

GEO Member Spotlight



The AVI CHAI Foundation



Yossi Prager
Executive Director of AVI
CHAI North America

How the AVI CHAI Foundation, a grantmaker in sunset, is building partnerships and grantee capacity

While in the process of a spend-down by January 2020, the AVI CHAI Foundation is establishing a legacy of impact and lessons for the broader grantmaker community.

The reason behind AVI CHAI's strategic spend-down is rooted in founder Zalman Chaim Bernstein's desire to ensure the foundation did not experience mission drift. He felt it was important to focus on spending the foundation's resources during the lifetimes of the individuals appointed as the AVI CHAI's trustees.

"There are new people making money every generation. They have the opportunity and the ability to support the needs of the next generation. [AVI CHAI's trustees] really wanted to use the resources for current needs," said Yossi Prager, executive director of AVI CHAI North America.

With this purpose in mind, the trustees decided that the foundation would sunset by 2027. However, 2008's economic recession found AVI CHAI's trustees confronted with a crucial strategic decision.

"After the economy collapsed in 2008, we faced the decision of either reducing the amount we spend per year or accelerating the spend-down," Prager said. "The trustees decided to accelerate the spend-down and set January 2020 as the end date."

This spend-down caused the foundation, with the help of Duke University's Joel Fleishman, to re-examine its approach to grantmaking. Two important new areas of focus emerged: grantee capacity building and strategic partnerships.

At the time, AVI CHAI was providing more than 50 percent of the funding for most projects, and 100% of the funding for some. It was clear that without proper capacity building support, those projects would be susceptible to collapse after AVI CHAI's funding ceased. Additionally, increasing the stability of these grantees would also require forging new philanthropic partnerships to sustain their work.

As a result, AVI CHAI took a number of actions, including establishing a staff member as Director of Strategic Partnerships and allowing AVI CHAI's trustees to shift their focus from the foundation's individual projects to larger strategic questions — letting staff deal with more responsibilities related to the projects. When it came to establishing new philanthropic partnerships, Prager said, "The first thing we did was dramatically change our tune."

Prager explained that AVI CHAI worked to make it clear to the field that they were changing their approach to funding and were looking to collaborate — not only by bringing others into AVI CHAI's programs but by truly co-creating new initiatives. In the last 18 months, AVI CHAI has helped develop about \$6 million in partnerships. Two-thirds of these dollars came from co-created programs, with the rest divided about equally between others investing in AVI CHAI's initiatives and AVI CHAI investing in the initiatives of others.

Along with these partnerships, AVI CHAI has taken important steps in building the capacity of its grantees. The foundation began thinking much more about “building” programs rather than just “buying,” said Prager, referencing language for funder roles developed by the [Nonprofit Finance Fund](#).

“If our legacy is to be not only the educators, students, campers, schools and counselors who have participated in our programs but also an ongoing programmatic legacy and a legacy of philanthropic support, then we had to go about this in a different way,” Prager said.

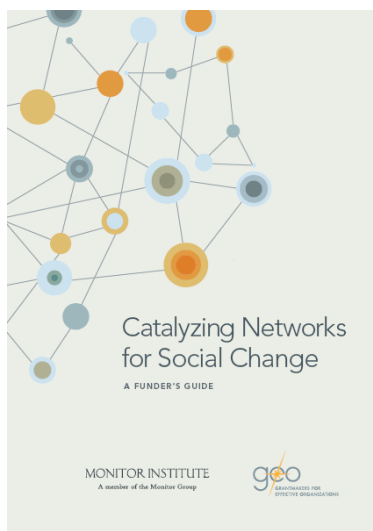
For grantees that AVI CHAI wasn’t planning to fund until 2020, the foundation began offering immediate structural support, such as fundraising support. For grantees that AVI CHAI planned to support on a longer term, the foundation provided funding for them to hire business consultants to work on both strategic and business planning in order to help be more successful and financially secure in the long term. As the first business plans came back in 2012, AVI CHAI’s trustees divided additional funding in two, nearly equal amounts, with half going to buying programs and half going to building infrastructure to implement the strategic plan that had been developed.

As would be expected, exploring new approaches to its grantmaking has raised a number of new questions for AVI CHAI. For example, the business plans that have come back to the foundation have models focused more on hypothetical proposals for increased fundraising as opposed to evidence-based decisions — leading the foundation to decide whether these are good strategies to invest in. Would other options, such as mergers and collaborations among grantees be more effective? How does the size of the organizations that are merging affect the merger’s success? Prager said that AVI CHAI has already helped to merge some of its curricular development and teacher training programs into larger, strategically-aligned organizations — placing an emphasis on the business and educational technology expertise of the acquiring organizations during the decision-making process.

Thankfully, as the foundation explores these questions, they are working with Joel Fleishman to document the rare occurrence of a foundation spending-down like AVI CHAI is. [These reports](#) will be made publically available for the broader grantmaker community to learn from and will be a great resource (along with studies on GEO-member The Atlantic Philanthropies’ spend-down) in an area with little pre-existing knowledge to guide the way for others.

GEO resources that relate to the topics covered in this member spotlight:

[*Catalyzing Networks for Social Change*](#)



[*Strategic Co-Funding: An Approach for Expanded Impact*](#)



[*Pathways to Grow Impact*](#)

