Community Foundation Business Model Disruption

in the 21st Century

COUNCIL *on* FOUNDATIONS

KEVIN K. MURPHY

Kevin K. Murphy joined Berks County Community Foundation, located in Reading, Pennsylvania, as President and CEO when the foundation was organized in 1994. In August of 2016 he served as a Foundation Leader in Residence at the Council on Foundations while preparing this paper.

Mr. Murphy has served as Director and Chair of the Board of the Council on Foundations and is a former Chair of the Funders' Network for Smart Growth and Livability. In 2001 he was named a German Marshall Fund Transcontinental Community Foundation Fellow and worked with emerging community foundations in the Russian Federation.

Murphy holds a bachelor's degree from Pennsylvania State University and a master's degree from Duquesne University.

VIKKI SPRUILL

Every day, the Council on Foundations works to support community foundations in their goals of community leadership. We process thousands of requests for information and legal inquiries, which all speak to one overarching concern:

Community foundations are constantly working to stay well-positioned to lead within their communities, and most are concerned that without growth, they will fall behind.

These foundations, which rely on the generosity of donors and their advisors, must think about how the future of the competitive investment landscape might affect their growth – or about whether asset growth is the organization's ultimate goal.

With the pace of change in the world, disruption is a natural state in communities everywhere. Change is the new normal.

Philanthropy is continuously adapting to new realities, and we do our best to ensure we seize whatever opportunities the possibility of change contains. Whether the change we face is from the markets, our political leaders, or new technologies, foundations are constantly working to navigate this world of disruption.

Competitive advantage flows to the businesses that see and act on those shifts first.

Last summer, the Council welcomed Kevin Murphy, President and CEO of the Berks County Community Foundation, as our first

Foundation Leader in Residence. In this role, Kevin was able to explore a number of ideas he had been contemplating, with one of these resulting in the following paper.

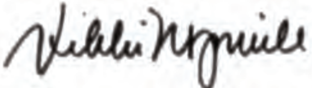
While we are not directly endorsing his views, it is the Council's role to lift up timely, pressing, and often provocative conversations about our field. Kevin's paper offers community foundation leaders the opportunity to act early to define the kind of future they want. It calls for new and perhaps uncomfortable discussions with stakeholders about the imperative of growth.

Kevin offers a strong rationale for an alternative to the traditional view of asset growth. With over two decades of experience leading a community foundation, he sees how changes in the local financial services field may force some organizations to alter their business model in fundamental ways. In his thoughtful paper, he demonstrates that a new narrative is possible around growth. These strategies will need to be flexible, and they also need to evolve.

I encourage you to discuss this paper with your staff and your board. In fact, we've included a discussion guide at the back of this paper to inform and generate discussion. It raises important questions regarding the business practices of community foundations.

Finally, I want to express my gratitude to the dozen community foundation leaders who provided Kevin feedback on the paper. They helped inform his thinking and ensured that the paper has a truly national perspective.

Best,



Vikki Spruill
President and CEO
Council on Foundations

For the past several years, a debate has simmered in the community foundation field about the future of the community foundation business model.

Some leaders in the field have said that the model is "broken" while others feel comfortable about the future of their organizations. In 2014, at the behest of the Council on Foundations and a group of leading foundations, the Monitor Institute looked at the issue and posited a third alternative: Perhaps there really was no single business model that described the wide range of community foundations and what they do for their communities.[1]

"What is clear is that throughout their history, most community foundations have had a business model that is deeply intertwined with their local financial services sector."

What is clear is that throughout their history, most community foundations have had a business model that is deeply intertwined with their local financial services sector.[2] The first community foundation (Cleveland in 1914) was founded by a banker, and for decades the dominant governance model for community foundations was to have a local committee of bankers in some key leadership role, either being the ones to appoint the community foundation's

1 (Kasper, Marcoux, & Ausinheiler, What's Next for Community Philanthropy: Making the Case for Change)

2 Early reviewers of this paper suggested that there is a wide range of variation locally in what constitutes the financial services sector. In developing the paper we considered a wide range of players as constituting that sector including financial advisors, estate planning attorneys, accountants, insurance firms, and banks. In some markets, some, or perhaps many of these players have come to see themselves as competitors of community foundations. In other areas, community foundations have entered into collaborative transactions with financial service providers. At a future time, the wide range of those relationships might merit additional research.

governing board or serving as the governing board itself.[3]

Those banks in turn managed the assets of community foundations and expected their trust officers to promote the idea of community philanthropy. It was a model that propelled community foundations through the first 70 or more years of their existence.

Because the financial services sector is a dynamic one, the relationship between community foundations and their local bankers changed over the years. In 1934, the first year that the FDIC kept records, there were 14,146 banks in the United States. The 1994 passage of the Riegle-Neal Interstate Banking and Branch Efficiency Act led to a rapid acceleration in the number of bank mergers.[4] By March 2016, the number of banks had dropped to 6,122[5] while the population of the United States had increased by more than 152 percent.

As banks have consolidated, most have drifted further and further away from a local banking model in which locally based trust officers established and maintained relationships with wealthy families over long periods of time, even generations. Over time, banks became ineffective, or at least insufficient, partners in community foundation growth.

To continue expanding their capacity, community foundations developed ties to the local financial services sector that expanded well beyond just banks. Many community foundation board rosters reveal an array of bankers, estate planning attorneys, accountants, and financial planners. In addition to the expectation that they will govern the organization, their membership reflects a strategy employed by community foundations to develop and maintain deep ties to these important potential referral sources.

3 (Leonard, 1989) (Sacks, 2014)

4 (Medley, n.d.)

5 (The Federal Deposit Insurance Corporation, 2016)

Further, a dramatic change in the structure of the financial services industry could have a huge impact on how community foundations operate in the future. Just such a change is currently underway, and it may be time for community foundation leaders of all stripes to take notice and begin planning for the disruption that the field may feel.

"As banks have consolidated, most have drifted further and further away from a local banking model in which locally based trust officers established and maintained relationships with wealthy families over long periods of time, even generations. Over time, banks became ineffective, or at least insufficient, partners in community foundation growth."

TWO ROADS DIVERGED IN A YELLOW WOOD: AND WE TOOK 'EM BOTH

As the Monitor Institute noted, it's too simplistic to say that the business model of community foundations either is or is not broken. And it's correct, but probably not helpful, to suggest that community foundations are operating under a wide variety of business models.

Much of the diversity in community foundation business models is attributable to the introduction of commercially sponsored donor advised funds (DAFs), the first of which (the Fidelity Charitable Gift Fund) began operating in the early 1990s.[6]

6 (Langley, 1998)

Faced with the perceived threat of the commercial gift funds, community foundations went down one of two roads. Some community foundations saw an opportunity to compete against the commercial gift funds by focusing more of their efforts on serving donors, investing in more technology, and even banding together to negotiate collective arrangements, such as a partnership with Merrill Lynch, that sought to align community foundation interests with a powerful sales network to promote giving (mostly through non-endowed DAFs).[7]

Through aggressive marketing, these community foundations built substantial portfolios of DAFs, often with high distribution rates vastly exceeding the 5 percent standard that reflected a commitment to maintain the funds in perpetuity.

According to the Columbus Survey of community foundations, they reaped the financial reward as well. The larger the community foundation, the more likely it is to have a high percentage of its portfolio in DAFs.[8]

Other community foundations, many of them already having substantial permanent endowments, committed to focus on community leadership. They believed that these visible roles in organizing people to address community issues would continue to attract more permanent and loosely restricted (or even unrestricted) assets that would further fuel leadership activities, creating a virtuous cycle of growth.

In some ways, those community foundations reflect the more traditional model of community foundations as “community savings accounts,” a phrase that some community foundations used to use to both describe their role and distinguish themselves from “community checking accounts,” such as United Way affiliates.

7 (Sacks, 2014)

8 (Foundation Center, 2015)

The choice was never, of course, binary. It is probably most honest to think about these foundations as sitting on a spectrum with "heavy transaction volume" at one end and "heavy endowment focus" at the other, and most community foundations will recognize their strategies as leaning one way or the other on that spectrum.

"While one foundation might describe its role as "building assets for the community" and another as "being a community leader," virtually all community foundations see their choices as tactics to advance their mission to improve the area they serve."

While one foundation might describe its role as "building assets for the community" and another as "being a community leader," virtually all community foundations see their choices as tactics to advance their mission to improve the area they serve. Research conducted by CF Insights, FSG Social Impact Advisors, and the Council on Foundations shows a wide range of approaches.[9]

THE REVOLUTION HAS ARRIVED

The world of local financial planning, estate planning, and investment advising has historically been a staid, predictable one. Local firms, or the local offices of national firms, built their client bases by integrating themselves deeply into the local community.

9 (Graves & Rahmatullah, 2010)

In most towns you can't go to lunch at the local country club, sit on a nonprofit board, or attend a major community event without running into people who work in the financial services industry and depend upon personal relationships to build their business. They maintain local offices, participate in local estate planning councils, and are often considered "pillars of the community."

Community foundations cultivate relationships with these advisors, encourage them to discuss charitable giving (and of course

"But a massive disruption is underway in their industry."

the community foundation) with their clients. Some community foundations allow local advisors to manage assets that they helped secure. It's been a key asset development strategy for many community foundations and is included in training programs for community foundation leaders.[10]

These traditional financial advisors build their income on a fee charged against assets under management that averages about 1 percent. They provide very personalized service, often across multiple generations, and the business model hasn't changed across those generations.

But a massive disruption is underway in their industry.

Their customers are flocking to online and mobile financial services, many of them built around automated, low-cost index funds. Fueled by growing research indicating that low-cost funds outperform

10 (Council on Foundations, 2008)

active management for most customers[11] and a growing preference, particularly among younger investors, for online interactions retirement accounts, other investment funds are flowing to a handful of national investment firms.

An obvious winner in this race is Vanguard Group, the Pennsylvania-based investment behemoth whose founder Jack Bogle created the first index fund in 1975. According to a *Wall Street Journal* report, investors moved $236 billion into Vanguard in 2015, the largest influx of funds into a mutual fund company in history.[12] With an average fee of just .18 percent of assets under management[13] and a growing affinity among consumers for passive management, Vanguard and its ilk are putting incredible pricing pressure on legacy advisors and adding to the commoditization of financial services.

That competition heated up in the summer of 2016 when Fidelity Investments announced that it was undercutting some Vanguard fees for index funds, suggesting a price war that will lower revenues for financial services providers.[14]

The most obvious losers are the local financial professionals that community foundations rely on. Breathless headlines like the *Wall Street Journal*'s "Time to End Financial Advisers' 1% Fees"[15] and CNBC's "Silicon Valley's plan to replace wealth managers"[16] signal the beginning of what may be a shift away from the traditional model of financial advising.

It's not just the financial advisors who are undergoing disruptive change. New banking models are appearing that don't rely on local people or relationships. Built under the slogan "Bank Like

11 (Bogle, 1999) (Swedroe & Berkin, 2015)

12 (Krouse, 2016)

13 (The Vanguard Group Inc., 2016)

14 (Waggoner, 2016)

15 (Clements, 2015)

16 (Rosenbaum, 2014)

Uber" Customers Bancorp has developed a bank based entirely on a mobile app with virtually no fees and a full range of consumer banking services.[17] All of this turmoil is set against a growing variety of cashless transaction products like Venmo, new forms of currency (Bitcoin), and an explosion of consumer choices about how to invest money, all of which raise questions about whether something called a "bank" will continue to exist.

There are even Silicon Valley code names for the rapidly growing number of companies seeking to disrupt the financial advising and banking industries ("fintech") and the companies that do financial advising primarily using automation ("robo-advisors").[18]

It is tempting to dismiss the widespread adoption of these technologies as "far off in the future" and to note that so far the technologies have been adopted by mostly young or low-net-worth donors who aren't very attractive to the financial services firms and are not likely to be significant donors.

Space does not permit a full explanation of the theories of disruption developed by Harvard Business School professor Clayton Christensen, but according to his theory virtually all industry disruptions begin at the bottom end of the market and move their way up the market.[19] It's this process that took Japanese car manufacturers (and now the Koreans) from selling low-end cars to selling luxury vehicles. And it may be the very process playing out in the community philanthropy market.

The idea of automated advising, built mostly around passive investments, has already entered the mainstream. The September 2016 issue of Consumer Reports magazine included a feature

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17 (Sidhu & Sidhu, 2016)

18 Law firms are also facing technology disruptions that threaten the traditional, local, face-to-face relationship model. To the consternation of some local bar associations, the American Bar Association established a pilot project to sell online legal services through an online legal service, Rocket Lawyer (Pleet, 2015). This competes with the more well-established service, LegalZoom, which can provide customers with customized wills starting at $69.00.

19 (Christensen, 1997)

advising consumers on how to pick a robo-advisor.[20] Charles Schwab Corporation reported that about 15 percent of its customers using automated portfolios had account balances in excess of $1 million, suggesting that it's not just the "small end" that is adopting automated advising.[21]

"So, what if our communities find themselves without local financial and estate planning advisors? What if the financial services sector consolidates into a few, highly automated players?"

DARK CLOUDS ON THE HORIZON?

So, what if our communities find themselves without local financial and estate planning advisors? What if the financial services sector consolidates into a few, highly automated players?

To analyze this question, we need to look at two hypothetical community foundations.[22]

Tri-City Community Foundation has a billion in assets and serves a three city region of donors. About 40 percent of those assets are DAFs, virtually all of them established in the past 15 years. To be competitive, the community foundation's policies allow a donor to invade principal. Those funds distribute an average of 14 percent of their value each year.

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20 (Weisser, 2016)

21 (Son & Collins, 2016)

22 This is not attempt to describe any actual community foundation. To generate these illustrations, we used data from the CFInsights database and the Columbus Survey findings to create composites based on several foundations.

Assuming that the permanently endowed funds (worth about $600 million) both sustain their grantmaking rate and grow with inflation, they'll support their share of the community foundation's administrative costs.

To sustain the foundation's administrative fee revenue and have it grow by 3 percent, the foundation has to raise almost $68 million next year.[23] If it doesn't, management fees begin to decrease and sustaining the staffing levels of the community foundation and its fixed costs will begin to become difficult. And, of course, the amount required to raise increases each year.

Tri-City's business model led to great growth. As the Columbus survey notes, foundations with a high percentage of DAFs and foundations with a high percentage of non-endowed funds tend to be larger than other community foundations.[24]

But the perils loom large for a community foundation dependent on DAFs. These funds are the subject of ongoing debate about whether to enact legislation that would set time limits on the life of donor advised fund or even tax them.[25] If enacted, those proposals could dramatically alter their attractiveness to donors. Or, a regional economic downturn could affect Tri-City's ability to generate funds (a risk that the commercial gift funds mitigate through their national presence).

The flow of money away from small, homegrown financial advisors to firms like Vanguard and Fidelity (which recently started its own robo-

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23 Again, assuming that the unrestricted funds of Tri-City Community Foundation can grow by 3 percent with investment returns after distributions and fees, we need only to look at what must be raised to replace the management fees lost as a result of the 14 percent distribution rate of the DAFs. Since the total distributed from that pool would be $56 million, the balance of DAFs would be reduced to $344 million. In order to generate the same management fee as the prior year (and increase it by 3 percent for inflation), Tri-City will need to raise $68 million (based on a 1 percent management fee) to bring the balance of all DAFs to $412 million.

24 (Foundation Center, 2015)

25 (Daniels, 2015)

advising service)[26] could portend big challenges for Tri-City and other foundations.

There is great danger that these large financial services funds will simply use their marketing power and scale to significantly impinge on the market share of community foundations. As Emmett Carson, President of the Silicon Valley Community Foundation, writes in "Here For Good: Community Foundations and the Challenges of the 21st Century" the commercial gift funds can create a tremendous pricing advantage and "many donors appear unwilling to pay higher fees to receive the benefits of advisory services."[27]

"Financial services firms that can offer DAFs with a fraction of the administrative costs and with technology that integrates with their client's full financial picture could have a devastating effect..."

Financial services firms that can offer DAFs with a fraction of the administrative costs and with technology that integrates with their client's full financial picture could have a devastating effect on the contributions that Tri-City relies on to keep its asset base growing.

On the other side of the country, Mega-City Community Foundation, our other hypothetical community foundation, looks very different. Also a billion-dollar foundation, Mega-City never aggressively pursued DAFs. It focuses its efforts exclusively on its city and a few suburban counties.

26 (Carey, 2016)

27 (Carson, 2014)

Rather than concentrate on pursuing donors aggressively, Mega-City stuck with a more traditional approach, relying on estate planning professionals to refer potential donors or building on long-standing relationships with affluent community leaders.

About 98 percent of its assets are permanently endowed. The management fee revenue is reliable, but has grown more slowly than community foundations that focus on donor services. It has a very high percentage of discretionary funds and focuses more of its efforts on supporting the local nonprofit sector through capacity building grants, bringing together local leaders to plan responses to emerging issues like a recent epidemic of opioid overdoses.

The threat to Mega-City Foundation isn't about survival in its current form, but it is a threat to growth.

In the past, leadership efforts like the opioid crisis work have drawn the attention of donors and their advisors. Financial and estate planning advisors, having seen the work of the foundation, felt comfortable in referring clients with a charitable intent.

But the emergence of these robo-advising firms (in all sectors) threatens the growth of Mega-City Community Foundation as well. How will they establish and maintain relationships with robo-advising firms? Even the personal advisors that the firms do employ work in distant call centers, manage a large number of accounts (mostly by managing the automation), and have a constantly shifting client base as advisors and clients get moved around the firm.

The threat to Mega-City Foundation isn't about survival in its current

form,[28] but it is a threat to growth. Mega-City and foundations like it don't generate enough management fee revenue to mount a significant and costly "direct to the consumer" marketing approach. And they surely can't expect referrals from automated advisors at firms that have only a negative incentive to suggest a gift to a community foundation.

So, assuming that the advisor community essentially disappears from the Mega-City area (or at least shrinks dramatically) growth could come to a virtual halt at the foundation. Management will surely work to find some way to generate enough support to meet the public support test, but after the current pipeline of gifts has worked itself through (which admittedly could take many years), the foundation's capacity would become fixed.

QUESTIONS FOR THE FIELD

The changes that are occurring in the local financial services foreshadow the need for great creativity from community foundations in order to adapt. There is no clear map about the road forward. Rather, there are some clear questions being raised by these changes, and the act of answering them may bring the field to greater clarity about its future.

I. IS GROWTH REALLY AN IMPERATIVE FOR COMMUNITY FOUNDATIONS?

If the methods that community foundations have used to promote themselves and their growth undergo a dramatic disruption, community foundations will be pressed to ask themselves: Is growth even a priority?

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28 This is not to say that there are no existential threats to permanently endowed foundations. A growing chorus of concern, much of it directed at the endowments of higher education institutions with large endowments, deserves careful attention by endowed foundations but sits outside of the scope of this paper.

After all, Mega-City Community Foundation might very well decide that being a foundation of that size gives them sufficient assets to support their community work and that the cost of some new asset development model just can't be justified given their fee structure.

The path forward for Tri-City might not be as clear. Without a continuous effort to replenish the pass-through funds that it distributes, its ability to support operations will deteriorate. Still, one could imagine a future as a smaller, scaled-down foundation.

The question of growth as an imperative has been largely an unexamined one. Ongoing growth has been cited as one core characteristic of a community foundation.[29] Meeting the public support test implies that we must grow, but perhaps community foundations of the future will opt to "tip" into private foundation status. A majority of community foundations subscribe to the National Standards for U.S. Community Foundations® Program, which includes a requirement for a growth plan. The history and traditions of the field (like the work of early consultants like Eugene Struckhoff)[30] suggest that growth (particularly of permanently endowed funds)[31] is an ingrained part of the community foundation culture.

These changes might force the field to consider an alternative narrative, best expressed by Mike Bachelor, the long-time president of the Erie Community Foundation, who once said "growth is always a choice."

II. WILL CHANGES IN HOW WE GROW ASSETS CAUSE US TO RETHINK OUR RELATIONSHIPS?

In an earlier day, community foundations seeking to explain their role often described themselves as "community savings accounts"

29 (Hammack, 1989)

30 (Struckhoff, 1991)

31 (Gast, 2006)

and quickly contrasted themselves with the United Way's role as "community checking accounts." With many United Way chapters struggling with the decline of their own business model, frequently offering some kind of DAFs and occasionally floundering to define a role for themselves, will community foundations decide to reexamine that relationship? After all, one might ask "who keeps their checking and savings accounts at different banks?"

While it's only happened in small communities so far, might communities benefit from combining these two institutions into one? What about United Arts Funds where they still exist?

Perhaps community foundations that need to operate at a larger scale will find themselves going back to the idea of merging with private foundations? Perhaps the long-rumored but never-seen wave of community foundation combinations will finally begin? Is all of this turmoil an opportunity to return to the roots of community foundations as stewards of permanent endowments? Is this a moment that the field could use to distinguish itself from other players?

III. ARE DAFS REALLY A GOOD THING?

In the early days of community foundations (or at least in the early days of this author's time in the field), consultants like Eugene Struckhoff and organizations like the Council on Foundations emphasized the importance of developing permanent endowments.[32] Many community foundations offered DAFs only as permanent endowments that, at some future point, would become undesignated permanent funds.

In the push to compete with the commercial gift funds, community foundations increasingly offered pass-through flexibility while retaining a fee model based on assets under management. That process both created a misalignment between the expenses of marketing DAFs and an incentive for donors to spend money out quickly.

32 (Struckhoff, 1991)(Gast, 2006)

If community foundations like Tri-City reexamine themselves they might conclude that they're not really a one-billion-dollar community foundation, but more accurately a $600 million community foundation that also manages a lot of pass-through funds. The field, or at least individual community foundations, may find themselves asking if the donor advised fund business, with decreasing margins and little input from the foundation, is worth maintaining the infrastructure and the demands on staff time.

IV. DO WE HAVE THE METRICS RIGHT?

If there's one thing that community foundation leaders all agree about (and there may be only one thing), it's that "total assets" is a remarkably poor measurement of anything. And yet, it's the organizing principle for the field. But it fails to reflect the diversity of the field, the breadth of which challenges the notion of a single role or metric as being useful.

At the core of the metric problem is the lack of a shared definition of the purpose of community foundations. Is the purpose to "serve donors" or "serve the community?" While the question begs for an over-simplified answer, it is at the core of the challenges facing community foundations in the coming years.

It seems unlikely that the field will come to one answer on this question (we'll leave to another day the question of whether community foundations even are a "field"). It has already been answered differently in different communities.

Community foundations who answer the question with an emphasis on serving donors may well see total assets as some measure of their success. Then again, how much of an "asset" is a fund that we proudly assure the external world will be spent out quickly? And if those grants don't benefit some predefined community, who are we purporting to benefit from developing the asset?

We may also find community foundations that are focused on their local missions focusing on building and managing different types of assets. One local community foundation used bank debt to create an emergency lending fund during a state budget crisis.[33] The Community Foundation of Greater New Haven now manages community assets as a registered investment advisor serving nonprofits.

Community foundations may ask themselves: Are all assets of equal worth? One might even imagine a metric system based on per capita assets weighted by the tightness of their donor restriction.

IN CLOSING

Over the first hundred years of their existence, community foundations evolved and adapted from being captives of banks to leaders in their regions. Their methods of operating and growing diversified correspond to their local environment and opportunities.

It appears that the field is poised for another round of adaptation, perhaps even more wrenching than that triggered in the early 1990s by the emergence of the commercial gift funds.

Questions are in bountiful supply, answers are not. But the spirit of creativity and innovation that marked the first century of community foundations will serve to propel them into the second century.

33 (Shuey, 2015)

DISCUSSION GUIDE

This paper raises important questions for the field regarding the business practices of community foundations. The following discussion guide is designed to help community foundations leaders facilitate conversations with their staff, board, and supporters about the imperative of growth. It provides sample language to use to frame the dialogue and questions to ask during discussion.

The Council is happy to share these questions for your use. If reproducing, please credit the Council on Foundations.

WELCOME AND INTRODUCTION

Thank you for agreeing to discuss this paper. You have been asked to participate as your point of view is important.

This discussion guide is designed to assess your current thoughts and feelings about the changing financial services sector field and whether this disruption will have an impact on your community foundation.

INTRODUCTORY QUESTION

To continue expanding their capacity, community foundations developed ties to the local financial services sector that expanded well beyond just banks. Many community foundation board lists reveal an array of bankers, estate planning attorneys, accountants, and financial planners.

- **In light of consolidation and disruption in the financial services sector field, how has, or will this, change affect your community foundation and what are the implications, if any?**

GUIDING QUESTIONS

The changes that are occurring in the local financial services foreshadow the need for great creativity from community foundations in order to adapt. There is no clear map about the road forward. Rather, there are some clear questions being raised by these changes, and the act of answering them may bring the field to greater clarity about its future.

- **Is asset growth really an imperative for community foundations?**

  If the methods that community foundations have used to promote themselves and their growth undergo a dramatic disruption, community foundations will be pressed to ask themselves: Is growth even a priority?

- **Will changes in how we grow assets cause us to rethink our relationships?**

  With many United Way chapters struggling with the decline of their own business model, will community foundations decide to reexamine that relationship? While it's only happened in small communities so far, might communities benefit from combining these two institutions into one?

- **Are there other types of assets we should grow to advance our mission? Is endowment the only type of capital we should be focusing on?**

  Could community foundations find themselves developing "local venture capital funds" or pooling other philanthropic resources to accomplish their missions?

- **Are DAFs really a good thing?**

- **Do we have the metrics right?**

CONCLUDING QUESTIONS

- **How much, if any, does our community foundation need to adapt in the face of this disruptive change in the financial services industry?**

- **Do we need to be thinking/doing anything differently?**

CONCLUSION

Thank you for participating. This has been a very successful discussion. Your opinions are valuable and important.

We hope you have found the discussion interesting and look forward to continued dialogue.

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