



2023

# Community Funding & Partnership Models

Trends Snapshot

## Report by:

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Starling ([wearestarling.org](http://wearestarling.org)) is a social impact agency. We help bold and forward-thinking leaders, teams, and organisations transform how they work so they can grow with purpose and have a positive impact in the world. We bring together the best of design, facilitation, strategy, and science to drive impact and growth.



## Acknowledgements

The Great Barrier Reef Foundation recognises Aboriginal and Torres Strait Islander peoples are the Traditional Owners of the Great Barrier Reef and as First Nations Peoples hold inherent rights, interests, and obligations to protect and care for their Country.

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Great Barrier  
Reef Foundation

# Introduction

Community Reef protection partners working with the Great Barrier Reef Foundation (GBRF) consistently indicate that short-term, inconsistent, grant-based funding is a barrier to achieving more efficient and enduring outcomes.

This report is a summary of a desktop review undertaken by Starling in early 2023 to explore fundraising, business, and partnerships models that may be suitable to strengthen enduring resourcing for community Reef protection programs in the Great Barrier Reef.

The report focuses specifically on ideas and models that appear to be most relevant to community-led work by exploring other environmental and socio-environmental work in Australia and internationally.

This synthesis report is designed to build understanding about the current landscape and explore potential strategic approaches to further enable community Reef protection work, including through investment and program delivery approaches.

The focus areas were selected based on their high current or potential growth, share of revenue or income, and impact on organisational sustainability.

The objectives of the review are to:

- Understand the current landscape of funding and partnerships relevant to community-led organisations
- Explore current and emerging trends in fundraising and philanthropy, grants, and business models and systems
- Learn about and consider the adoption of concepts and models with the highest potential impact.

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# Key Areas

The three key areas and questions explored are:



## 1. Fundraising & Philanthropy

What trends in fundraising and philanthropy are driving the most growth that you can learn from and adopt?



## 2. Grants & Investment

What can you learn from current and emerging trends in grants and the investment landscape? What new grants are available and what are funders looking for?



## 3. Models, Systems & Culture

How are organisations and community groups creating a more sustainable organisation by considering new approaches to their business models? How are they driving efficiency and effectiveness through collaboration and governance structures?

# At a Glance

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A summary of some key features of groups and organisations that are successfully increasing their fundraising revenue and effectiveness are outlined below. Additional information is available in the following sections. These features may offer potential opportunities for community Reef protection organisations.

## **1. Getting to know donors better (Donor Insights)**

Using data and digital tools to understand the needs, interests, and behaviours of supporters and using this insights to drive impact.

## **2. Using resources in more effective ways (Resource Allocation)**

Allocating resources according to the value and potential of existing and new donors. Directing resources to the highest potential areas.

## **3. Using digital tools to reach a larger audience (Amplifying Reach)**

Using innovative digital tools to find, filter, understand, target and reach new audiences.

## **4. Tailoring their efforts according to this knowledge (Donor Centricity)**

Improving donor engagement and the donor experience by tailoring their fundraising efforts according to what the donor wants and needs, and what will work best.

## **5. Using data & analytics to find new high-value donors (Donor Acquisition)**

Leveraging data and analytics to identify existing and potential donors who are more likely to give or support the organisation and more likely for these donations and support to be high value.

## **6. Using data to inform decisions & strategy (Data-Driven Decision Making)**

Using data about supporters, the organisation, program work and projects to inform decision making and be able to test and learn from what works best.

# At a Glance

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## **7. Using data to increase trust (Donor Transparency)**

Using data and analytics to track the use of funds and program impact and then openly sharing this information with donors, supporters, and the community.

## **8. Starting to use Artificial Intelligence (AI) tools to increase efficiency and effectiveness (AI Adoption)**

Using newly emerging AI tools to perform tasks across many different organisation roles and activities.

## **9. Increasing their reach and revenue through crowdfunding and peer-to-peer campaigns (Network Models)**

Using new fundraising techniques to reach new groups of people who can donate through shareable crowdfunding campaigns and by reaching new donors through the networks and communities of peer-to-peer participants.

## **10. Creating relationships with corporate organisations to build new revenue streams (Corporate Giving)**

Creating strategic partnerships with corporate organisations looking to support environmental groups and causes through staff giving programs, donations, or gifts in kind.

As well as the above features, many organisations are adopting and increasing their use of the specific tools, platforms and channels to help support their fundraising efforts. These are detailed on the next page.

# Tools, Platforms, & Channels

Many organisations are adopting and increasing their use of the following tools, platforms, and channels to help support their fundraising efforts:



## 1. Online & mobile giving platforms

Using out of the box online and mobile giving solutions, making it easier for donors to contribute.



## 2. Crowdfunding platforms

For specific fundraising campaigns or causes to expand reach to new audiences and drive greater awareness of their causes.



## 3. Social media & digital marketing

To support fundraising and awareness raising activities.



## 4. Customer Relationship Management (CRM)

CRMs as the 'homebase' and storage of supporter data, track interactions, learn more about donors and personalise their communications and engagement.



## 5. Marketing automation software

To automate previously manual processes for communicating with donors, stakeholders, and funders.



## 6. Donor lifecycles & stages

Customising communications according to donor lifecycle and stage to increase the effectiveness of strategies.



# Fundraising & Philanthropy

Fundraising activities and support from philanthropic individuals are major revenue contributors for many community-led organisations and non-profits both in the environmental sector and more broadly.

The fundraising sector has seen many changes in recent years with new ideas, products and approaches providing a vast array of ways to raise more funds, reach more people, and gain further support from the community. These trends are likely to continue to evolve, providing new opportunities for individuals, organisations, and communities to work together to reach their shared goals.

## Key Trends

### **Community-led groups and organisations can use and adopt digital tools and data to increase their fundraising effectiveness and revenue**

Advances in digital tools, technology and data are helping to raise more funds and engage more successfully. There is increased availability and use of digital tools and technology that can be used to drive support. Supporters are becoming more familiar and comfortable with using digital tools for giving (websites, online donation forms, fundraising platforms etc.), and have higher expectations of their 'digital experience' (e.g. personalisation, simple and quick online engagement). This trend is expected to continue. Digital tools for giving can help organisations:

- Reach a larger audience
- Increase fundraising potential and revenue
- Improve donor engagement
- Help organisations better understand their donor base, track and report donations, and target their fundraising efforts more effectively.

**Salesforce.org's 2021 non-profit trends report shows that over 95% of non-profit environmental groups adopted digital technology in 2021, up from 75% in 2020.**

**An Environment Funders Network report indicated that over 60% of environmental groups have developed a digital marketing strategy, up from just 30% in 2020.**

# Fundraising & Philanthropy

**Donors to the non-profit sector are looking to support organisations that connect with them in a personalised and relevant way**

More organisations are using 'Supporter Experience Design' and 'Journey Mapping' to create experiences for donors to tailor responses to that specific person with the goal of increasing support, retention and loyalty. Donors are expecting more personalised communications, access to simple and engaging websites, greater responsiveness and higher levels of transparency. There is a shift from ongoing donor loyalty to short-term and conditional support based on the quality of their experience during a specific event, campaign, or during recent interactions in younger generations (short-term retention).

**48% of non-profits have implemented supporter experience design, a 36% increase from 2020.**

**An increasing trend in regular giving as a (more) sustainable income stream**

Regular giving can build stable and predictable income. Supporters or members donate regularly and in return are provided with high-quality resources and consistent communications about where their money goes and why it makes a difference.

Membership models within regular giving have seen tremendous growth in recent years, likely due to the popularity of subscription-based services, and the ability for organisations to offer exclusive benefits and discounts to their supporters. Additionally, the rise of digital fundraising platforms has made it easier for organisations to set up and manage membership models.

# 24% profit increase

**in online donations for non-profits that invest in supporter experience design.**

2021 Nonprofit Technology Network Report

# Fundraising & Philanthropy

Giving circles are a growing trend in the fundraising sector, with more and more people joining together to pool their resources and make a collective impact. Giving circles can offer a new way to engage people in philanthropy, as they provide an opportunity for individuals to come together and make a collective impact. They also provide a way for people to learn more about philanthropy and the causes they care about.

**Monthly giving to non-profits grew by 24% in 2022 and made up 22% of all online giving.**

M+R Benchmarks 2022

## **Crowdfunding and peer-to-peer fundraising through new and existing community networks is on the rise**

Crowdfunding is the practice of funding a project or venture by raising money from a large number of people who each contribute a relatively small amount, typically via the internet. It has become an increasingly popular way for individuals and organisations to raise money for environmental projects, and the sector is expected to continue to grow.

Peer-to-peer fundraising is becoming increasingly widespread as a revenue stream. It gives supporters more participatory ways to support an organisation. It also allows those unable to donate the chance to engage and promote the cause with their extended networks.

# 48%

**of 18 to 29 year-olds and more than a third of 30 to 40 year-olds give monthly as their preferred donation method.**

Fundraising Trends Report 2022

# Fundraising & Philanthropy

When used effectively, crowdfunding and peer-to-peer campaigns can go viral. The shareable nature of these campaigns can allow organisations to reach more people who can give and learn about the cause.

- The average crowdfunding campaign for an environmental cause in 2021 raised AUD \$18,000, a 10% increase from 2020.
- Over the last two years, the average peer-to-peer donation amount has increased by 32%, with an average of \$66, with the average participant campaign size increased by 25%, raising close to \$3,000 on average.

## Opportunities to seek support through corporate giving are expanding

The corporate giving sector of fundraising has seen massive growth in recent years, and there is potential for even more growth in the future. Corporate giving is a form of philanthropy in which businesses donate money, gifts in kind, services or staff, to impact-based organisations.

- Corporate giving to environmental causes in Australia grew by 13.4% in 2021, with total donations reaching AUD \$239 million.
- Corporate employee giving programs (individual donations from staff) in Australia saw a 10% increase in donations in 2021, with more than \$90 million raised in 2021.

There is a growing focus on businesses considering their environmental and social impact. Corporate social responsibility is the practice of businesses considering their impact on society and the environment when making decisions and taking action. Corporate social responsibility activities can include employee volunteering, supply chain management, product and service design, stakeholder engagement, and responsible investment. Businesses are looking for ways to meet corporate social responsibility targets, decrease the impact they have on the environment, and increase their focus on Climate Action.

**80% of Australians have donated to a crowdfunding campaign in 2021, with an average donation of \$120.**

# Fundraising & Philanthropy

## Opportunities

Some potential opportunities to explore for community Reef protection organisations in Fundraising & Philanthropy:

- Review your systems and platforms to help streamline work, including considering supporter experience design or journey mapping with supporters.
- Make small changes to digital presence (website, donation pages) and considering digital tools that can help better understand supporters and explore ways to diversify revenue.
- Consider if there are opportunities to focus on building high-quality relationships to increase the number of donors, as well as the value and retention of existing supporters. This might include reviewing your current donor data to better understand demographics, interests and trends. Then explore if there are ways to tailor communications according to these findings, focusing on those who can donate (or support regularly).
- Ask for regular/monthly giving support from current networks.
- Network giving from crowdfunding or peer-to-peer fundraising can be an opportunity to grow a supporter base and engage existing supporters in activities that are fun and can lead to further donations.
- If community groups and organisations can demonstrate their ability to work with partners to deliver measurable outcomes, they may open new and more sustainable revenue streams through high-value partnerships with the corporate sector.
- Work with other organisations to identify and design high-quality collaborative initiatives that may be suitable for high-value supporters.

# Grants & Investment

There are several significant trends in grantmaking in recent years.

## Key Trends

### **There is a growing and strong emphasis on outcomes-based and evidence-based grant making**

Philanthropic trusts, foundations and governments have been applying principles of outcomes-based grant making for many years, though the language is often used inconsistently. Outcomes-based grant making requires grant recipients to clearly measure the impact of their project on their target population and to demonstrate that their grant was used for the intended purpose. This means that data insights are applied when deciding on grant selection, as well as project progress tracking.

**The proportion of all grants awarded for environmental and animal-related purposes that had outcomes based objectives rose from 8.7% in 2019 to 10.2% in 2021.**

Foundation Center Report

There is a heightened focus on accountability and transparency to ensure funds are being used efficiently and effectively to bring about positive change. Trends suggest that grants will increasingly require groups and organisations to have high-quality data to be able to clearly articulate the outcomes of their projects.

**84% of grantmakers  
in the environmental and animal welfare sectors  
use data to inform grantmaking decisions.**

Grantmakers for Effective Organisations (GEO) 2020 survey

## Grants & Investment

As part of this trend, there is growth in the number of grants aligned to specific targets, i.e. Sustainable Development Goals (SDGs) and the Reef 2050 Plan. When developing a project, consider how the work may contribute to outcomes, and how you could realistically measure indicators to demonstrate this.

**Total investments in SDG-aligned projects are estimated to have reached \$917 billion. The private sector accounted for the majority of these investments, at \$735 billion.**

### **More organisations, grants, grantmakers and donors are adopting principles of trust-based philanthropy**

A growing number of grants, high net worth donors and giving circles are applying trust-based philanthropy. This growing trend in the environmental sector is progressing as donors build relationships with organisations that have a track record of success in meeting their goals and demonstrate their ability to use funds effectively. Building these relationships often takes time to establish trust, but in the long run can reduce administration and focus time and resources on achieving impact.

Organisations seeking funding can work towards these relationships by establishing open dialogue and demonstrating outcomes with donors. Typically, the approach still require projects to track and prove impact, but offers greater flexibility in how recipients can spend funds and how impact is achieved. This style of funding is well suited to innovative solutions, research or activities that may not fit within grant requirements.

**44% of survey respondents said that they are integrating trust-based philanthropy into their approach. More than half indicated they planned to further increase trust-based approaches.**

Grantmakers for Effective Organisations (GEO) 2020 survey

# Grants & Investment

## Green finance may offer new opportunities for community organisations

Green finance refers to financial products and services that support environmentally sustainable projects and businesses. This can include investments in renewable energy, energy efficiency, sustainable agriculture, and other initiatives that aim to reduce carbon emissions and mitigate climate change. Green finance is becoming increasingly important as more investors seek to align their portfolios with their values and support a transition to a low-carbon economy.

Different types of green finance include:

- **Carbon credits** – a tradable permit that allows companies or individuals to offset their carbon emissions by investing in projects that reduce greenhouse gas emissions.
- **Biodiversity credits** – are the common unit of measure for offsets in the Biodiversity Offsets Scheme.
- **Climate bonds** – used to finance projects that reduce greenhouse gas emissions and promote climate resilience.
- **Green grants** – used to fund projects that promote sustainability and environmental protection.
- **Blue bonds** – used to finance projects that protect and restore marine ecosystems.

There is also increased attention being paid to impact investing in the environmental sector, with many organisations seeking to identify and fund projects that will both generate financial returns and create positive environmental outcomes.

- Investment opportunities in green bonds and green finance are expanding, driven by government, corporate and financial sector engagement.
- There is a significant need for increased transparency, standardisation, and data disclosure to ensure that investments in climate bonds and green finance are delivering tangible benefits. The private sector accounted for the majority of these investments, at \$735 billion.



# Grants & Investment

Some potential opportunities to explore for community Reef protection organisations in Grants & Investment:

- Consider the project data you have that can help to clearly articulate the outcomes of projects.
- Explore opportunities to align your project measures with overarching frameworks, such as Sustainable Development Goals (SDGs) and the Reef 2050 Plan, or other regional or sector-based plans.
- Where there is strong values alignment, take time to build relationships with funders to grow trust and where possible, work towards deeper partnerships.
- Consider if there may be opportunities to consider around organisational goals and capacity and emerging green finance opportunities.



# Models, Systems, & Culture

Organisations in community environmental work can also focus on how they design their organisations as well as rethink their approach to organisational culture (processes, principles, policies etc.) to increase their financial sustainability and impact.

This section explores some trends in the way organisations are working and how they operate to increase efficiency, effectiveness, and impact.

## Key Trends

### **There are more participatory and shared leadership organisational models**

Environmental organisations have been adopting more participatory organisational models to increase their effectiveness and impact. This can include greater shared leadership and distributed decision making (for example, advisory groups). There has also been a move towards flat organisational structures, with less hierarchical layers of management.

These organisational models where decisions are made by many people can allow for more diverse perspectives and ideas to be heard, which can lead to more innovative and effective fundraising strategies. These approaches may also support a more inclusive and equitable fundraising environment, with more equal opportunities to contribute.

These shifts have enabled organisations to be more agile, responsive, and effective in responding to the needs of their stakeholders.

### **Collaborative business models across organisations are increasing**

As the social impact sector rapidly evolves, collaborative business models are becoming increasingly popular and are driving significant impact. Collaborative business models can help organisations to share resources and effort for shared benefits by leveraging the resources of multiple partners to raise funds for their cause, undertake program work or apply for grants. This type of collaboration can be beneficial for both the organisation and its partners, as it allows them to pool resources and reach a larger audience.

# Models, Systems, & Culture

A higher number of organisations are adopting collaborative tactics including joint programming, resource sharing, mergers, strategic alliances, and entering cross-sector partnerships. Some examples include:

- **Joint Programming** – organisations working together on a project or program, sharing resources, knowledge, and best practices.
- **Resource Sharing** – organisations sharing resources such as technology, space, and personnel to accomplish their goals.
- **Mergers** – organisations joining forces to expand their impact and better utilise resources.
- **Strategic Alliances** – organisations working together to identify new ways to reach a shared goal.
- **Cross-Sector Partnerships** – organisations from different sectors (e.g. government, business, and non-profits) partnering together to achieve a shared mission.

## Learning networks are expanding

Community-based organisations can drive impact and results through learning networks by creating opportunities for members to share knowledge, resources, and best practices. This can include hosting webinars, workshops, and conferences to discuss current environmental issues and solutions, as well as providing access to online resources and tools. Additionally, learning networks can be used to facilitate collaboration between members, allowing them to work together to develop innovative solutions to environmental challenges.

Learning networks drive impact by: scaling learning opportunities and platforms to drive staff capability and effectiveness; eliminating duplication of efforts, insights and resources; sharing of insights, results and lessons learnt; facilitating collaboration; and identifying further opportunities for collaboration and shared learning.

## Collaborative incubators, hubs, and labs are growing

The collaborative incubators, hubs, and labs have seen tremendous growth in recent years. This has become increasingly popular as a way for smaller organisations, especially community-based organisations, to access capital and resources to help them launch and grow their work. The sector has also seen an increase in the number of investors and venture capitalists looking to invest in these types of projects.

## Models, Systems, & Culture

Collaborative incubators, hubs, and lab setups can provide organisations with access to tools and resources, staff and expertise, digital support, a network of partners, and funding opportunities.

**The investment in environmental solutions by social impact/purpose based labs and incubators has grown exponentially, with an average increase of 37% per year since 2018.**



Credit: Kobie Rhodes, Magnetic Island Photos

# 48% increase

**in the number of social impact/purpose based environmental labs and incubators since 2018.**

Rockefeller Foundation 2021

# Glossary

Some useful terms are outlined below.

## **Carbon credits**

Carbon credits are a type of tradable permit that allows companies or individuals to offset their carbon emissions by investing in projects that reduce greenhouse gas emissions. Each credit represents one tonne of carbon dioxide or its equivalent, and can be bought and sold on carbon markets. The goal of carbon credits is to incentivize the reduction of greenhouse gas emissions and promote sustainable development.

## **Corporate Social Responsibility**

Corporate Social Responsibility (CSR) refers to a company's commitment to operate in an ethical and sustainable manner, taking into account the impact of its actions on society and the environment. This includes initiatives such as reducing carbon emissions, promoting diversity and inclusion, and supporting local communities.

## **Data-driven philanthropy**

Data-driven philanthropy refers to the use of data and analytics to inform and guide philanthropic decision-making, with the goal of maximising the impact of charitable giving. This approach involves collecting and analysing data on social issues, identifying areas of need, and using evidence-based strategies to address those needs. By leveraging data and technology, philanthropists can make more informed decisions about where to allocate resources and measure the effectiveness of their giving.

## **Digital fundraising platforms**

Digital fundraising platforms are online tools that enable individuals and organisations to raise money for a cause or project through various means, such as crowdfunding, peer-to-peer fundraising, and donation pages. These platforms provide a convenient and accessible way for people to donate to and support causes they care about, while also offering features such as social sharing and analytics to help fundraisers reach their goals.

## **Digital maturity**

Digital maturity refers to an organisation's ability to effectively leverage digital technologies and processes to achieve its goals and remain competitive in the digital age. It involves a combination of technological capabilities, organisational culture, and strategic vision.

## **Digital transformation**

Digital transformation refers to the integration of digital technology into all areas of a business, resulting in fundamental changes to how businesses operate and deliver value to customers. It involves the use of digital tools and technologies to streamline processes, improve efficiency, and enhance customer experience.

## **Diversity offsets**

Diversity offsets refer to a strategy used to compensate for the negative impacts of development or land use on biodiversity by creating or enhancing habitats elsewhere.

# Glossary

<b>Green finance</b>	Green finance refers to financial products and services that support environmentally sustainable projects and businesses. This can include investments in renewable energy, energy efficiency, sustainable agriculture, and other initiatives that aim to reduce carbon emissions and mitigate climate change. Green finance is becoming increasingly important as more investors seek to align their portfolios with their values and support a transition to a low-carbon economy.
<b>Equity crowdfunding</b>	Equity crowdfunding is a method of raising capital for a business or project by allowing a large number of individuals to invest small amounts of money in exchange for equity or ownership in the company.
<b>Impact investors</b>	Impact investors are individuals or organisations that invest in companies, organisations, or funds with the intention of generating a measurable social or environmental impact alongside a financial return.
<b>Outcomes-based grant making</b>	Outcomes-based grant making is a funding approach that focuses on achieving specific, measurable results rather than simply providing financial support. It involves setting clear goals and objectives, monitoring progress, and evaluating the impact of the grant on the intended beneficiaries. This approach aims to maximise the effectiveness of grant funding by ensuring that it is used to achieve meaningful and sustainable outcomes.
<b>Peer-to-peer fundraising</b>	In peer-to-peer fundraising individuals or teams raise money on behalf of a non-profit organisation by reaching out to their personal networks and asking for donations. It relies on the power of social networks and personal connections to spread awareness and raise funds for a cause.
<b>Regular giving</b>	Regular giving refers to the act of making recurring donations to a charity or non-profit organisation on a consistent basis, typically monthly or annually. This type of giving allows donors to provide ongoing support to their chosen cause and helps organisations plan and budget for future projects and initiatives.
<b>Sustainable Development Goals</b>	The Sustainable Development Goals (SDGs) are a set of 17 global goals adopted by the United Nations in 2015 to address social, economic, and environmental challenges facing the world. The SDGs aim to end poverty, protect the planet, and ensure prosperity for all by 2030. They provide a framework for countries, organisations, and individuals to work towards a more sustainable future.



**Community Funding & Partnership Models**

**Trends Snapshot 2023**