



# Headwaters Foundation Learning Example

This foundation learning example is part of the Approaches to Learning Amid Crises: Reflections from Philanthropy report, which showcases a series of learning examples aimed to support philanthropy in learning from doing while changes are still underway. In this report, we lift up examples of how foundations have reacted and, specifically, highlight what and how they are learning. We spoke with leaders from seven Canadian and American foundations to learn from their actions during the first several months of the 2020 crises related to COVID-19 and the widespread acknowledgement of systemic racism and racial inequity. We focused on what they did, how they did it, and what it means from the perspective of organizational learning and evaluation. This is one of those seven foundation learning examples.

At the heart of our inquiry, we were guided by these two questions:

- 1 How does a foundation's learning culture shape its capacity to act and adapt during a crisis?
- 2 How do relationships between funders and grantees shape their capacity to learn together?

We encourage you to reflect on these questions in your own context as you read through this case study.

Interviewees were asked to reflect on how their foundation responded during the first four months of the crises, beginning in March 2020 at the start of COVID-19 lockdowns in North America, and through the widespread protests in June 2020 after George Floyd's murder. Interviewees were asked to share what actions they took, and what informed their decision-making. Our conversation was semi-structured with the goal of telling instructive stories about how learning helped to shape action.

**This foundation learning example represents real-life experiences, but not necessarily best practices.**

It does not cover all aspects of the foundations' inner workings or thinking, but rather offers a point-in-time snapshot through the eyes of the interviewees. The issues explored here could be unpacked further and in much greater detail. As such, they may leave the reader with more questions than answers, which we consider a positive (albeit potentially frustrating) outcome.

# Headwaters Foundation

**Interviewee:**

Brenda Solorzano  
CEO

**Date:**

September 2020

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## Background

The [Headwaters Foundation](#), which has a mission to work side-by-side with Western Montanans to improve the health of their communities, employs eight staff. The Foundation awarded almost US\$3.5 million in 2019. From their founding in 2018, they have focused on "democratizing philanthropy one relationship at a time" and currently have four grantmaking programs: Strategic Initiatives, Policy and Influence, GO! Grants, and Sponsorships.

## Responding in times of crisis

Montana was first hit hardest by the economic repercussions of the COVID-19 pandemic. In the midst of shutting down schools, businesses, and restaurants and laying off workers, grantees were trying to figure out how to operate in a very different business model and felt empowered to tell the Foundation what they needed to adapt. Brenda credits this to the relationships and trust the Foundation had built with the community over the past few years.



Because we have an ongoing relationship with those communities, they very quickly came to us and said, 'I know that we had been talking about doing this work on resilient parenting or teen pregnancy or whatever it was, but because of COVID, the thing that we are seeing now is that parents who are essential workers do not have a place to send their kids for childcare, and schools are closed and now we don't have food for our kids. And so we want to shift our effort from this early childhood work into food security, or we want to shift our effort from early childhood into childcare, after-school opportunities.' In some cases they said, 'We know we had this money to do all of this kind of upstream policy work, but what we need today are learning kits that we can get out to parents in our community.' And we said, 'Sure, that's fine.' So again, it wasn't so much what we had to change. It's how we were in a relationship with our grantees that allowed us to say yes to them.

The Foundation committed to following through on the grants already in play and created an additional set of funds for new grants.



**We approve our program plan, as I said, at the beginning of the year; that includes our overall grantmaking program. And we needed that. There was no way it would be fair to take money away from that preprogrammed money to our grantees that were doing this important work and not do something around COVID. So we actually went to our Board in March and asked them to increase the amount of funding that they would make available through our program plan. And they gave us an additional almost half a million dollars to do additional COVID grantmaking. This allowed us to increase GO! Grants, [which] are [going to organizations] doing the essential services by giving them another grant right now.**

In addition to the GO! Grants, Headwaters took the onus of figuring out who needed funding and for what in order to spend out the new pot of money the Board approved. They learned from their grantees that food security was a big issue, so they compiled a list of every food bank across the state and called to offer them a general operating support grant. These nonprofits did not need to apply for this money; they only had to share basic information during their phone call with the Foundation. Additionally, Headwaters learned that communities were struggling with childcare, so they funded existing local collaboratives that were already working on early childhood and told them to do whatever they needed to with the funds.



In May, George Floyd, a 46-year-old Black man, was killed in Minneapolis, Minnesota, by white police officer Derek Chauvin. Up to this point, although Headwaters had been doing equity work by giving power back to the community, the Foundation had not made an explicit commitment to racial equity. Almost 90% of Montanans are white, so the state is not as diverse as the rest of the United States. As part of the Foundation's trust- and relational-based strategy, the CEO decided to include a note in her weekly "COVID hope message" to share a personal reflection about what it was like to be a person of color in the U.S. and invited people to converse with her. This invitation,



... led to a whole lot of extra calls for me, as you can imagine, but I think it was really helpful to leaders in the community who felt, even in Montana, we need to think about what's our role in racial equity in Montana and in this country. And I think the other thing they did is, the Foundation started to be seen as a place where other leaders in our community could come and ask, 'Can you help us figure out what we need to do?' So, the next thing you know I'm talking with the University of Montana, I'm talking to the business community, I'm talking to the health care sector. And again, we are no longer just a grantmaker. We're a community partner in trying to figure out what we do to address this issue in our state.



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## Learning Insights

Before the COVID-19 pandemic hit, the Headwaters Foundation had a core value of placing communities and relationships at the center of their work, enabling real-time learning and quick decision-making in line with what the community wanted and needed. The Foundation did not really need to pivot as an organization aside from increasing their grant spending for the year; they needed to be a support and a partner to those on the ground who were doing the pivoting.

“It’s important ... to be very clear about where we were beforehand because it really, I think, helps explain how we pivoted or maybe didn’t pivot. ... So we are a foundation that had the luxury of being able to be built from the ground up as a trust-based funder. That really grounds the notion of being in relationship and really placing the community in the center. And I know that there’s a lot of philanthropy, and myself included in that, that used to say that but didn’t really do it in terms of how it actually gets operationalized. [It’s] taking a lot of the power away from the Board and the staff and giving it back to the community and to our grantees.”

The way the Foundation was organized enabled quick adaptability and effective learning. The following examples demonstrate ways the Headwaters Foundation can achieve that adaptability and learning<sup>3</sup>.

- **Strategy.** The Headwaters Foundation does its work through a trust-based philanthropy lens, leading with trust and centering community. They have a six-year strategic framework that provides big picture guidance (e.g., working on social determinants of health) rather than having a detailed, long-term plan (e.g., the traditional five-year plan about what the Foundation does). They create one-year plans based on the strategic framework and what they have been learning in community (the program plan).
- **Structure.** Power is distributed unconventionally at the Foundation. The Board is not responsible for approving grants but for setting the big picture direction for the organization, such as the strategic framework, the organization's values, and how to invest the financial portfolio. Staff are responsible for approving grants, making changes to initiative strategy, being in community, building relationships, and learning rather than writing docket, reviewing proposals, and rehearsing Board presentations.
- **Processes.** Rather than the typical, cumbersome grant application process that requires time for the grantee to complete the application, time for a foundation staff to review the proposal to check fit and IRS requirements, and time for the Board or other leaders to approve or deny applications, Headwater's GO! Grants require time for the applicant to complete information, but technology assesses the rest. If aligned, there is approval within 24 hours and a check out the door in two weeks. Processes like these free up staff time to be in relationship and communicate to grantees that the Foundation trusts them.
- **People.** The Foundation intentionally hired program people who were not content experts. Their role was defined as conveners, facilitators, coaches, and connectors. This helps put the power of content knowledge in the community's hand, inevitably incentivizing the Foundation to look to the community about how to move forward.
- **Rewards.** Interestingly, Headwaters distinguishes between accountability and learning when setting up reward systems and metrics. The report to the Board includes these concepts as two separate sections. Accountability is about what the Foundation can control. This includes progress on the approved program plan, such as the deliverables, budget, and timeline, as well as the extent to which the Foundation is living up to its values and desired culture. Learning is about the areas the Foundation hopes to influence and generally includes longer-term outcomes, such as what is happening in Western Montana regarding social determinants of health.

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<sup>3</sup>These examples are categorized by Kates and Galbraith's (2007) Organizational Design framework, the Star Model: Designing your organization: Using the STAR model to solve 5 critical design challenges.