funders more likely to agree to participate.
- Having 1:1 matching dollars from HIP facilitated the recruitment of funders. Matching funds was a huge incentive for their participation. – *The Collaborative offered a unique opportunity to leverage dollars for our grantees to work on their capacity.*
- A core consistent group of local funders was critical to the ongoing success of the Collaborative.
- Most funders value work in collaboratives and know about positive collective impact.
- Capacity-building funding was a key factor to their participation – *Capacity building of nonprofits was a hot topic at the time and there were scarce dollars supporting it.*

- Another critical factor was that the Collaborative funded Latino organizations – *I thought it would be a good opportunity to contribute to the Latino community...and leverage additional support for the Latino community.*

Did the Funders’ Collaborative impact your approach to grantmaking?

- Most funders continue to do issue-based grantmaking rather than population-focused grantmaking. They don’t specifically fund Latino-serving, Latino-led nonprofits outside of the Funders’ Collaborative.
- Additionally, most funders do not allocate specific funds for capacity-building grants.
- Participation in the FC did change one foundation’s focus through increased awareness of the issues and needs of the Latino community. – *As a result of participation in the FC, the Foundation continues to focus on Latino communities in Chicago and on social justice issues around race, ethnicity and sexual orientation.*

Impact at the Foundation Level

This section describes the impact the Funders’ Collaborative had on the local foundations.

Benefits

- Increased funding. Leveraged dollars allowed for a larger impact on nonprofits, which produced a larger impact in the sector and, thus, a larger impact in the community overall. – *A funding collaborative with strong foundation participants can have a major impact on how city and state dollars get allocated. Collaboratives like this one had an impact on governmental policy and service delivery.*
- Diversified funding. Funders were able to support nonprofits that otherwise would have been too small or outside their program area(s).
- Increased knowledge about the importance of capacity-building grants for Latino nonprofits.

Did the Funders’ Collaborative impact funders’ approach to grantmaking?

- The Collaborative increased funding to Latino organizations working in the program areas of several of the local foundations.
- Learning details of the capacity-building work influenced several funders to continue funding or providing TA to those organizations beyond the Collaborative. – *The capacity-building grants helped the organizations grow to the point where they would meet our funding guidelines. –As the director of the foundation, I donate my time to provide in-kind technical assistance to emerging Latino nonprofit organizations in the Chicago area and have worked very closely with at least 8 HIP-funded organizations. As a result of meeting many Latino organizations through the HIP site visits, I became more deeply involved with many of them.*
- For one Foundation Director, participation in the Funder’s Collaborative did change their funding priorities and shaped the mission of her Foundation – *Being part of the HIP FC deepened my knowledge of issues impacting the Latino community and helped to catalyze a more thoughtful and creative approach to grant making and advocacy around social justice issues. The Foundation’s mission was largely shaped by participation in the HIP Chicago FC.*

- Through the HIP FC, the same Foundation became involved not only in Latino issues in Chicago, but in transnational funders' collaborative and programmatic initiatives. – *Participation in the Chicago FC resulted in me also becoming involved in the transnational funders collaborative focused on Mexico. Participation in both the Chicago and the Mexico funders' collaboratives deepened my understanding of the issues affecting diaspora communities and resulted in transnational grant making and programmatic initiatives by the Foundation.*

Funders' Perspective on the Role of HIP in the Collaborative

- Facilitated grantmaking to Latino-led, Latino-serving nonprofits.
- Facilitated matching national funds.
- Sponsored trainings for grantees.
- Provided some administrative support. Some funders stated that the administrative staff support could have been better. Even though funders always had the materials needed to review nonprofits and make grant decisions, staffing support was inconsistent and sometimes inadequate. – *Staffing changes resulted in communication breakdowns and unclear delegation of responsibilities. After meetings, it was difficult to ensure follow through with action items. – The workload of grantmaking was too heavy for the volunteer Chicago committee. – At one point, the Chicago FC did not have any communication from the HIP project coordinator for a full year.*
- More active administrative support could have led to increased local fundraising, visibility, and duration of the project.

Would you participate again?

Most funders stated that they are likely to participate in another round in the future because of their positive experience with the Collaborative and expanded professional relationships.

Table 5 shows the answers from the funders when they were asked during the interviews if they would participate in another round of the HIP Funders' Collaborative.

Table 5: Local Funders' Response Regarding Participation in Future Round(s) of the Funders' Collaborative

Funder	Yes	Maybe	No
The Chicago Bar Foundation		X, possibly	
The Chicago Community Trust		X, with alignment on local priorities.	
Doris Salomón, Individual Donor	X, with staff		
IL Department of Human Services	X, timing is important		
Ivan Medina, Individual Donor	X		
The May Foundation	X, very eager to partner again, with staff		
Polk Bros. Foundation		X, with improved communication and staffing	
Wieboldt Foundation	X, with local input		

Local Partners' Recommendations for the Future

The following are recommendations on how another Funders' Collaborative could be most effectively implemented going forward:

- Continue and improve the **matching funding**.
 - Continue the matching funding. – *Leveraging dollars is even more important in the current economic climate.*
 - Maintain a consistent commitment on the match amounts.
- Continue **capacity-building grants**.
 - Most foundations agreed that there is a continued urgent need for capacity-building grants for nonprofits in Chicago. There are not many sources of capacity-building grants. – *HIP's response to capacity building needs of emerging Latino nonprofits and the desire to create a pipeline of Latino leaders in philanthropy are still urgent needs in Chicago.*

- Funders will never agree on an issue, so capacity building is the perfect area for collaborative funding. – *It is a need that cuts across every part of the sector and is probably the best basis for bringing broad funders together.*
- Commit to a long-term collaborative (5-10 years) to better support organizational development.
- Improve **communication with and administrative support** to the local funders.
 - Establish an office and provide a staff person in Chicago, or at least designate an off-site staff person who visits frequently to conduct targeted face-to-face meetings.
 - Timely invitations to local events (e.g., grantee convenings) to secure funders' participation and increase their connections to grantees.
 - Improve administrative support to strengthen local fundraising. – *With better staff support, the Collaborative could have done more fundraising.*
- Improve **outreach to donors**
 - Involve more individual donors and corporate Latinos, including the chamber of commerce. – *The Collaborative could be more sustainable if the private sector is involved.*
 - Increase the number of local foundations through outreach.
- Conduct **evaluation**
 - Several funders stated the need to conduct evaluation. – *A timely evaluation of grantees would have been helpful for funders to assess the success of their grantmaking. Evaluation would help us understand the impact of funding capacity building.*
- Continue and improve **grantee convenings and technical assistance**
 - Tailor topics to fit the wide range of nonprofit experience.
 - Implement national convenings with grantees and funders from all of the HIP Collaboratives to share experiences nationally.
 - Continue to provide concrete technical assistance around diversifying revenues (e.g., social enterprise, individual giving) to rely less on foundation funding.
- Learn about the **local priorities and needs**
 - The focus of a new Collaborative would have to fit into current local priorities and serve a demonstrated need in Chicago nonprofits. – *HIP should work with local leaders to develop the next program in Chicago to make sure it fits our needs and appeals to a broad range of funders.*
 - HIP should learn about other funding collaboratives in Chicago to complement and support their work. Many foundations are working with other funding collaboratives around current issues like DACA, workforce, education, and arts. – *Nuestro Futuro brings together corporate and individual donors to fund capacity building around early childhood education. – The Latino Giving Circle is a group of individual donors focusing on high school retention and graduation.*
 - Conduct an assessment to see what the current needs are in the community and how funders can address those needs. – *The Latino Policy Forum, working with Latino-led nonprofits has developed the Latino Agenda. HIP should consult this agenda to*

determine future needs and funding initiatives. – The May Foundation with the University of Illinois at Chicago also conducted phase one of an assessment of the financial status and capacity building needs of 66 local nonprofits in 2009..

- Other approaches to **leadership development through research fellowships**
 - Engage Latino nonprofit leaders in looking at different issue areas in the community such as Latinos and Aging, LGBT Latinos, and Early Childhood Education.
 - Support research on capacity-building best practices and nonprofit leadership. Research on questions such as “What difference does Latino leadership make in an organization beyond improved cultural competency?”
 - Produce reports similar to the “Nuevos Senderos” 1999 HIP publication.

4.2 Lessons Learned by HIP

During the key HIP staff interviews the Evaluation Team conducted, it became evident that in order to implement a successful low-cost, high-impact collaborative model, HIP must fine-tune its approach as follows:

- **HIP secures the involvement of a strong local funder** who can act as a convener, who has enough clout to bring other local funders to the table, and who can be an effective leader to connect HIP, local and regional funders, and grantees.
- **HIP reviews fundraising and grantmaking to focus on areas of need.** As a response to the decrease in capacity-building dollars over recent decades, HIP has reviewed its fundraising and grantmaking model with local, national and transnational funders to identify issue areas based on the needs of the Latino communities across the Americas, including health, aging, poverty, education, LGBTQ, and others.
- HIP is working to improve its **grantee monitoring and evaluation** system at local, national and transnational levels to provide timely and accurate information on progress and impact.
- **HIP recognizes that the needs of the sites vary and that they should respond uniquely to those different requirements.** Particularly for the Chicago site, HIP would need to review the financial model for the Collaborative. In Chicago, HIP received \$273,875 in program management fees over 10 years, approximately \$27,000 per year, which allowed the organization to focus on fundraising efforts and administrative support during the application phase, and through grant distribution and monitoring. HIP was able to fundraise almost \$1M in national funders’ dollars and distribute grants to 47 Chicago nonprofits. However, as with other sites of the Collaborative, HIP asked the local funders in Chicago to contribute a good deal of their time during the grantmaking process and in planning grantee convenings. To more fully cover its costs for the Collaborative in Chicago and thus improve its level of administrative support, fundraising and grantmaking efforts in the site, HIP would need to increase its program management fee.

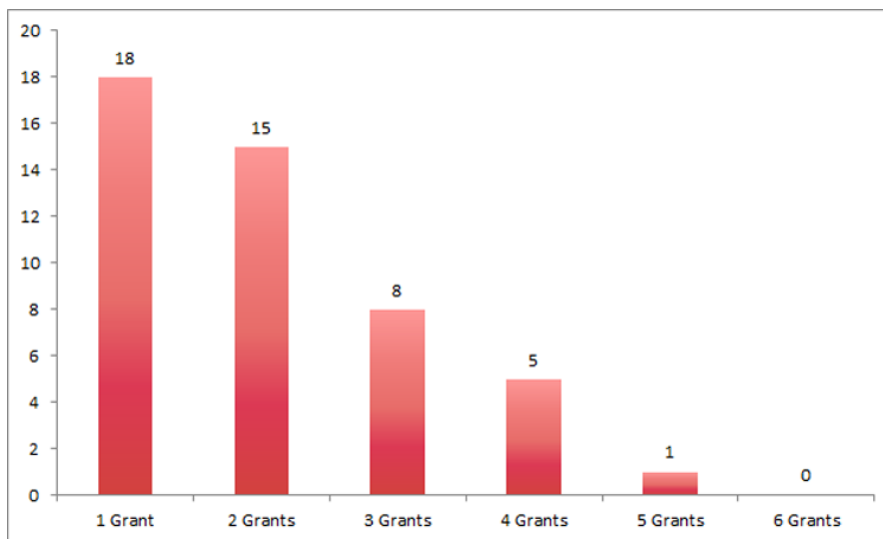
5) Findings and Recommendations from Grantees

Grantee Profile

Through six rounds of funding, the Chicago Funders' Collaborative provided 97 grants to 47 Latino nonprofits for a total of \$1.7M in funding. Grants ranged from \$5,000 to \$30,000 over a period of one to two years.

As shown in Figure 2, most of the grantees, 29 (62%), received funding in more than one round, while 18 (38%) received only one grant. Very few organizations (13%) received more than three grants.

Figure 2: Total # of Grants received by Chicago Grantees



The grantee survey conducted from October to December 2011 by the previous evaluator surveyed 28 grantee participants (see Appendix 3 for the summary of findings). Of that sample, 59% of the surveys were completed by the Executive Director or the former Executive Director, 26% by the Development Director, and 11% by a Board Member.

Years of Operation

The organizations responding to the 2011 survey had been in operation for varied lengths of time and varied greatly in size and budget. One organization had been created in 1967, while another had only been in operation since 2009.

Staff Size

Of the respondents to the survey in 2011, four had no full-time employees (14%), 14 had 1-10 full-time employees (54%), three had 10-20 full-time employees (12%), and five had greater than 20 full-time employees (20%). Similarly, four had no part-time employees (14%), 18 had 1-10 part-time employees (69%), and three (16%) had greater than 10 part-time employees.

Volunteers

Some organizations had no regular volunteers, while others had more than 500 volunteers that contributed 15 hours or more of work per week to the organization.

Revenues

Organizations' revenues varied from \$22,000 to \$2.3M.

Note: As it is a requirement that nonprofit applicants have annual budgets of less than \$2 million to be considered for funding from the Collaborative, those organizations with budgets of more than \$2M annually must have increased their revenues after receiving a capacity-building grant from HIP.

Participants Served

The 2011 survey results show that the grantee organizations represented served many aspects of the Latino community in and around Chicago.

Of Participants: Most of the organizations surveyed served more than 500 participants per year (56%). An additional 41% served 100-499 participants, and 3% served 26-75 participants.

Age Group and Ethnicity: The organizations surveyed served participants in all age groups and several ethnicities. Many reported that they served all age groups (41%), while 7% served infants/toddlers, 33% served children and youth, 48% served young adults, 60% served adults and 26% served seniors. All organizations served Latino/Hispanic participants, but 26% also served African American participants, 7% served white participants and 7% served Asian American participants. In most of the organizations (81%) the Latino population is Mexican/Mexican American, 15% is Caribbean, and 4% is Central American.

Income Level: Nearly all organizations served low-income clients (96%).

Geographic Areas: Some of the organizations served clients city-wide (30%), while others were focused on specific neighborhoods with high Latino populations such as Humboldt Park (30%), Little Village (26%), Logan Square (19%), and Pilsen (19%). The western, southern and northern suburbs have increasing numbers of Latino residents and 30% of the organizations serve clients in those areas. Two organizations serve clients state-wide.

Population Groups: 78% served immigrants and refugees. Other agencies focused on LGBTQ clients (22%), the homeless (22%), clients with substance use issues (11%), incarcerated or formerly incarcerated clients (11%), disabled clients (7%), and day laborers or migrant workers (7%).

Program Services

As shown in Table 6, organizations provided a wide variety of services with the most common being education (55%), community organizing (44%), youth development (44%), immigration services (41%), civic engagement (30%), violence prevention (30%), health (30%), and housing (26%).

Table 6: Program Service Areas of Chicago Collaborative Grantees

Service Area	Percentage of Responses	Number of Responses
Education	55%	15
Community Organizing	44%	12
Youth Development	44%	12
Immigration Services	41%	11
Civic Engagement	30%	8
Violence Prevention	30%	8
Health	30%	8
Housing	26%	7
Community Development	22%	6
Human Services	22%	6
Legal Services	22%	6
Capacity Building	22%	6
Employment	15%	4
Arts and Culture	11%	3
Economic Development	11%	3
Food/Nutrition/Agriculture	11%	3
Mental Health	11%	3
Recreation/Sports/Leisure	11%	3
Advocacy	7%	2
Technology	4%	1

The Evaluation Team, in collaboration with HIP staff, designed and conducted an additional online survey (using SurveyMonkey) during one week in March 2013 to assess grantees' perceptions of their participation in the Funders' Collaborative.

Twenty grantees filled out the online survey. Most surveys were completed by the Executive Director of the nonprofit (65%, N=13), or by a Board Member (20%, N=4). The rest of the respondents were development staff, administrative staff or consultants. Most respondents had worked at the organization for most of the duration of the Collaborative, with 55% reporting they had worked there for 5 years or more (N=11). An additional 40% had worked at their organization for 3-5 years and only one respondent was new to his or her agency. All respondents reported that they had either managed the project for which they'd received the HIP grant(s) (50%, N=10) or had supported the project (50%, N=10).

Valued Participation

Participants were asked to rate the level that their organization valued participation in the Collaborative on a scale of 1-10, with 10 being “very high.” Of these respondents, 90% (N=18) rated their participation an 8, 9, or 10, with 65% (N=13) rating it a 10. Only two participants (10%) rated their experience as a 6.

Most Valued Aspects of the Collaborative

As Table 7 shows, the most valuable aspects of the Collaborative indicated by the survey’s respondents were networking with nonprofits and funders (45%), funding for financial planning and management (40%), funding for strategic planning and evaluation (35%), and funding for fund development, board development and staff development, which were each selected by 30% of respondents. Lastly, 25% valued funding for technological upgrades.

Table 7: Aspects of Funders’ Collaborative Most Valuable to Grantees

Aspect of Funders’ Collaborative	Percentage of Responses	Number of Responses
Networking opportunities to connect with nonprofits and funders	45%	9
Funding for Financial Planning/Financial Management	40%	8
Funding for Strategic Planning and Evaluation	35%	7
Funding for Fund Development	30%	6
Funding for Board Development	30%	6
Funding for Staff Development	30%	6
Funding for Technology (e.g., internet connectivity, social media, database management, tracking and reporting systems, website, software, hardware)	25%	5
Funding for Expanded or Improved Programs/Services	15%	3
Educating funders on the needs of Latino communities	15%	3
Funding for Communications & Marketing to clients and community	10%	2
Informing funders on challenges and successes of grantees	10%	2
Leadership and professional development for staff	10%	2
Funding for Communications & Marketing to potential funders	5%	1
Leadership and professional development for board members	5%	1
Training and technical assistance from HIP	5%	1
Funding for Capital Improvement	0%	0

Areas of Increased Capacity

Most participants (95%, N=19) reported that the funding received from the Funders’ Collaborative increased the capacity of their organization. As shown in Table 8, of those respondents, 50% (N=10) reported increased financial management, 30% increased board capacity and expanded/improved programs, and 25% reported improvements in fund development, staff development, strategic planning and evaluation, and technology capacities.

Table 8: Areas of Increased Capacity from Funders' Collaborative Grants

Area of Capacity Increased from Grants	Percentage of Responses	Number of Responses
Financial Planning/Financial Management	50%	10
Board Development	30%	6
Expanded or Improved Programs/Services	30%	6
Fund Development	25%	5
Staff Development	25%	5
Strategic Planning and Evaluation	25%	5
Technology (e.g., internet connectivity, social media, database management, tracking and reporting systems, website, software, hardware)	25%	5
Communications & Marketing to clients and community	10%	2
Communications & Marketing to potential funders	5%	1
Capital Improvement	0%	0

Brighton Park Neighborhood Council (BPNC). HIP funding allowed BPNC to hire a full-time development staff person who formed partnerships with local banks, insurance agencies, and real estate professionals. This led to new sources of funding, which allowed the organization to hire a full-time youth leader, provide staff training, and develop evaluation tools. As a result, BPNC increased the awareness of their services offered and, subsequently, served more families.

Respondents had more mixed results on whether training and technical assistance (including the grantee convenings) increased their organization's capacity. Table 9 describes that half (N=10) agreed or strongly agreed that this support increased their capacity, while 30% (N=6) neither agreed nor disagreed, and 20% (N=4) disagreed or strongly disagreed. Among those who thought the trainings were effective, they reported increased capacities in a wide range of areas. The most common responses were in marketing to clients and community (20%), and technology development (15%), but it is striking that participants seemed to take from the trainings what was relevant to them at the time.

Table 9: Areas of Increased Capacity from Training and Technical Assistance

Area of Capacity Increased from Training and TA	Percentage of Responses	Number of Responses
Communications & Marketing to clients and community	20%	4
Technology (e.g., internet connectivity, social media, database management, tracking and reporting systems, website, software, hardware)	15%	3
Strategic Planning and Evaluation	10%	2
Financial Planning/Financial Management	10%	2
Expanded or Improved Programs/Services	10%	2
Fund Development	5%	1
Board Development	5%	1
Staff Development	5%	1
Communications & Marketing to potential funders	5%	1
Capital Improvement	0%	0

Grantee Project Outcomes and Organizational Capacity: Analysis of Change

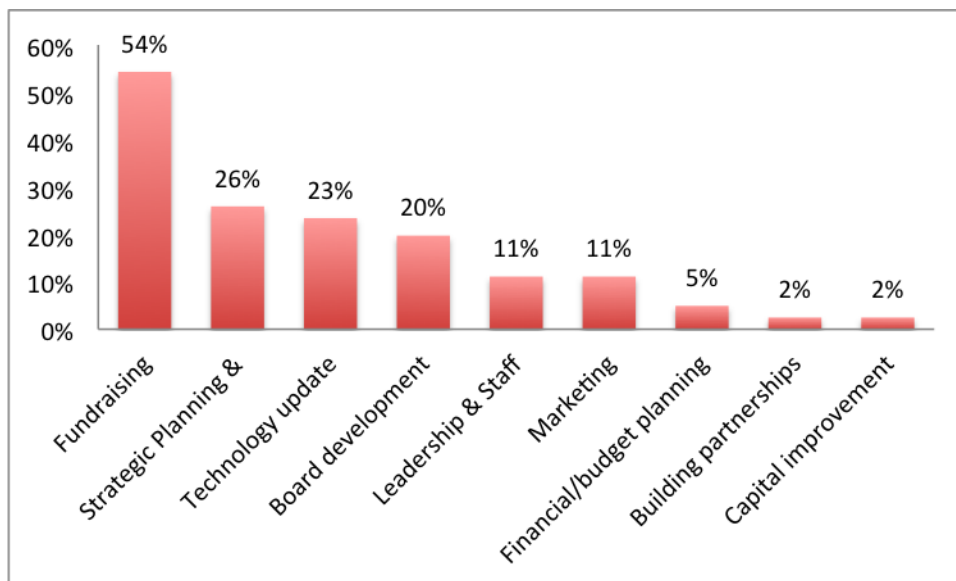
The grantee summary comprises data gleaned from reviewing the grantee proposals, budgets, and progress and final reports. HIP required grantees to submit progress and final reports that asked how they met their goals and objectives, whether they received other capacity-building grants, formed partnerships, or were awarded other funding, and asked them to evaluate their participation in the grantee convening workshops. These reports were submitted annually for multi-year projects and final reports were submitted at the close of each grant period, which corresponded with the close of the funding cycle. The majority of grants awarded in the Chicago site of the Funders' Collaborative were one-year grants and, therefore, the majority of the reports submitted are one-year final reports. These final reports provide the grantee's perspective of their work, achievements and participation experience at the conclusion of their grant.

Through 6 rounds or funding cycles, the Funders' Collaborative awarded 97 grants to 47 grantee organizations. HIP received 81 final reports from the grants and the information below presents results gathered from these reports.

Funding Categories

As shown in Figure 3, the majority of the grants focused on fund development (54%), strategic planning (26%), and technology updates (23%) such as websites, database development, or hardware/software updates to support these plans. Board development and training often accompanied strategic planning or fund development planning efforts.

Figure 3: Funding Categories for Grants in all Six Rounds of Chicago Collaborative*

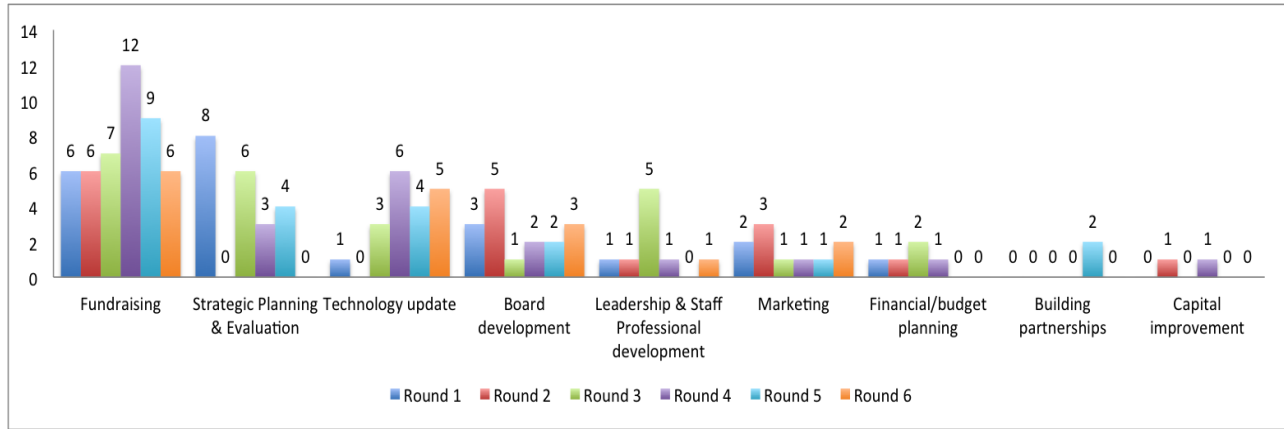


*Many grants funded more than one category, therefore percentages add to >100

In Figure 4, we summarize funding categories by round. It is interesting to note that agencies more consistently needed fundraising training and support, marketing, and financial and budget development in the final rounds, while more nonprofits engaged in strategic planning and

board development at the beginning of the funding initiative. This could be an indicator of organizational growth, given that strategic planning and board development are among the first steps to increasing capacity and, thus, strengthening an organizations' ability to fundraise. Technology updates were more concentrated in the later years of the Collaborative.

Figure 4: Funding Category by Round of the Chicago Collaborative



Meeting Set Goals and Objectives

Of the 81 grant reports reviewed, 86% (N=70) indicated that organizations met their goals and objectives for the project during the grant period or during a no-cost extension. Only 2% (N=2) indicated that the grantees did not meet their goals, and only 11% (N=9) partially met their objectives. Many of the grantees that partially met their objectives went on to complete the project in a successive round of funding. Of the two that did not meet their goals, one was due to a consultant who did not deliver the product, and the other had poorly defined goals.

Hiring Consultants and Staff

Most grants (78%, N=63) funded a specialized consultant to lead or develop strategic planning, fundraising plans, technology updates, financial management, or board development and training. An additional 19% hired or increased the time of internal staff, such as development directors, executive directors, financial managers, or accountants to complete the work, and the remaining 2 grants entirely funded staff professional development and technology updates.

Corazon Community Services. HIP funding allowed for the hiring of a grant writer who was able to identify 26 new sources of foundation and government support, and helped the agency develop an individual donor database. As a result, the agency was able to surpass its goal of increasing revenue by 33%.

Other Funders Providing Capacity-Building Support

Many grantees, especially in later rounds of funding, were actively pursuing support to implement strategic or fundraising plans. They were often engaged in related capacity-building projects at the same time. In 48% of the final reports, grantees reported having other sources of capacity-building funding, while 44% did not. The other funders providing capacity-building

grants are summarized in Table 10, along with the type of capacity-building projects grantees reported these funders supported between 2003 and 2010. The Chicago Community Trust was mentioned most often by a wide variety of grantees. Arts Work Fund for Organizational Development was a resource for small to mid-sized arts organizations, while the LISC Chicago supported mostly youth-focused capacity-building projects among HIP grantees.

Table 10: Other Funders providing Capacity-Building Support in Chicago

Funder	Goals
Arts Work Fund for Organizational Development	Arts Education program planning, developing a fundraising plan, marketing, board development
Applied Research Center	Racial justice training
Bank of America Neighborhood Excellence Initiative Award	Financial management
City of Chicago TIFWorks	Professional development, workforce training
Chicago Community Trust: MOD grants, Smartscope, Teaming for Technology	Strategic Planning, Organizational development, Marketing plan implementation, Market research study, leadership development, development planning, technology training and update
Chi-West	Strategic Planning
Communities for Education Reform	Professional development
Cricket Island Foundation	Fundraising capacity-building training
Crossroads Fund Chicago	Nonprofit management peer exchange workshops, develop fundraising plan
Grassroots Institute for Fundraising Training	Board development and community fundraising
Heartland Alliance	Professional development for staff
Illinois Violence Prevention Authority	Update technology
Joyce Foundation	Implement marketing plan
Junior League of Chicago	Develop volunteer program
Lake County Community Foundation	Strategic Planning
Latino Pastoral Action Committee	Strategic Planning
Local Initiatives Support Coalition (LISC) Chicago	Support youth interns, technology update of youth after school programs, financial management
McCormick Foundation	Strategic Planning
National Council of La Raza	Develop program, national certification
Nuestro Futuro (CCT)	Develop program evaluation capacity, strategic planning
Prince Charitable Trust	Develop marketing materials
Put Illinois to Work, Department of Human Services	Support youth interns
Safety Networks Initiative of Illinois	Conduct financial management workshop
Strength in Unity Coalition	Strategic planning, professional development around LGBTQ population
University of Illinois	Knowledge generation of target population

Organizational Impact

The HIP Collaborative grants resulted in concrete organizational change for grantee organizations during the funding cycle in 70% (N=57) of the reports submitted. This included staffing change (34), new board members or formally restructuring board responsibilities (23), moving into a new space or serving clients in a new space (11), starting a new program (5), and

increasing their volunteer base or starting an intern program (2). It was often the case that hiring even a part-time staff person to focus on financial tracking and reporting, or fundraising development and grant writing freed up the time of other staff to more efficiently focus on service provision or to seek new resources for the organization. It is not clear from these reports what were the grants' long-term impacts on organizational change, and if the staff positions, in particular, were sustained beyond the grant period.

Partnerships

Grantees reported most clearly on partnerships with other organizations in rounds 5 and 6 of the Funders' Collaborative when they were asked to list partnerships and whether they were due to the HIP funding. Through all six rounds, 56% of organizations reported that they had active partnerships with other nonprofits or government agencies, and 33% of those reported that at least some of their partnerships were formed because of the funding or relationships created by their participation in the Collaborative.

In rounds 5 and 6, where all 25 grantees concretely reported information by listing partnerships in a table in their final reports, 80% (N=20) had partnerships with other organizations and of those, 44% (N=11) were the result of funding or relationships inspired by the Collaborative grants.

Diversifying Funding

Since many of the grants focused their capacity-building effort on hiring development staff or working with a development and fundraising consultant, many of the efforts resulted in increased and more diversified funding sources for the grantees. Through all six rounds, 56% (N=45) of reports indicated new funding sources and of those, 80% (N=36) reported that the new funding sources were a result of the Collaborative grant.

Again, grantees were asked to report on new funding sources in the most structured way in rounds 5 and 6. Among the 25 grants awarded in those two rounds, 92% (N=23) received additional funding sources during their grant period, and of those, 83% (N=19) attribute their fundraising success to the Collaborative grants. In these late rounds, more thorough reporting helped us get a picture of the growing sophistication of many of the grantees and their ability to harness capacity-building dollars to achieve real results. Of the six grants that did not attribute additional funding sources to the Collaborative grant in those two rounds, five were awarded for very specific projects with potential long-term impact, such as implementing web-based tracking and reporting databases, conducting feasibility studies on specific expansion ideas, or developing communications materials. All five projects reported new funding sources from other activities. Only one organization was a new grantee that was embarking on more basic organizational development by conducting a strategic planning effort.

Mano a Mano Family Resources Center. HIP funding allowed the organization to hire an external accountant and to increase the hours of the onsite business manager. The new staff developed a more effective and efficient financial management and reporting system. This freed up the director's time to focus on diversifying the funding base and increasing collaboration to expand programs and improve the financial stability of the organization.

Over all six rounds, the types of new funding sources tended to be quite diverse and reflected the nonprofits' goals of diversifying their funding bases and decreasing reliance on foundation grants. Grantees reported that new funding sources came from individual donors, foundation, government or corporate grants, corporate sponsorship of events, increased event attendance, in-kind professional services, and increases in earned revenue through new programs or purchased equipment that allowed them to provide a service (such as simultaneous translation equipment).

Grantee Convenings

Finally, grantees were asked to assess their participation in the grantee convening workshops and to give feedback on the benefits of participating in the workshops and what they would like to see improved in the future. Almost all grantees reported on the workshops (N=75) and of those, 96% (N=72) attended and only 3 agencies (4%) either did not hear about the convening or were not able to attend due to scheduling difficulties.

Everyone who attended appreciated the opportunity to interact and network with other nonprofits and the local funders. They also greatly appreciated the workshop topics that were presented, especially when they provided concrete tools for them to use in their organizations. Many reported that the workshops were relevant to their work and changed their thinking or approach to their own work or their agency's efforts. One organization even reported that it served as a board orientation for their board members that attended.

The grantees' feedback is grouped into several areas below, which appear in bold, with partial or full comments included as well.

Benefits of Participating in the Workshops

- **Strengthen relationships with other nonprofits.**
- **Strengthen relationships with local funders.**
- **Increased knowledge about the sector and important issues.**
- **Increased professional development.**
- **Participants also appreciated concrete materials they could use for their nonprofits.**
 - Principles and Best Practices booklet for measuring capacity building
 - Organizational structure template to be used as a tool to assess capacity
 - Concrete tools for budgeting and forecasting
 - Practical training on building an individual donor database
- **Most helpful presentations**
 - Board Structure and Development
 - Executive Leadership
 - How to hire and work with a consultant
 - Strategic planning
 - Fundraising
 - Nonprofit management, financial management

Recommendations for Workshop Implementation

- **Tailor the topics to better address agencies at different levels of capacity**
 - Schedule multiple workshops during a half-day session and let participants choose which to attend to better meet the needs of grantees.
 - Some organizations stated the presentations were too sophisticated, while others said they were too basic for their current needs.
 - Some organizations stated that the scheduled presentations were not relevant to their current efforts.
- **Increase time to interact with local funders**

- Workshop with local funders and grantees to better understand the funding process, requirements and expectations of foundations or program officers.
- One-on-one sessions with local funders to talk more specifically about their project and troubleshoot issues that arose during the funding period.
- More participatory sessions with funders.
- **Increase ongoing contact with HIP to facilitate TA, problem solving and networking.**
- **Increase time to interact with other grantees.**
 - More frequent half-day, in-depth workshops on one specific development area (e.g., fundraising, using media, marketing, board development, strategic planning, etc.).
 - Group grantees by issue area to network with agencies doing similar work and have more effective peer networking (e.g., youth programming, community organizing, legal issues, Literacy/ESL providers, etc.).
- **Involve grantees in the planning and implementation of the convenings.**
 - Have different grantees host workshops.
- **Increase peer networking and support**
 - Pair up current grantees to support each other, share experiences, and network.
 - Pair up a new grantee with a past grantee to learn from their experience.
- **Hold convening outside working hours. Transmit the session via webcast, video conference, or phone for those who cannot attend the workshops on site.**
 - It was difficult to attend during working hours.
 - It was difficult to dedicate one full day to the workshop, even though they were useful.
 - Difficult for those in the suburbs and “collar counties” to attend.
- **Presentation topics grantees would like to see in the future**
 - “New Executive Director”
 - Board development and training
 - Financial Management, Budget analysis/development
 - Supervising/managing staff and volunteers
 - How to manage leadership succession both in staff and board
 - How to hire quickly in a fast growing organization
 - Marketing
 - Database training
 - Broadening the funding base
 - Individual giving in the Latino community
 - Cultivating new relationships with donors
 - Grant Writing
 - The changing environment of fundraising
 - Program Evaluation
 - Developing program collaborations with other nonprofits
 - Fundraising for capital campaigns
 - The Donors Forum of Chicago

Grantees' Recommendations for the Future

- Continue with collaboratives as they are an **effective strategy to attract investment of local and regional funders in Latino-led, Latino-serving nonprofits**, and have an impact on the local, regional, national, and international sectors.
- Stronger and more timely **administrative support and communication**.
- Continue to serve as a resource for **technical assistance and professional development**.
- Implement on-going **evaluation** and communication of results.
 - Administer a baseline survey prior to or at the time that the grant is given to measure current capacities and taxonomy of nonprofits, and then administer a final survey at the end of the grant period to assess change.
- Strengthen **communication and dissemination** of grantee successes to help leverage additional funds.
 - HIP should capitalize on their networks and build online communities to share stories and resources, and collaborate to strengthen Latino-led Latino-serving nonprofits.
- Increase **HIP's role as a convener to connect grantees**.
 - More frequent meetings/convenings and at different locations and times.
 - Increase networking.
 - Increase the on-going sharing of resources and information.
- **Continue to fund Chicago**. Funding for Latino organizations in Chicago has fallen since the final round of the Funders' Collaborative in the site. United Way and many foundations have shifted to funding narrowly-defined impact areas.
 - Continue to fund capacity building.
 - Continue to fund small organizations.
 - Continue to fund TA provided by specialized consultants.
 - Consider expanding criteria to include organizations with some Latino leadership (other than board or executive director) to further develop leadership in the community.

4) Conclusion

Over a period of 10 years, the Chicago site was able to achieve all four principal objectives of HIP's Funders' Collaborative for Strong Latino Communities: (1) strengthen the organizational capacity of small to medium-sized Latino nonprofits; (2) increase philanthropy's understanding of Latino nonprofits, the communities they serve and the role they play in civil society; (3) foster leadership among Latino nonprofits that incorporates a vision of inclusiveness and collaboration; and (4) increase the net amount of philanthropic dollars flowing to Latino nonprofits.

On the funders' side, the Collaborative was a vehicle to double the funds they were able to allocate to Latino nonprofits in Chicago by facilitating national matching dollars. It increased their understanding of how to implement capacity-building grants and their knowledge about Latino issues and the breadth of Latino-led, Latino-serving nonprofits in Chicago. The Collaborative increased funding to Latino organizations whose work fell under the guidelines of the funders' program areas. Additionally, learning details of the capacity-building work influenced several funders to continue funding those organizations beyond the Collaborative. It was encouraging, as well, that most funders stated that they are likely to participate in another round in the future because of their positive experience with the Collaborative and expanded professional relationships.

On the grantees' side, the Chicago Collaborative was able to provide 97 capacity-building grants to 47 Latino-led, Latino-serving nonprofits. Most of the grantees met their goals, which resulted in important improvements in their capacity (e.g., increased staff, strengthened boards, improved office space, diversified funding sources) for their organizational development. Most grantees highly valued their participation in the Collaborative because it provided: networking opportunities with other nonprofits and funders; funding for strategic planning and management; training and technical assistance; board and staff development support; and support for fundraising.

HIP has already taken steps to improve its Funders' Collaborative grantmaking model and to apply its learning to its new focused initiatives and other efforts across the organization. HIP leaders expressed that the organization intends to use this evaluation and the recommendations contained within as tools to further improve its programs.

Summary of Recommendations for future Collaboratives in Chicago

- Continue the matching funding
- Continue capacity-building grants
- Secure the involvement of a strong local funder and a local funders' committee to improve coordination, communication and outreach
- Conduct ongoing monitoring and evaluation
- Continue grantee convenings and technical assistance
- Review fundraising and grantmaking to focus on areas of need based on local priorities
- Adjust HIP administrative fees in certain cases to respond to the local funders' needs
- Continue HIP's role as a convener to connect grantees and funders

Continued need for the Collaborative in Chicago

Today, the make-up Latino population in Chicago is similar to that of 2000 in many ways. The U.S. Census Bureau estimated that there were about 779,000 Latinos in Chicago, 28.9% of the city's population, in 2010 (up from 26% in 2000). The percentage of Mexicans in this community (74%) has increased from 70% in 2000, while the Puerto Rican percentage of the population has decreased slightly to 13% from 15%, with the remainder of Latinos being Cuban (1%) and other national origin groups (12%).⁷ The Latino community in Chicago has grown older over the past 10 years on average, with the median age up to 28 from 25 in 2000, but still relatively young compared to other ethnic groups. Whites, with a median age of 34 in 2010 versus 35 in 2000, and the general population, up from 32 to 33, have stayed fairly consistent.

Unfortunately, Latinos in Chicago still face the same economic and social challenges that they did a decade ago, and they are still quite severe. While educational achievement has improved city-wide since 2000, the gap separating Latinos from other populations persists. More Latinos 25 years and older are at least high school graduates (58.8% as compared to 46.6% in 2000) and the same with those that hold a bachelor's degree or higher (11.6% versus 8.5% in 2000). However, educational achievement in the Latino community still pales in comparison to that of Whites, where 85.1% have graduated from high school and 44.7% hold a bachelor's degree or higher, and the general population in Chicago, of which 80.5% graduated from high school and 33.3% have a bachelor's degree or higher. What's more, in 2010, 10.1% of Latinos in the labor force in Chicago were unemployed (up from 9.6% in 2000), as compared to 7.2% of Whites unemployed (up from 5.5%). The average earnings of Latino households in 2010 was \$49,464, just 58% of the earnings of White households (\$84,822) and 71% of the earnings of the general population (\$69,430), which means that the earnings gap between Latinos and other ethnic groups has widened in Chicago since 2000. In 2010, per capita income for Latinos in the city was \$14,118 (up from \$11,801 in 2000). Despite this increase, Latinos' per capita income still stands at just 40% of Whites' (\$35,555), and has decreased from 58% to 55% of that of the total population in Chicago (\$25,650). Making things worse, 20.9% of Latino families were below the poverty level in 2010, which is nearly a 17% increase since 2000 from 17.9% of Latino families. By comparison, 9.8% of White families in Chicago were below the poverty line, up from 8% a decade before.⁸

The nonprofits serving the Latino community in Chicago also face persistent challenges, many of which have been worsened by the enduring effects of the recent recession. Funding from foundations and individual donors has fallen due to economic losses and decreased endowments, and state and local government cuts to social programs and community support have become the norm. This means that nonprofits are receiving fewer resources, yet are being asked to respond to increased needs in their communities, filling the void in services and support left by government budget cuts. In a publication by the Donors' Forum about the

⁷ U.S. Census Bureau. (2010). *Profile of General Population and Housing Characteristics: 2010, 2010 Demographic Profile Data: Chicago city, IL*. Retrieved July 9, 2013, from http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_10_DP_DPDP1&prodType=table.

⁸ U.S. Census Bureau. (2010). *Selected Population Profile in the United States, 2010 American Community Survey 1-Year Estimates: Chicago city, IL*. Retrieved June 24, 2013, from http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_10_1YR_S0201&prodType=table.

economic outlook for Nonprofits in 2010⁹, of the 183 nonprofits surveyed, 68% reported a decrease in foundation funding, 63% in corporate sponsorships and 62% in government funding. At the same 49% of the 55 funders surveyed reported they planned to increase their funding of capacity building support for nonprofits. It would be interesting if there was a resurgence of funders' interest in this topic. The need for supporting grassroots Latino nonprofits serving this vulnerable community is as important as a decade ago when HIP and its local funding partners first came together to strengthen the Latino community in Chicago. Building upon the lessons learned and recommendations summarized in this report, there is no doubt that another iteration of the Funders' Collaborative in Chicago would be successful and an important part of providing the support needed by Latino-led, Latino-serving nonprofits and the communities they serve.

⁹ Judy Schroeter-Deegan, "Donor's Forum Economic Outlook 2010: Illinois Nonprofits and Grantmakers still Reeling After Rough Year." Donor's Forum, January 2010.
http://www.donorsforum.org/s_donorsforum/bin.asp?CID=16099&DID=34950&DOC=FILE.PDF