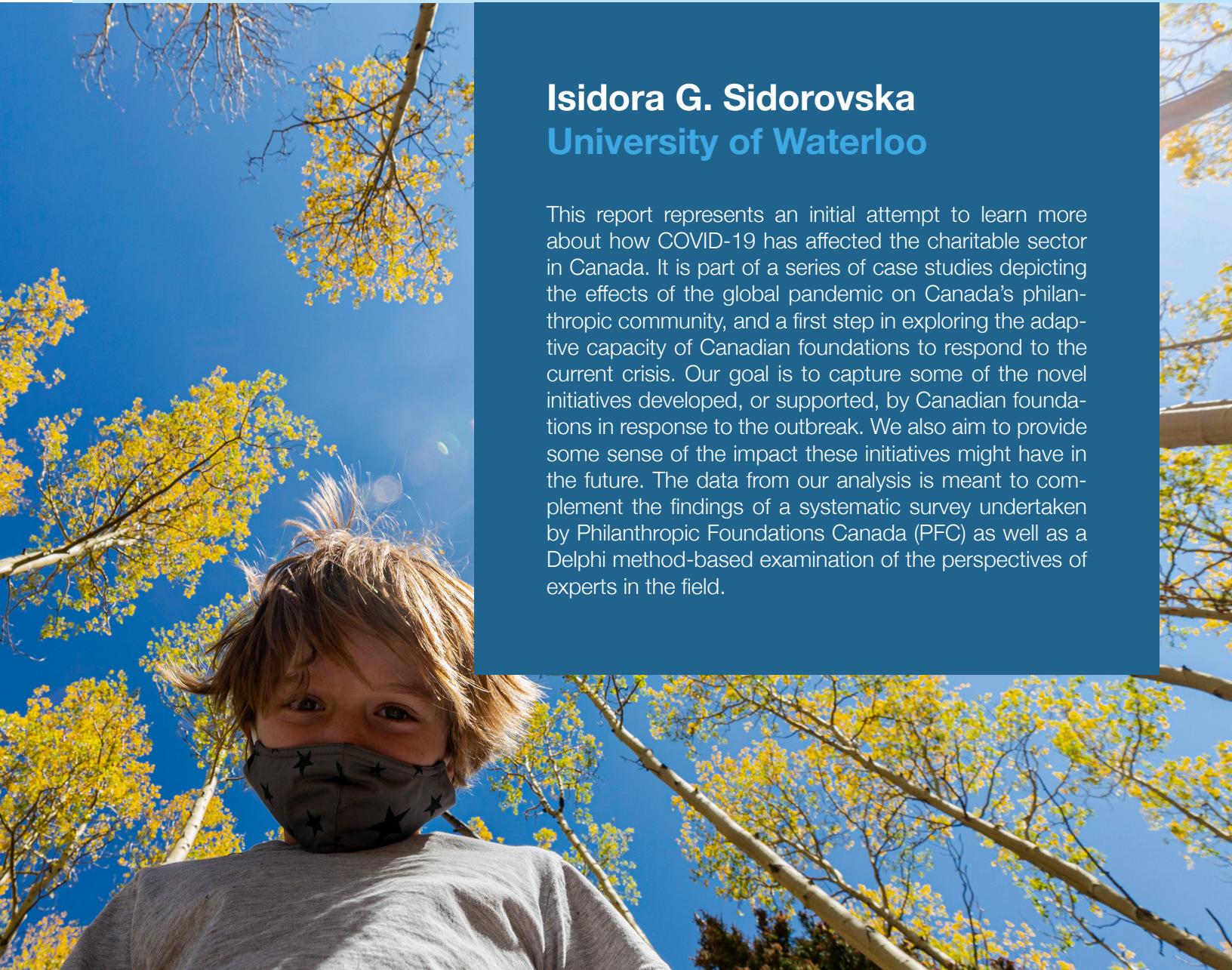


# Lawson Foundation: Responses to COVID-19 July 2020

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This report represents an initial attempt to learn more about how COVID-19 has affected the charitable sector in Canada. It is part of a series of case studies depicting the effects of the global pandemic on Canada's philanthropic community, and a first step in exploring the adaptive capacity of Canadian foundations to respond to the current crisis. Our goal is to capture some of the novel initiatives developed, or supported, by Canadian foundations in response to the outbreak. We also aim to provide some sense of the impact these initiatives might have in the future. The data from our analysis is meant to complement the findings of a systematic survey undertaken by Philanthropic Foundations Canada (PFC) as well as a Delphi method-based examination of the perspectives of experts in the field.



## Introduction and Context

The current report outlines the responses of the Lawson Foundation to the COVID-19 outbreak. It is based on a conversation with Marcel Lauzière, the foundation's President and CEO, about specific actions taken by the Lawson foundation. We use the conversation as a starting point to identify other relevant philanthropic initiatives developed in response to the COVID-19 pandemic.

Our conversation identified several initiatives undertaken by the Lawson Foundation. Some of these initiatives are individual or collaborative projects that the Lawson foundation has launched or adapted in response to the outbreak. Others are initiatives within the philanthropic community that the Lawson Foundation decided to take part in.

The report is organized in two parts. Part one provides a brief overview of the seven initiatives implemented by the Lawson foundation and the immediate rationale behind engaging in these projects. Part two presents my analysis and identifies key elements of the foundation's response that deserve further study. These include emergency aid practices, as well as new and emerging models of collaboration between foundations and grantees.

# LAWSON FOUNDATION

## About the Foundation

The Lawson Foundation is a Canadian family foundation that works to support the healthy development of children and youth. It was established in 1956 by the Honourable Ray Lawson and has an endowment of approximately CAN\$130 million. In addition to grant-making in support of local organizations, the Lawson Foundation engages in knowledge creation and knowledge sharing by bringing together individuals and groups working with, and on behalf of, children and youth to learn from one another. The Lawson Foundation also uses its financial assets to create social good through impact investing.



# New/Adapted Initiatives

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## The London Community Foundation (LCF) COVID-19 Response Fund

The Lawson Foundation, which has its roots in London, Ont., has supported the London community since 2005. The LCF COVID-19 Response Fund is a collaboration between the Lawson foundation and the London Community Foundation that seeks to address local needs resulting from the current outbreak. Each foundation has contributed CAN\$300,000 to the fund. Following these initial contributions, the Westminster College Foundation—as well as other individual donors—have made additional contributions to the fund which now totals more than CAN\$1 million. The purpose of the LCF COVID-19 Response Fund is to provide rapid grants to local charities that complement ongoing efforts in the community. Funds are being distributed through an advisory council comprised of representatives of the LCF, the Lawson Foundation, and the Westminster College Foundation. The LCF Response Fund is continuing in the fall to enable prompt reaction to issues as they arise.



## Pop-up Granting Teams

The pop-up granting teams are part of an initiative by the Lawson Foundation that set out to provide rapid support to local communities in the early days of the pandemic. The project relies on six community-led pop-up granting teams that were established across the country in a variety of different settings. The pop-up teams are made up of previous collaborators of the foundation and each pop-up team received CAN\$130,000 to disburse to community organizations.

The goal of the initiative is to have trusted community partners decide where emergency support should go in a timely manner. The organizations receiving the funding are usually not aware of the incoming support, as there have been no application nor reporting requirements. Initial grants ranging from CAN\$5000 to CAN\$25,000 were distributed within two weeks of setting up the pop-up teams. The project, however, remains active until the end of the year. So far, most of the funding has been allocated to front-line organizations such as food banks, women's shelters, and youth mental health centres.

The pop-up teams were established across different environments, including both urban centres and rural communities. A short survey will be set up by the Lawson Foundation later this year to gather feedback from grantees. Rather than focusing on grantee accountability, this survey will aim to help grant-making foundations learn from the project.

# New/Adapted Initiatives

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## Ad-hoc Funding in Broad Impact Areas

In addition to the pop-up grants aimed at providing emergency support to communities, the Lawson Foundation set up two additional ad-hoc granting programs to support organizations working in the Foundation's broad impact areas.

The first program is allocating CAN\$800,000 to support urgent needs of organizations working with children and youth. This funding is, once again, unrestricted. It aims to support the development of new community initiatives or provide additional funding to support general operations or specific programs. The overarching purpose of the program is to guarantee sufficient cash flow to support recovery efforts among community partners.

The second initiative disburses another CAN\$800,000 to Indigenous organizations. It provides similar types of support as the first program, but with a specific focus on Indigenous organizations and communities. The purpose of the program is to ensure both Indigenous partner organizations and local Indigenous communities receive financial support to overcome some of the difficulties resulting from the current crisis.

The implementation of both programs is planned to continue until the end of the year, with 60% of the ad-hoc funding distributed so far. Recommendations for funding to the Board are made by staff and are based on ongoing conversations with grantees on immediate and long-term concerns regarding recovery and organizational sustainability.



## Succession Planning

The Lawson Foundation is a private family foundation. In fact, five generations of the family have been involved with the organization. As part of its succession planning, the Lawson Foundation has traditionally educated the next generation of family philanthropists by placing them in charge of allocating small grants to community organizations.

In response to the current outbreak, the Lawson foundation directed the small grants funding towards the COVID-19 outbreak, repurposing an additional CAN\$100,000 to be allocated in support of local needs. While the amount is modest, it is expected that it will provide important learning opportunities for the next generation of philanthropists in the family, specifically regarding the management of philanthropic efforts during times of crisis.



# Multi-funder Initiatives

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Apart from undertaking new, or adapting existing, programs in response to the health crisis, the Lawson Foundation has also joined several multi-funder initiatives.

## Letter to Grantees

The Lawson Foundation joined the growing chorus of philanthropic organizations temporarily modifying their model of collaboration with grantees. The purpose of these modifications was to ensure stability of cash flow in the sector and temporarily reduce administrative burdens to allow all organizational efforts to be directed towards a pandemic response. This was announced via a letter to grantees, sent to reassure partners that funding will be allocated according to previous agreements. The letter also informed grantees that the foundation would provide increased flexibility on spending the Lawson Foundation's funds. As a result, all funding received from the Lawson foundation would be categorized as "unrestricted", allowing grantees to use funds as they see fit during the crisis. Additionally, the foundation decided to suspend all reporting requirements.

These principles are in line with a joint recommendation from Philanthropic Foundations Canada, Community Foundations Canada, Environment Funders Canada, and The Circle encouraging Canadian philanthropic organizations to move towards a more flexible model of collaboration with grantees. The goal of these adjustments is to contribute to greater financial stability in the sector, while ensuring that local organizations have the freedom and capacity to use funds as effectively as possible.

## GIVE5

Give 5 is an initiative set forth by several private and community foundations to increase the amount of funding disbursed by the philanthropic community throughout 2020. Currently, the Canada Revenue Agency requires that foundations allocate at least 3.5% of their total assets to philanthropic initiatives annually. However, given the current crisis and the profound impact of COVID-19 on the charitable sector, the GIVE5 initiative asks foundations to pledge at least 5% of their total assets for disbursement throughout the year. According to the GIVE5 initiative, this is a way for the philanthropic community to follow efforts implemented by government and the business community in responding to urgent needs arising from the current health crisis.

The Lawson Foundation has joined the GIVE5 pledge promising to allocate a minimum of 5% of its total assets in 2020.



# Multi-funder Initiatives

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## The Indigenous Peoples Resilience Fund

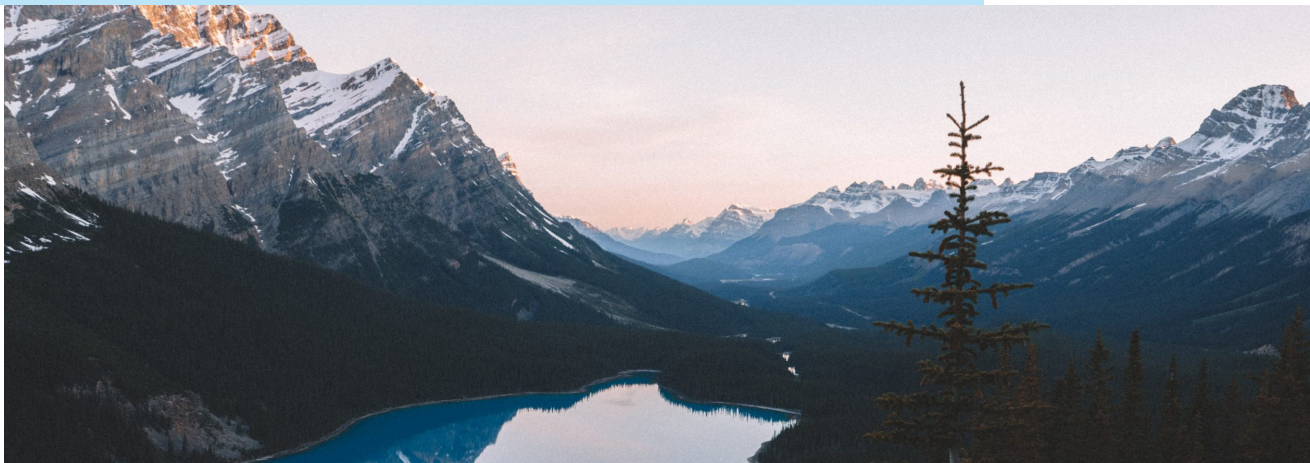
The Indigenous Peoples Resilience Fund (IPRF) is an initiative set up by Indigenous knowledge holders in partnership with several non-governmental funders as a tool to support Indigenous communities during the current public health crisis. The IPRF is a natural next step in a process of ongoing dialogue between philanthropic organizations and Indigenous leaders that can be traced back to conversations preceding the development of The Philanthropic Community's Declaration of Action in 2015.

IPRF is a country-wide initiative designed to address Indigenous community needs and contribute to the development of an Indigenous philanthropic infrastructure. Its immediate priorities are related to the current outbreak, but IPRF's strategic priorities stretch beyond the current health crisis in support of long-term Indigenous community resilience. The project has raised CAN\$1.4 million so far and hopes to appeal to other funders as the implementation unfolds.

The IPRF relies on Indigenous leadership to establish funding priorities and procedures. As such, it integrates two parallel conversations:

- a funders' table that serves as a tool for information sharing, collaboration, and learning among foundations supporting the IPRF; and
- an advisory body comprised of Indigenous knowledge holders in charge of directing IPRF funds.

The Lawson foundation is part of the IPRF project and has contributed CAN\$200,000 to the current funding pool.



# Analysis and Discussion

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The Lawson Foundation's response exemplifies several important trends in how foundations have changed or modified their traditional grantmaking practices to respond to the COVID-19 crisis more effectively. These include:

1. Joining forces with other foundations by taking part in multi-funder initiatives;
2. Relying on local leadership through a more flexible model of collaboration with grantees;
3. Balancing emergency responses with long-term outlook;
4. Employing a learning-oriented approach.

## 1. Joining Forces: Multi-Funder Initiatives

Like other grant making foundations we have spoken to within the context of this study, the Lawson Foundation has prioritized collaborative grantmaking efforts. Four of the seven initiatives described above are based on some form of collaboration between funders.

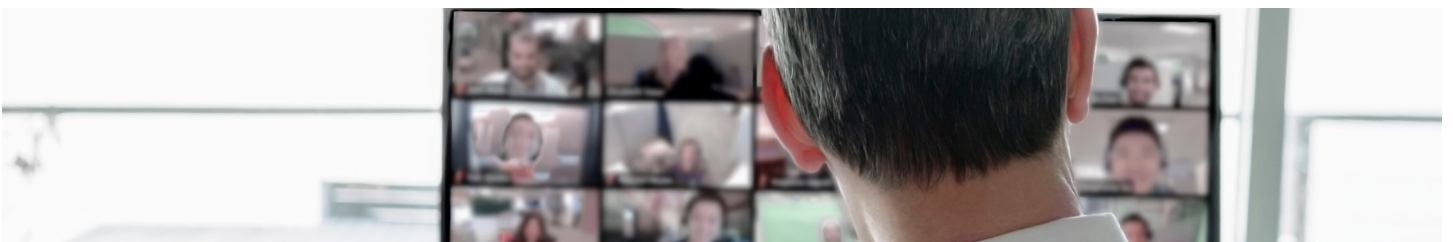
The LCF COVID-19 Response Fund, as well as the IPRF, are examples of new programs developed in response to the pandemic. The first is an initiative between the Lawson Foundation (a private foundation) and the London Community Foundation (a community foundation) as well the Westminster College Foundation, based on a shared strategic interest in supporting the City of London. The latter is a multi-funder initiative, which also involves both private and community foundations.

Another interesting aspect of these two collaborations is that each involves funders that already had experience collaborating with one another. This has allowed funders to make use of previously established relationships, agreements and models of co-operation in setting up new initiatives. Therefore trust, established relationships, and experiences of collaborating with one another seem to be an important factor that has allowed the rapid development of new projects.

Joining forces with other funders brings additional benefits such as the possibility to merge available funding to create more substantial impact. It also achieves economies of scale by reducing infrastructure and operating expenses, thus increasing the amount of funding allocated to grantees.

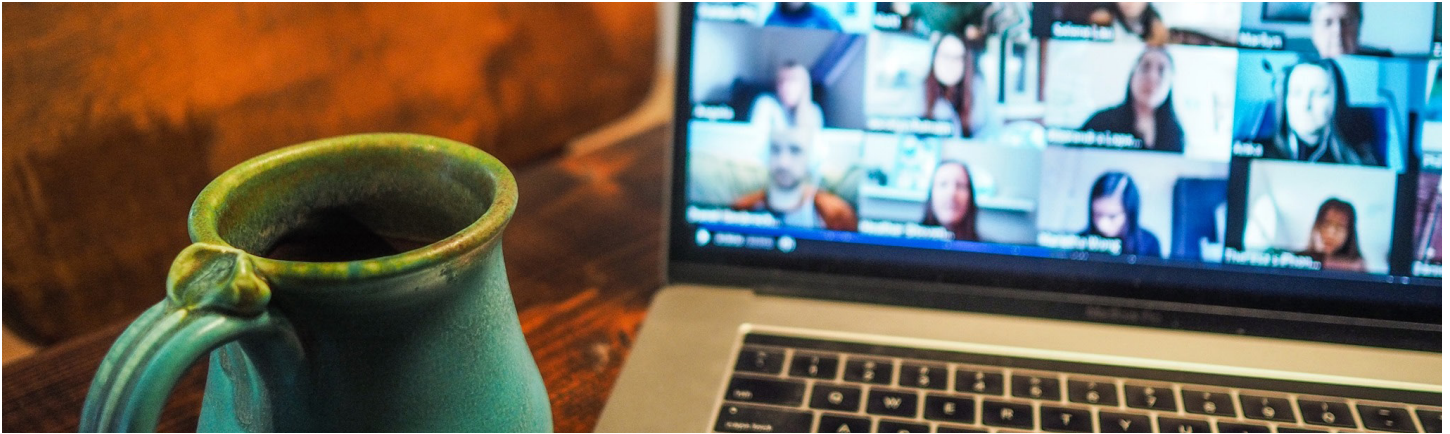
These initiatives bring opportunities for organizational learning, networking, and collaboration. As our other case studies have shown, multi-funder initiatives have enabled foundations to engage in mutual learning and exchange of information, ensuring that they do not double efforts. It has also enabled cross-sectoral initiatives on large-scale issues that foundations are unable to tackle on their own.

Building on the above, multi-funder initiatives have played an important role in shaping the response of the philanthropic community during the current health crisis. These partnerships have allowed foundations to make more substantial contributions to local communities and emergency issues. Collaborations have also facilitated the swift exchange of information, ensuring that funders complement each other rather than double efforts. They have also presented possible avenues for future collaborations and enabled philanthropic organizations to identify and pursue other opportunities for joint action.



# Analysis and Discussion

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## 2. Reliance on Local Leadership: A More Flexible Model of Collaboration with Grantees

The letter to grantees sent by the Lawson foundation is part of a wider effort among foundations to sustain funding levels among grantees. However, in addition to ensuring that payments will continue as planned, the letter also takes an important step by repurposing previously restricted funds as unrestricted funding. This means that funds can be used at the discretion of grantees to support issues created by the outbreak, as well as related organizational expenses, rather than the programs and priorities the funds were previously allocated for.

Application and reporting requirements have also been suspended to ensure that organizational resources can be directed to program operations rather than administrative tasks. This once again reflects a greater level of trust in, and reliance on, community organizations to manage foundational resources based on their own experiences and preferences.

This flexibility is further mirrored in the pop-up teams and the ad-hoc granting program started by the Lawson Foundation. As noted above, the pop-up funds

relied on community-based advisory boards to allocate emergency aid. This meant local leadership was in charge of directing foundation funding, which has allowed greater autonomy within the sector to respond to the current crisis. In the ad-hoc program, funding recommendations are made by staff to ensure support is directed to organization working in the Foundation's broad impact areas. However, there are no granting guidelines and finances are again unrestricted so the organizations receiving the support can decide how to use them.

The same trend of reliance on local advice is present in the IPRF. The agreement reached enabled a fully Indigenous-led process which placed Indigenous knowledge holders in charge of IPRF grantmaking priorities and procedures. A similar practice can be seen in the LCF COVID-19 Response Fund which once again created a local advisory board to direct funds.

While this approach can be seen as a temporary tool to enable a quicker response to the crisis and relieve some administrative burdens related to the management of philanthropic projects, it is important to ask what impact these practices have on aid effectiveness. A collaboration process that allows for greater autonomy of grantees in the allocation and management of foundation funding may be an important tool for empowering the sector. In the process of rethinking how the sector is rebuilt after the pandemic, it is essential to further assess the usefulness of this and other emerging grantmaking models.



# Analysis and Discussion

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## 3. Balancing Emergency Responses with Long-Term Outlook

The attempt to balance short-term rapid responses with a more strategic application of emergency funding is present in three of the seven initiatives undertaken by the Lawson Foundation: the pop-up granting teams, the ad hoc support for organizations in broad impact areas and the IPRF. However, these initiatives have approached and addressed this tension in different ways.

Both the pop-up community grant, and the ad hoc support program have taken a phased approach to releasing funds. While initial funding in both programs was disbursed within two to three weeks from the start of the outbreak, both programs will continue until the end of the year. This means funds are being released gradually to balance short term urgency with a longer-term outlook on future needs in the sector. In other words, both the pop-up community funds and

the ad hoc support for partners have used a phased approach to simultaneously ensure a rapid response to the crisis and a more strategic intervention right after.

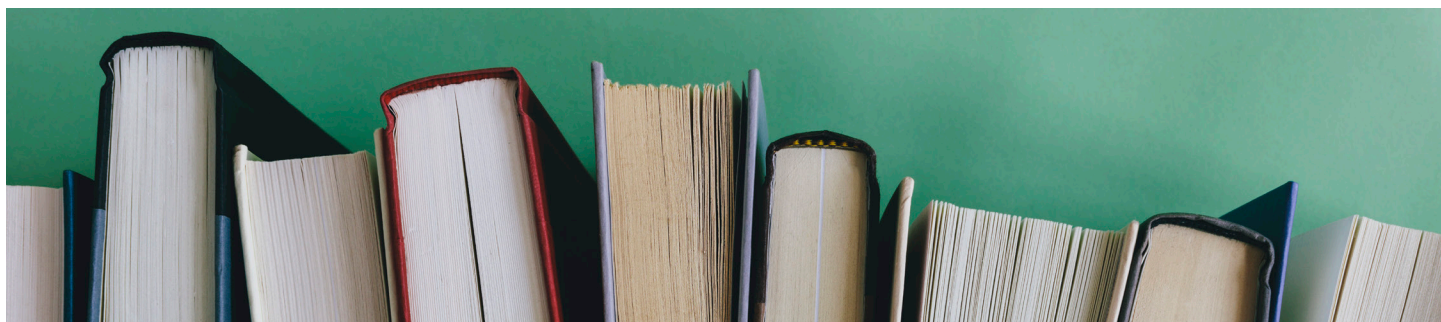
On the other hand, the IPRF has approached solving this tension differently. Despite pressing concerns, the IPRF decided to postpone its immediate response to the crisis, taking some time to develop long-term decision-making infrastructure, strategic guidelines, and work out grantmaking procedures before dispensing any funding. While this was a rather quick process, it nevertheless delayed the immediate availability of IPRF grants to combat the current health crisis.

Going forward, it would be interesting to see what the strengths and weaknesses of each of these approaches are. This friction between responding to urgent needs and ensuring strategic effectiveness of scarce resources is inevitably connected to philanthropic responses in emergencies. Therefore, the usefulness of both models in addressing the short term and long-term consequences of the COVID-19 crisis warrants further study.



# Analysis and Discussion

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## 4. A Learning Oriented Process

Throughout these initiatives, there is a common emphasis on learning and growth, as well as developing and refining best practices.

For example, an important element of the IPRF was the existence of a “funders table.” This functioned as a forum for the exchange of information, ensuring foundations do not duplicate efforts and can join forces on large-scale issues, as well learn from the process of setting up the fund. In this sense it is interesting to note that while some of the donors involved in the IPRF funders table decided not to take part in the fund, they still remained engaged in these conversations. This once again emphasizes the importance of learning from current experiences.

On a similar note, in their letter to grantees the Lawson Foundation allowed for the repurposing of foundational funding, as well as the suspension of application and reporting requirements. However, our interviewee noted that some kind of reports would be requested from grantees later in the year, with a focus on information that can assist with foundational learning from

these changed requirements. This once again underlines the interest of foundations to draw lessons from these new practices and prioritize foundational learning as a key aspect of these emergency interventions.

This emphasis on reporting in pursuit of organizational learning was prioritized within the pop-up community grants as well. Most of the organizations receiving the pop-up funds were not aware they had been awarded funding, and, once again, funding was not connected to any application and reporting requirements. Yet, the foundation plans to contact grantees for small reports later in the year in order to learn from how the process was organized. At the same time, the pop-up teams were intentionally set up in diverse settings in order to provide insight on where such an initiative would prove most effective and needed.

In this sense it would be interesting to see why organizational learning has emerged as a key element in most of the initiatives taken by the Lawson Foundation in response to the COVID-19 emergency. While it is an excellent practice and certainly not new to foundations, the focus on organizational learning might also point to the lack of extant “best practices” in facilitating emergency aid, and the lack of guidance and capacity foundations have in this regard.



## Conclusion

There are several interesting aspects to the initiatives undertaken by the Lawson Foundation in response to the COVID-19 outbreak.

First there seems to be a pattern of foundations joining forces to respond to the current outbreak. The exact reasons for this were not explicitly explored during our interview, but there were certain indications of the importance of the swift exchange of information, mutual learning, and development of future partnerships and collaborations. The initiatives undertaken by the Lawson foundation also indicate that these partnerships are usually based on previous collaborations and pre-existing relationships among funders.

Another vital aspect of the projects and steps undertaken by the Lawson Foundation in response to the outbreak is the increased flexibility in their collaboration with grantees. This includes greater reliance on local leadership, at least in the initial steps of responding to the crisis. In this sense it seems that community leaders and local advisory boards have taken a key role in directing foundational funding, which is understandable due to their knowledge of local needs and priorities, as well as the short time frame for disbursing aid.

At the same time, this trend also represents a change in the relationship between foundations and grantees and a changed model of grantmaking. It will be interesting to see how this model develops further once the immediate emergency is over.

The initiatives described here also indicate a tension between rapid responses to urgent needs and a more strategic distribution of scarce resources. It is evident that different initiatives have taken alternate routes to overcome and balance such tensions. It is essential that the usefulness of these different approaches to balancing urgency with long-term effectiveness is further examined in order to provide foundations with tools for addressing such concerns in the future.

Finally, most of the initiatives described above are characterized by a strong learning component. While this is extremely positive, it raises the question: is such an orientation an expression of a lack of tools and best practices that foundations have at their disposal to facilitate grantmaking in emergencies?

## Acknowledgements

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