Key Debate: Who Should Decide What Gets Funded?

In traditional philanthropy, someone with more money than they need decides to give some of that money away in the form of charitable contributions to benefit society. They decide to make the charitable gift, and they decide where it will go. If they have a lot to give, they might hire a professional staff to help. But essentially, the funder decides to give money away, and then chooses where and how much. Philanthropy has traditionally been top-down and full of gatekeepers, reflecting the power dynamics of the society within which it operates: Those with money have power, and they decide where money flows.

But in recent years, broad conversations about social justice have challenged everything about this premise. Why should those with excess wealth unilaterally decide where money should flow for the benefit of all? Why does wealth inequality even exist? Can those who have benefited from a system that's based on or that produces inequality really be seen as "helping" those who've been marginalized or exploited within that system? Who understands the problems philanthropy seeks to solve better than the people directly impacted by them?

In all sectors of society, people are demanding more transparency, more accountability and more equity. Critics are questioning traditional top-down, opaque institutions based on imbalances of power everywhere, and this very much includes philanthropy. Enter participatory grantmaking.

Participatory grantmaking gives philanthropy an opportunity to be more transparent, more accountable and more democratic by bringing more people to the decision-making table. Advocates say it's also more effective than traditional philanthropy, as the people most impacted by an issue often have better ideas for how to address it than people observing from a distance.

Rooted in values of equity, democracy and social justice, participatory grantmaking shifts who makes decisions—and how decisions are made—about where grant money goes.

Some grantmakers, like the Wikimedia Foundation, have taken a participatory approach for years, but in philanthropy as a whole, participatory grantmaking is still an emerging practice, and there are many ways to do it, including:

- Creating a grant decision-making committee composed of people from the community the funds will move to and/or directly impacted by the issue the grant seeks to address.
- Involving communities in creating grantmaking strategies—or following strategies created by affected communities.
- Making the grant application and reporting process easy.
- Letting grant recipients decide for themselves how to report on their work.
- Creating (and funding) spaces like conferences where people from many nonprofits working on the same issue, or in the same social movement, can interact, brainstorm, and strategize together about how to most effectively resource their work or movement—and then listening to the ideas they come up with.

Sometimes foundation staff or funders have a role on participatory grantmaking committees, and sometimes they don't — handing over decision-making power completely. Sometimes a traditional foundation will dip a toe into participatory grantmaking by making a grant to an intermediary, which will then regrant the funds through a participatory process.

Participatory grantmaking is not for every funder. It's clearly not for funders who embrace hierarchies and seek to maintain existing power structures. Among those who are somewhere in between traditional and fully social-justice-oriented funders, a commonly cited concern with participatory grantmaking is that — like all decision-making involving multiple voices — it takes more time, and its outcomes are harder to control.

While it is increasingly visible as a topic of research and discussion within philanthropy, participatory grantmaking still represents a small fraction of all grantmaking.

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EXPLAINER

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