

Community Foundations

Introduction

Community Foundations are located across the world including the UK and are dedicated to strengthening local communities, creating opportunities and tackling issues of disadvantage and exclusion.

Community Foundations target grants that make a genuine difference to the lives of local people. They manage funds donated by individuals and organisations, building endowment and acting as the vital link between donors and local needs, connecting people with causes, and enabling clients to achieve far more than they could ever by themselves.

Community Foundations provide professional and personalised philanthropic advice and grant portfolio development for each client.

[UK Community Foundations Ltd](#) is a registered charity that represents the community foundation movement in the UK. In recent years Community Foundations in the UK have accelerated the growth of community based philanthropy. In 2013-14, Community Foundations' cumulative investment in communities was £65 million, an increase of 7% on the previous year. Across the network, almost 20,000 grants were made in 2014, and total managed endowment stood at £450 million, an increase of 18% on the previous year.

History

Community Foundations were started in the USA in 1914 by a Cleveland banker who felt that the practices of the day were needlessly eroding charitable funds. It was expensive to administer charitable trusts in banks, which knew more about investing money than giving it away. It was also expensive to go to court when charitable funds had outlasted their purposes and needed to be changed to stay useful.

The banker proposed an organisation, governed by civic leaders, that would handle permanent funds for charitable individuals and distribute grants to good causes in their names, forever. The Community Foundation would benefit from economies of scale, offering professional management to affluent and modest donors alike. Banks would continue to manage the investment of principal and the civic leaders would see to it that donors' wishes were carried out.