



**SCHOOL for  
THINKTANKERS**

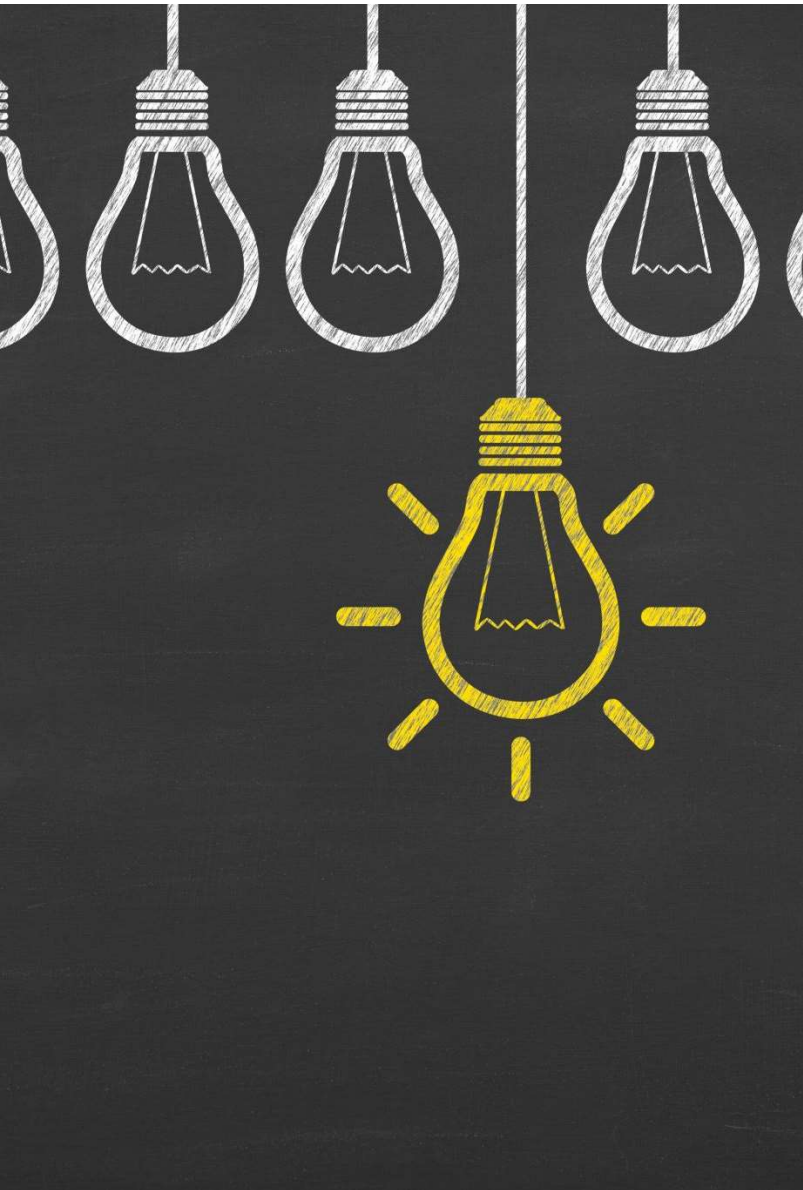
On Think Tanks



# Exploring funding and engagement models: strategy and management

Scarlett Varga – Bruegel (Belgium)

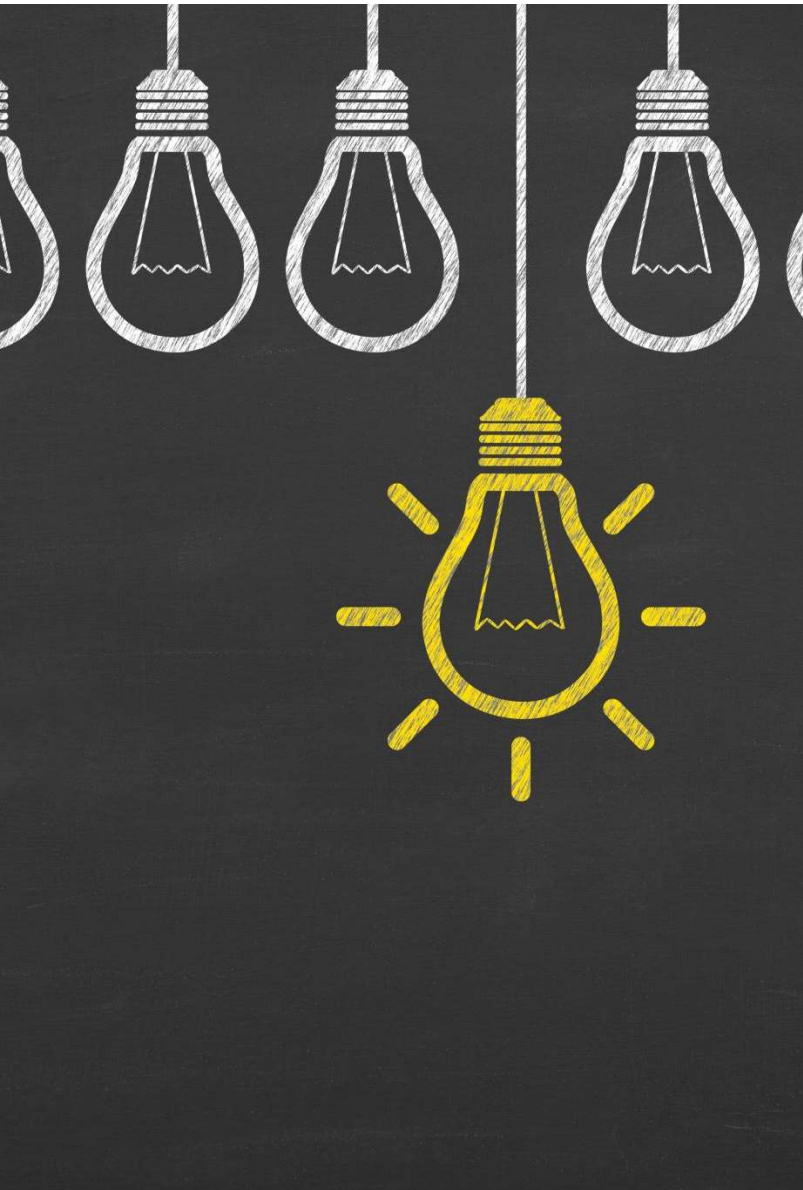
Milena Gaitán – Fundación Ideas para la Paz – FIP (Colombia)



## We will cover...

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- Funding Model
- Case study 1- Bruegel (Brussels)
- Case study 2- FIP (Bogotá)
- (The) Fundraising Cycle
- Tips and tools
- (Lots of) Q&A




# Funding MODEL

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- Endowment and donations
  - Grants (Project based funding from i/ private foundations, ii/public institutions)
  - Membership and subscription
  - Clients/ Consulting
  - Crowdfunding
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- \*Not included: sponsorship and sale of outputs (commercial)

## 5 Common Sources (non-exhaustive)

- **Donations and Endowments**

Individual donors- major donation (one time, often used as endowment) or recurring;  “Donate Button”- on the website (more and more think tanks have it)

- **Grants**

Governments (national, regional, international)/ Foundations (Community foundations, Family foundations, Private foundations)

- **Membership**

Exclusive programs or benefits to its members/ Income from Membership fees

- **Consulting (clients)**

Selling knowledge. Delivering a specific output, on niche subject

- **Crowdfunding**

Donation based on a project proposal/ a story/ and idea. Popular with the development of digital platforms



# BRUEGEL'S FUNDING MODEL



**Inspiration (Name):**

- keen observation of the life of ordinary people and daily economic activity
- European diversity

**BRUEGEL- BRUssels European and Global Economics Laboratory**



## Information from organizations and context

**European (geography)** think tank that specialises in **economics (focus)**

Non-profit international association under Belgian law (AISBL), governed by its Statutes and its Bylaws (**legal**)

### **Governance: flat hierachy**

*Management:* Director, Deputy and Managers- responsible for the research programme, annual work plan, budget, and annual report and present them to the Board

*Board:* Three-year mandates; - SIX elected members (3 by state members and 3 by corporate members), - FIVE appointed members

### Duties:

Appoint Director and Deputy Director

Closing Annual Report and accounts

Approving budget, discharging Director

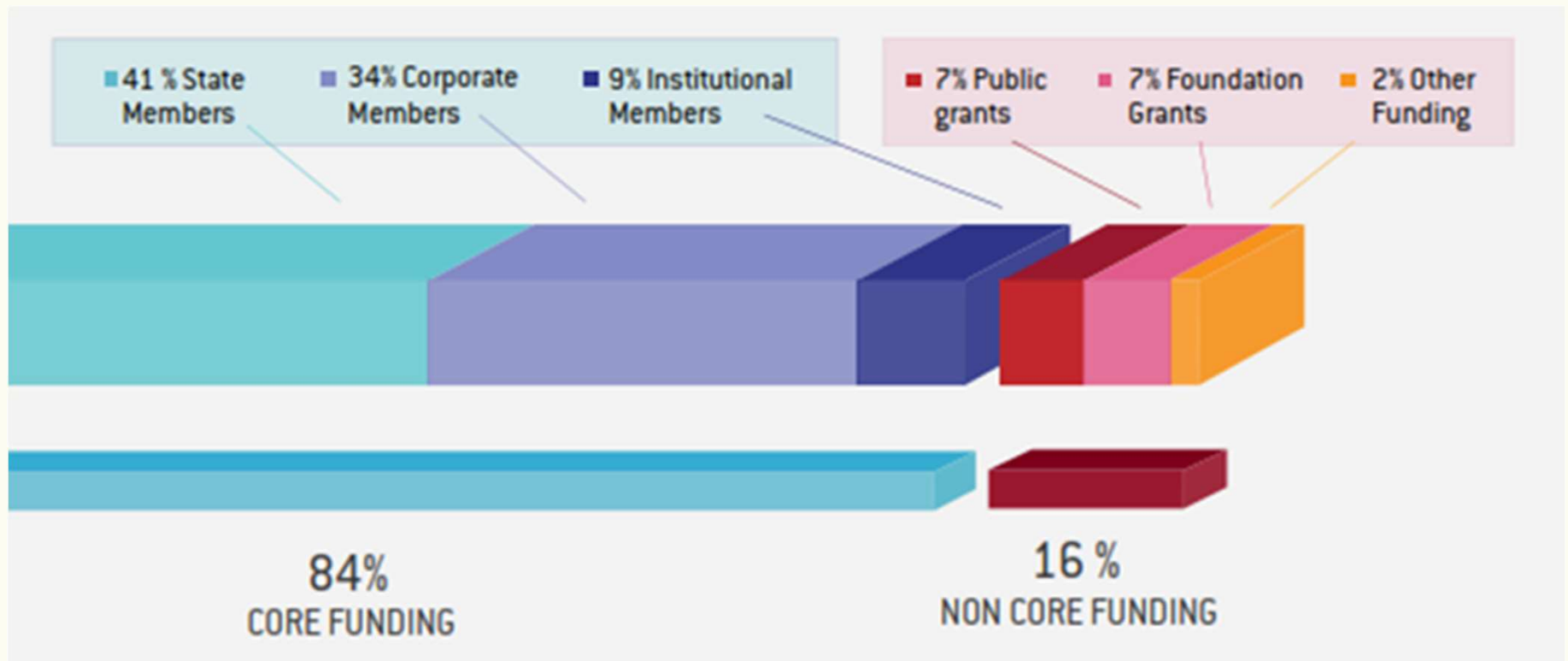
Approving new members

Approving annual work plan and medium term direction

The board has NO responsibility for the editorial content of Bruegel's work!



# Sources of Income (1)

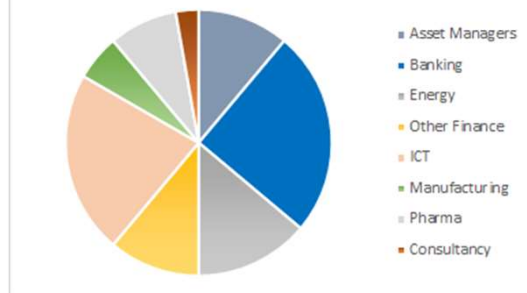


## Sources of Income (2)

- **State members** contribute according to share of EU population and GDP (in five categories from €33,203 to €199,203)
- **Corporate members** €50,000 per year regardless of size
- **Institutional members** €50,000 per year (with 50% discount for central banks of state members)
- Additional resources from multi-annual research programmes funded from both the public and private sector (according to research programme priorities)
- Constant innovation in funding is a necessity

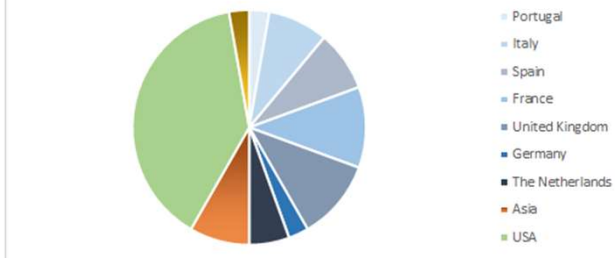
Corporate Membership (by sector)

November 2019



Corporate members (by geography)

November 2019



## Membership as Core funding- unique model

### **Membership Benefits (Value Proposition)**

- Contribute to setting Bruegel's research agenda (General Assembly of members meets three times a year)
- Gain unmatched insight on European and global economy- access to Bruegel fellow through bi-lateral meetings and calls (in Brussels and Globally)
- Engage with recognized scholars, decision-makers from the private sector, and policymakers at every governance level (global, EU and national) through public and closed- door events
- Engage in Bruegel's Governance



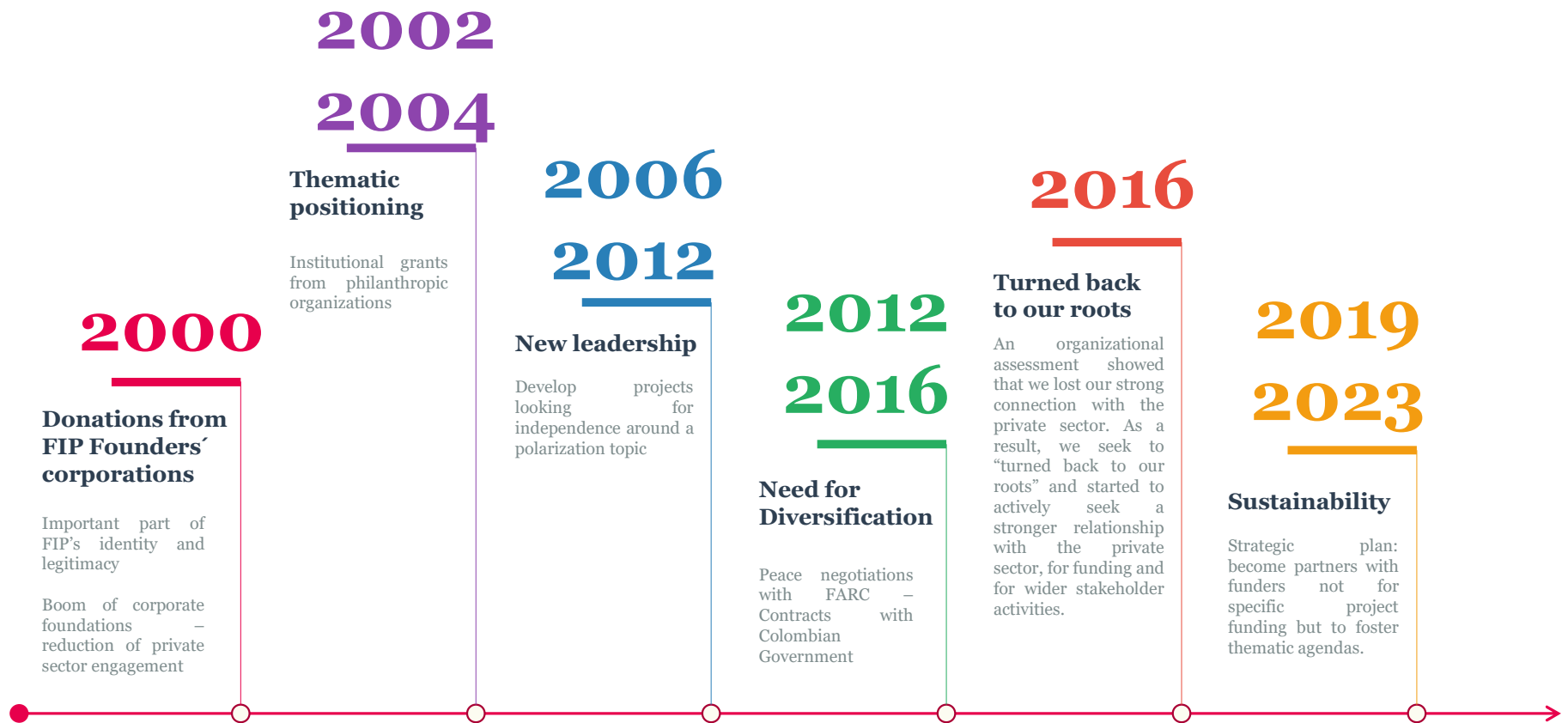
# FIP'S FUNDING MODEL



Independent think tank specialized in security and peace, established in 1999 by a group of Colombian businessmen

FUNDACIÓN IDEAS PARA LA PAZ - FIP

# Transformation of our funding model



# Information from organizations and context

## Governance:

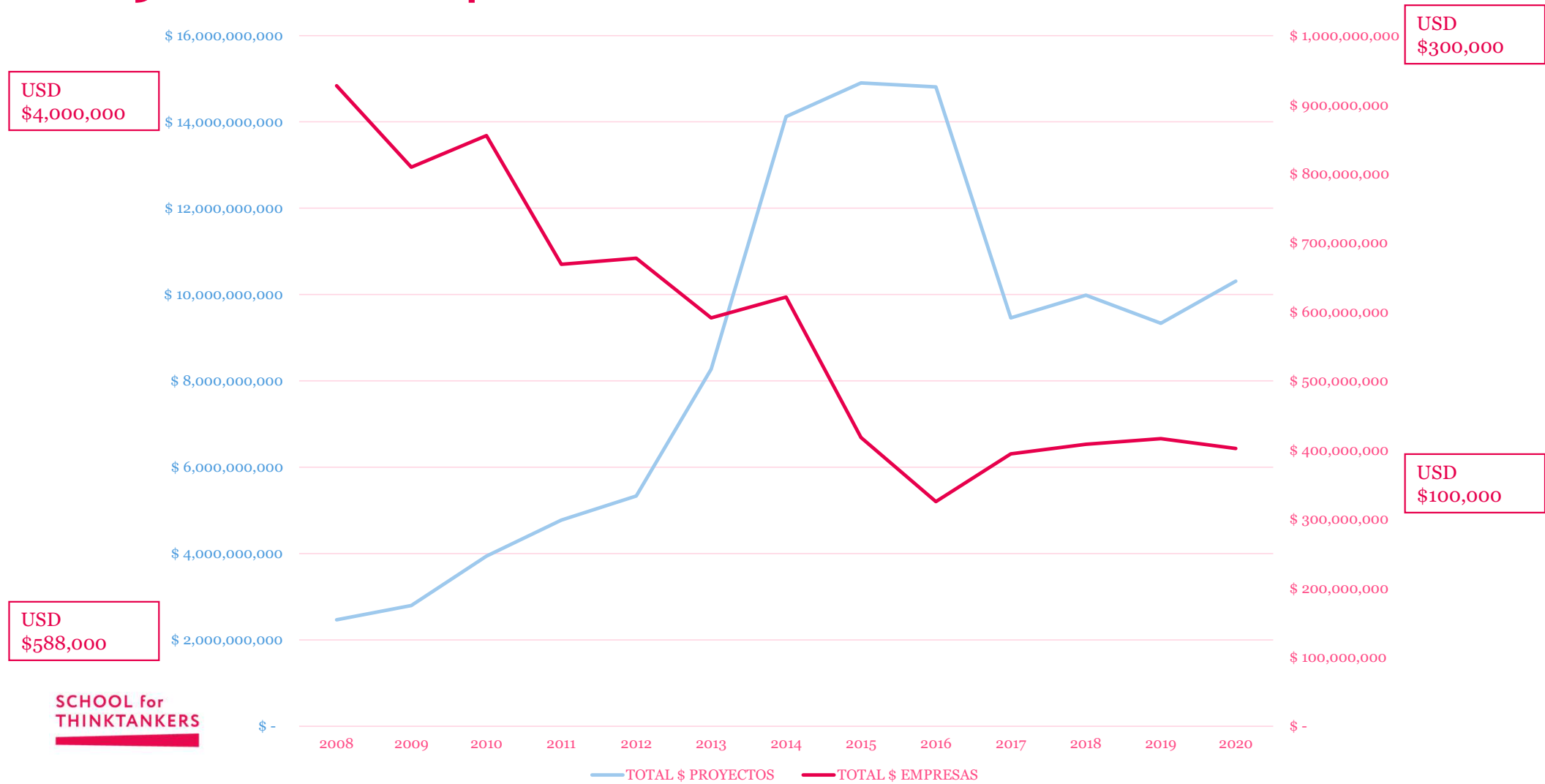
- **Superior Council** 24 members: 11 corporations (contribution) + 13 renowned Colombian academics, businesspeople, journalists, former politicians (ad hoc)
- **Board of directors** 8 members: 1 founder + 7 representatives from the Superior Council
- **Executive Director**

## Management/Operations:

Financial and operations Director, Communications Director and Programme directors

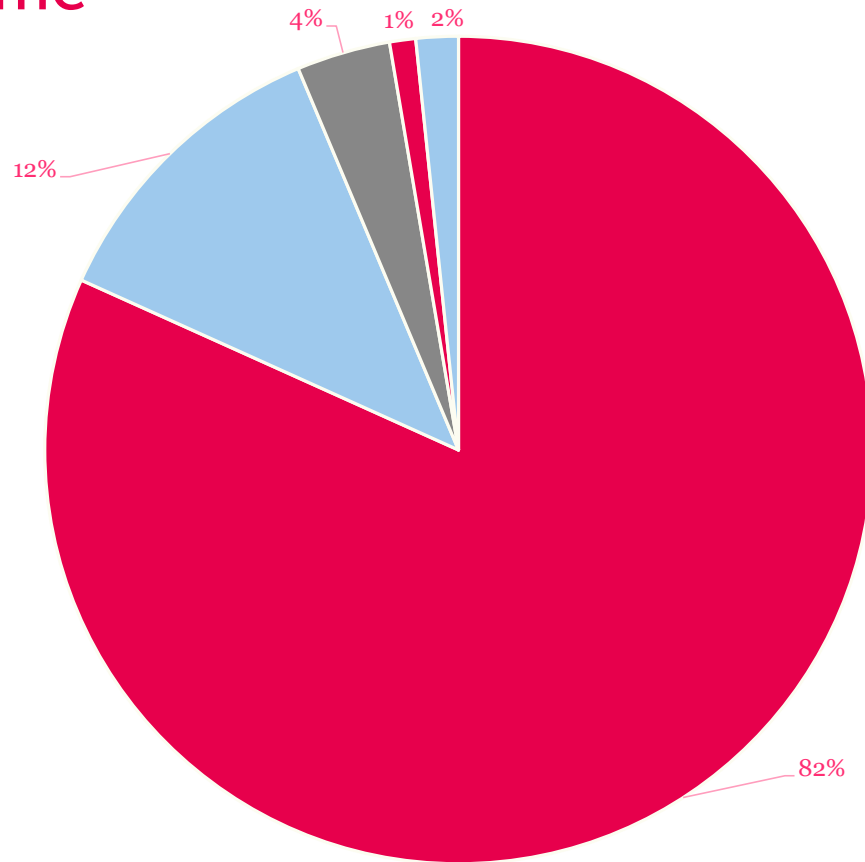
The board has NO responsibility on FIP's programs and publications

# Projects vs corporate contributions



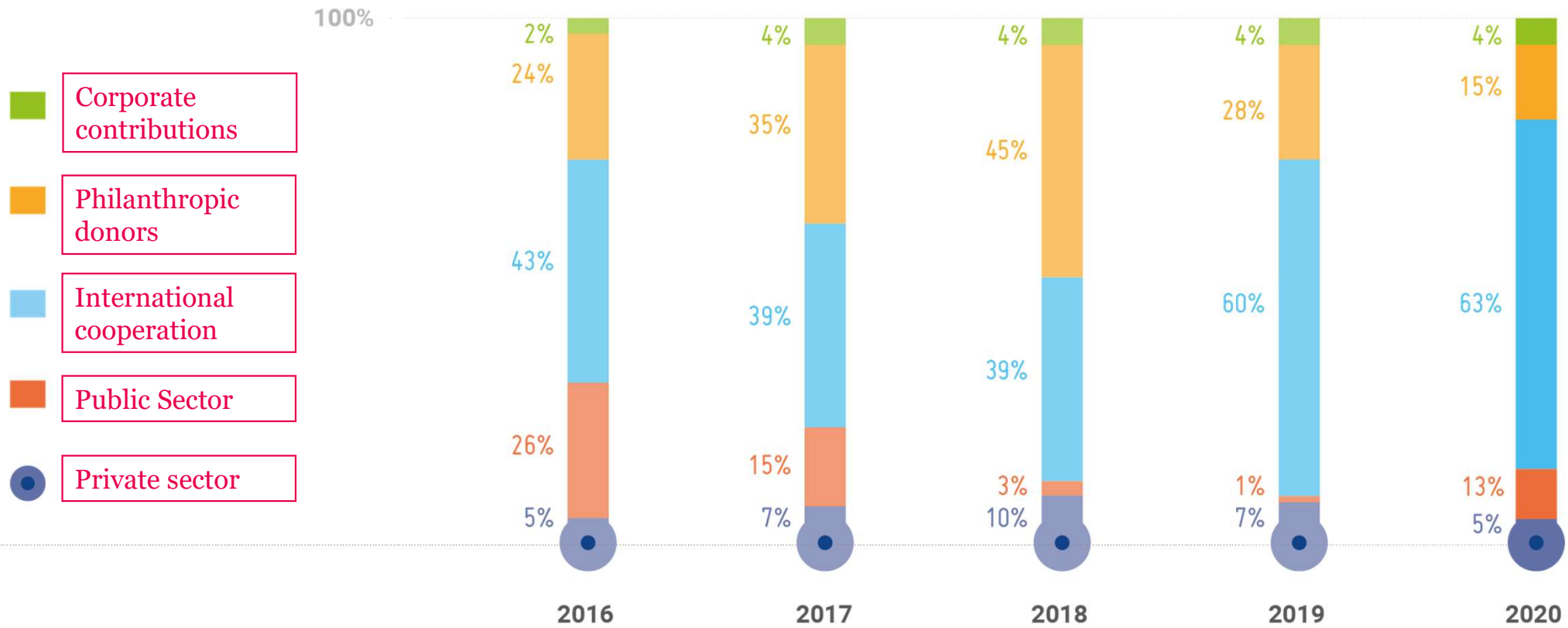


# Sources of Income



- Projects
- Corporate contributions
- Financial return
- Institutional international grants
- Fiscal reserve

# Sources of Income



# Project based funding model

## Advantages

- Broad spectrum of possibilities for projects financing
- Capacity to innovate
- Flexibility in the design and implementation of activities
- Opportunities to propose ideas
- Thematic directors / researchers / experts responsible of the engagement with different funders.
- Possibility to expand and shrink teams
- Wider network of partners

## Disadvantages

- Do not have an endowment that allows financial self-sufficiency.
- Reinforce the idea of projects being the only source of funding
- Project-based work results in short-term interventions.
- Donors with their own agendas, cycles, and focuses
- Social organizations (final beneficiaries) with reduced capacity to propose new activities that are more in line with their expectations in the territories.



# Fundraising Cycle

## What do we do day-day?

# Fundraising Cycle



Prospecting: monitoring of opportunities and scoping, building the relationship



Evaluating and selecting: Don't bite more than you can chew



Development of proposal



Negotiation



Reporting



Nurturing



# Prospecting/ Engagement



*Be connected with the strategic plan*



*Develop capabilities required to access the relevant sources of funds*

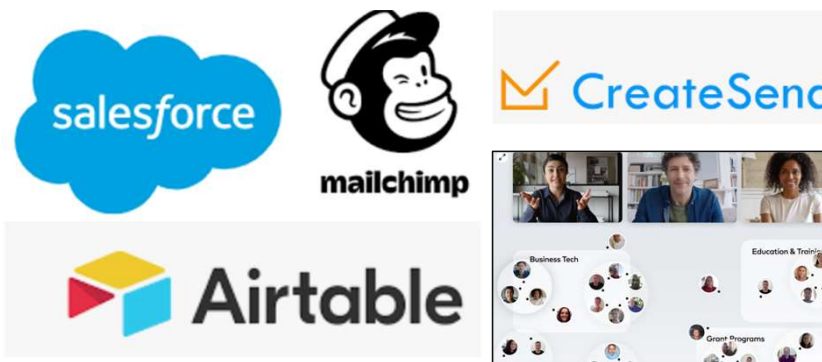


*Connect donor's motivations to your own motivations*



*Build relationship with donors*

# Tips and tools



## Internal Tool:

- Annual report
- Brochure
- Events (invitations to experts, outreach before and after)
- Newsletters, Publication alerts, capsules

## External tools:

- CRM, Salesforce (combine data and relationship building)
- Airtable (collaborative platform)
- Mailchimp, Createsend
- Zoom, Teams, Miro, Wonder

# Suggested Reading

Do Think-Tanks Have A Future?, Robin Niblett

<https://www.chathamhouse.org/2018/11/do-think-tanks-have-future>

What are think tanks for? Policy research in the age of anti-expertise, Rosa Balfour

<https://www.lse.ac.uk/ideas/publications/updates/think-tanks>

What Should Think Tanks Do?: A Strategic Guide to Policy Impact, Andrew Selee

<https://www.sup.org/books/title/?id=23457>

<https://www.wilsoncenter.org/event/what-should-think-tanks-do>

What are think tanks and how are they funded (the importance of transparent funding)

<https://www.bbc.com/news/av/uk-politics-47297942>

Do Think Tanks Matter?, DONALD E. ABELSON

<https://www.jstor.org/stable/j.ctt813t2#:~:text=Book%20Description%3A,in%20the%20policy%20making%20process>

The Givers: Money, Power, and Philanthropy in a New Gilded Age, David Callahan

[https://www.amazon.com/Givers-Money-Power-Philanthropy-Gilded/dp/1101971045/ref=sr\\_1\\_7?dchild=1&keywords=fundraising+for+think+tanks&qid=1612099506&s=books&sr=1-7](https://www.amazon.com/Givers-Money-Power-Philanthropy-Gilded/dp/1101971045/ref=sr_1_7?dchild=1&keywords=fundraising+for+think+tanks&qid=1612099506&s=books&sr=1-7)

Struyk, R. (2015). Improving Think Tank Management: Practical Guidance for Think Tanks, Research Advocacy NGOs, and Their Funders. Results for development Institute.

[https://www.researchgate.net/publication/305748750\\_Raymond\\_Struyk\\_Improving\\_Think\\_Tank\\_Management\\_Practical\\_Guidance\\_for\\_Think\\_Tanks\\_Research\\_Advocacy\\_NGOs\\_and\\_Their\\_Funders\\_Results\\_for\\_Development\\_Institute\\_Washington\\_2015\\_464\\_pp\\_Bibliography\\_Index\\_A](https://www.researchgate.net/publication/305748750_Raymond_Struyk_Improving_Think_Tank_Management_Practical_Guidance_for_Think_Tanks_Research_Advocacy_NGOs_and_Their_Funders_Results_for_Development_Institute_Washington_2015_464_pp_Bibliography_Index_A)





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