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The Potential of German Community Foundations for Community Development

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Abstract

The present study aims to determine the potential community foundations in Germany have for community development. Therefore six randomly chosen small-size community foundations were interviewed regarding their financial settings, level of professionalization and their commitment towards community development. By using qualitative content analysis this article assesses the relevance of reaching their defined goals in contrast to the need of satisfying the demand of current and potential donors. The results indicate that small foundations initially depend highly on the involvement of voluntary board members and on the independence of political authorities. Furthermore, the results show that a process of professionalization is necessary already in the first years of existence.

Keywords: Civil society, community development, community foundations, Germany

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1. Introduction

Considering the current challenges in education, social justice (Suárez 2012) and environmental health (Yacoob, Hetzler, and Langer 2004) nonprofit organizations are taking on more and more responsibility towards finding adequate and sustainable solutions (Carman 2001). Referring to the continuous retreat of governmental authorities, it's no wonder that call for other players like civil society and community based organizations becomes louder (Newig, and Fritsch 2009, Schwalb, and Walk 2007).

Nevertheless, the discussion of civil society engagement is not a new one. Several years ago the United Nations process "Agenda 21" on the international and the German Bundestag's committee of inquiry on "The Future of Active Citizenship" (Deutscher Bundestag 2002) on the national level have already set the need of civil society engagement on the agenda. Furthermore the stakeholders themselves refer to their higher of potential on innovation and flexibility compared to governmental institutions (Zimmer 2007). Nonprofit players gain these independence by the absence of private and commercial interests and by their independence from governmental decisions (Adloff 2005, Zimmer and Priller 2007).

Community foundations are one of these nonprofit players that frequently appear in the focus of national and international discussions (Lowe 2004; Díaz and Shaw 2002; Squazzoni 2009). Starting with the first community foundation in the United States almost 100 years ago, today community foundations can be found all around the world (Wang, Graddy, and Morgan 2011; Daly 2008; Acheson 2010; Hoelscher, and Casadei 2006). However, while they are well established in the United States they are quite a new phenomenon in Germany (Jakob 2010, Walkenhorst 2004). After the first community foundation was founded in 1996 it took several years until this new model of foundations was established (Worldwide Initiatives for Grantmaker Support 2010, Hoelscher and Hinterhuber 2005). Today more than 300 German community foundations support local issues either through grant making, direct service provision, or both (Aktive Bürgerschaft e.V 2013).

In the international discussion community foundations are supposed to generate more social trust by connecting community characteristics and charitable giving (Graddy and Wang 2009; Suárez and Lee 2011). Furthermore, they address the current challenges by using suited measures that are adapted to the needs of the community (Ostrower 2007; Silver 2004). Smaller and younger foundations especially are highly related to the current challenges communities are faced with, like social justice and social change (Suárez 2012; Suárez and Lee 2011). The efficiency of smaller community based foundations concerning these issues seems to be relatively high (Rueegg-Stuerm, Lang, and Schnieper 2006; Ostrower 2006; Guo 2006). On the other hand Graddy and Morgan (Graddy and Morgan 2006) found that

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community foundations must have been established for some time to enhance their problem-solving capacity for the community.

From this research, it seems to be clear that the social trust between the community and the foundation is one of the most important drivers for the efficiency and the acceptance of community foundations. It is less clear whether acceptance and efficiency also has negative effects. Saxton and Benson (Saxton and Benson 2005) argue that increasing social capital leads to an increasing nonprofit sector and therefore to more competitors (Monroe 2001). These competitors can lead to a stronger dependence on the nonprofit market (Eikenberry 2009) and therefore to an increasing donor control (Ostrander 2007). To handle these challenges and to achieve stability in the revenue structures, foundations might be forced to perform projects with a wider diversity (Carroll and Stater 2009) or develop long-term partnerships with public or private organizations (Paarlberg and Meinhold 2012; Harrow and Jung 2011; Knott and McCarthy 2007). Nevertheless this approach depends on the necessary experience with upcoming topics and the reliable structures of the community foundations.

Indeed, a couple of prior studies have provided evidence that forms of professionalization like monitoring and evaluation have reached the nonprofit sector (Campbell 2002; Carman 2009a, 2009b; Benjamin 2007) and therefore also community foundations (Bertelsmann Stiftung 2006; Walkenhorst 2001; Frisch and Servon 2006). These requirements are necessary for gaining more social trust and therefore increasing gifts and donations for the nonprofit sector (Graddy and Wang 2009). Besides improved organizational structure community foundations rely essentially on their members (Fischbach 2005). Especially in smaller and younger community foundations voluntary work is the most important factor for achieving the foundations' goals. Bono, Shen and Snyder (Bono, Shen, and Snyder 2010) found that altruistic and social as well as self-orientated motives are common for individuals that are engaged in community support. For community foundations the board members seem to be relevant. Board members have the responsibility of monitoring and managing on behalf of the stakeholders but also providing resources like finding new donors (Hillman and Dalziel 2003). For example Bradshaw, Murray and Wolpin (Bradshaw, Murray, and Wolpin 1992) and Brown (Brown 2005) found that there is a positive association between performance of a nonprofit organization and its board members. Therefore the quality and efficiency of a nonprofit organization highly depends on the skills and experience, but also on clear responsibilities and common visions of how to achieve their goals (Cornforth 2001).

Based on the previously discussed research, this study wants to analyze the development of German community foundations that are still in their early years. Therefore, the analysis concentrates on the influence of the board members, its relationship to the community and the realization of the mission statements. The study aims to find reliable results regarding the

importance of board members for finding new donors and voluntary workers and for the success of the foundation. We assume that the achievement of common goals might not be as important as the establishment of reliable structures. On the other hand we cannot assume that we can find well established structures already. Therefore we also concentrate on the process of establishing rules and procedures. In the current research, we therefore interviewed smaller community foundations in Germany that were established between 2003 and 2007. The data will provide evidence about how monetary aspects shape the performance and procedures of community foundations and about the potential these foundations currently have for providing measures for community development.

2. Method

Thus, community foundations are quite a new form of institutions in the German nonprofit sector this study wants to find common pattern and structures of these new established organizations. With a qualitative approach the study aims to put the point of view of the community foundations in the middle of the research. By conducting qualitative interviews the method allows a closer view inside the institution and on the relevance of individual stakeholders within the organization. The rich and deep data we obtained during the interviews allow a contextual understanding of the process and of the development of the interviewed community foundation.

2.1 Participants

The current study is based on six qualitative interviews with community foundations in Germany. The foundations were recruited using the database of the "Initaitve Bürgerstiftungen" (initiative for community foundations) at the Association of German Foundations (www.stiftungen.org). The target population consists of community foundations that were established between 2003 and 2007. The foundations were chosen by a simple random sampling. By this approach each unit of the target population had an equal probability of inclusion in the sample (Bryman2012). The participation in the study was on a voluntary basis. The interviews were based on semi-structured interviews (the interviewer was able to change the order of questions) with open-ended questions. In the first round we asked ten foundations for an interview of which three foundations agreed. In the next two rounds we asked 5 foundations, of which one foundation agreed in the first and two in the second round. After a first round of coding the interviews first three interviews and brief analysis of the interviews in round two and three, we did not find new information from the new interviews. Therefore we assumed that we found a theoretical saturation (Glaser 1998; Glaser and Strauss 2008;

Charmaz 2011) and completed the sampling. The sample consists of the foundations as shown in table 1.

Table 1. Characteristics of community foundations and interviewees

Code	Year of establishment	Federal State	Interviewee	Kind of interview	Role
CF#1	2007	Hesse	Male	Face-to-face	Board of directors
CF#2	2006	Hesse	Male	Face-to-face	Chairman
CF#3	2006	Bavaria	Female	Telephone	Foundation council
CF#4	2004	Mecklenburg Western Pomerania	Female	Telephone	Chairman
CF#5	2003	Saxony	Female	Telephone	Chairman
CF#6	2005	Saxony	Female	Telephone	Public relations

All interviews were conducted by the author. All interviewed foundations have assets of less than €1,000,000 and work on multiple issues. They were invited to the survey by email and an appointment for an interview was arranged when a foundation replied. Most of the interviewees were members of the foundation board or council. In one case we made an interview with a person that was responsible for public relations.

2.2 Materials and Procedure

Two interviews were face-to-face interviews on the foundation's premises and five interviews were conducted by telephone. The duration of the interviews was between 30 and 45 minutes. The interviews were recorded by digital voice recorders and transcribed using a computer software to an rtf document. Thus, the research questions did not require complex transcription notifications; we focused on the readability, learnability and interpretability during the transcription (O´Connell and Kowal 1995). Therefore we used the glossary of transcription conventions as introduced by Drews (Drews 1995; Flick 2013). The text was completely and literally transcribed. Dialects were translated to regular language and nonverbal attributes were indicated in round brackets. The interviews were conducted in the German language and the quotations in the text were translated into English by the author.

2.3 Data analysis

The analysis was conducted in a two stage process (see Figure 1). First, we started with a deductive category application (Mayring 2000), therefore we developed a code system based on the literature research (Mayring 2010). A revised code system was developed after the first round of coding. Thereafter, the system was used to conduct a quantitative content analysis that described the relation between the used codes. Through this approach we can identify phenomena that came up during the interviews. For the identification of phenomena we use the code-relation-browser as offered by the software package MaxQDA 10 (Corbin and Strauss 2008). Afterwards, we conducted a qualitative content analysis on the most relevant phenomena we could identify in the first step of the analysis.
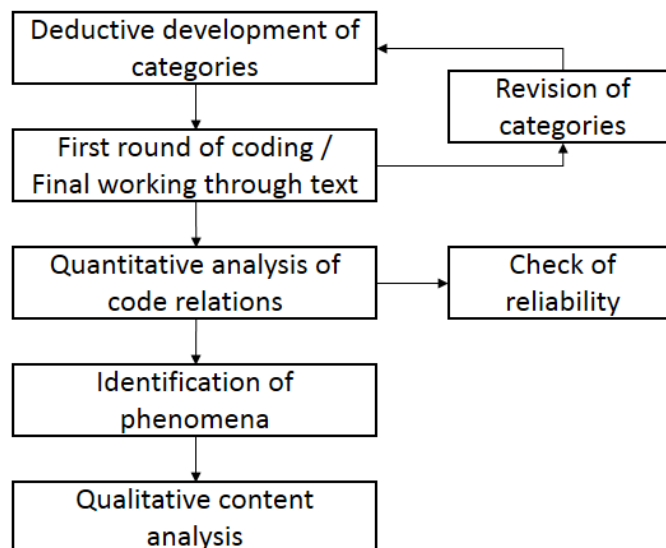

Figure 1. Conceptual model of data analysis

3. Results

Based on the previously discussed research a system of nine codes will be used for further analysis. These codes were based on a literature review about community foundations and community based institutions. The coding system is based on three higher categories. The first category subsumes the internal structures of the community foundations. The codes that are used for this category are "Professionalization", "Public Relations" and "Networks". These codes describe the measures the foundations use to ensure the success of their activities. The second higher category describes the external activities and challenges. The codes "Projects", "Relation to community" and "Competitors" are used as proxies give an overview about these activities. The third category is built by "Donations/Gifts", "Motivations" and "Board Members"

and describes the external and internal preconditions. Based on these Categories and coding the interviews will be analyzed to answer the previously introduced research questions

3.1 Quantitative Content Analysis

After three rounds of coding the final the final coding list indicates different degrees of importance between the used codes. Table 2 shows the number of mentions for each code by the interviewees and the definition of the coding. The coding were followed the deductive approach. The reliability of the coding procedure was ensured at a random basis by two external scientists. During the coding no further categories came up that made a modification of the developed code system necessary. The data show that competitors are hardly mentioned during the interviews. Competitors were only mentioned three times over all six interviews. That also applies to the motivations of donors and members of the community foundation and to networks the foundations work with. Professionalization, the work of the board members and public relations are mentioned on a regular basis. Projects, the relation to the community and the donations seem to be most relevant for the interviewees. Therefore the interviewees preferred talking about their daily work within the community foundation.

Table 2. Codes and definitions for the quantitative content analysis. Including the number of mentions by the interviewees (n = 6)

Codes	Definition	Findings
Professionalization	Reference to any measure that leads to more professionalization, e.g. monitoring or evaluation.	29
Projects	Reference to the importance of projects, pure descriptions of projects will not be coded.	43
Public relations	Activities of the community foundations regarding publicity, marketing and public relations.	30
Donations/Gifts	References to any donation in time or money for the foundations.	41
Motivations	Motivations of donors and members for supporting the community foundations with time or money	8
Board Members	References to the work or importance of the members of the board or council.	35
Relation to community	Comments about the relationship to the local authorities or the social community.	41
Competitors	References to direct competitor by the community foundations.	3
Networks	References to partner organizations and network the community foundation works with.	11

A closer look to the distribution of the answers by interviewee indicates that the members of the community foundations highlight similar topics during the interviews. The frequencies of mentioning the coded categories is highly related between the interviews. "Projects", "Relation to Community" and "Donations/Gifts" are usually the most frequently mentioned codes during the interviews. "Board Members", "Public Relations" and with exception of CF#6 "Professionalization" are also frequently mentioned during all interviews.

Table 3. Number of mentions of different codes by the interviewees (n = 6)

Code	CF#1	CF#2	CF#3	CF#4	CF#5	CF#6
Professionalization	7	6	5	5	5	1
Projects	7	7	7	6	8	8
Public Relations	7	6	4	5	4	4
Donations/Gifts	10	5	4	8	8	6
Motivations	1	2	1	-	3	1
Board Members	7	6	6	7	5	4
Relation to Community	10	8	7	4	7	5
Competitors	2	-	-	-	-	1
Networks	2	2	3	1	2	1

For further analysis and for identifying recurring phenomena an analysis based on the relation between the different coding was made. Therefore the "Code-Relation-Browsers" (CBR) of the qualitative analysis software MaxQDA was used. The CRB is visualization tool that shows the association between different codes. Figure 2 shows the results of the CRB with a configuration for all codes and overlapping mentions. In this figure only real overlapping codes are shown. Therefore codes that only appear in the same paragraph are suppressed. By this approach the results provide more detailed information about the relationship between the coded fragments of the text.
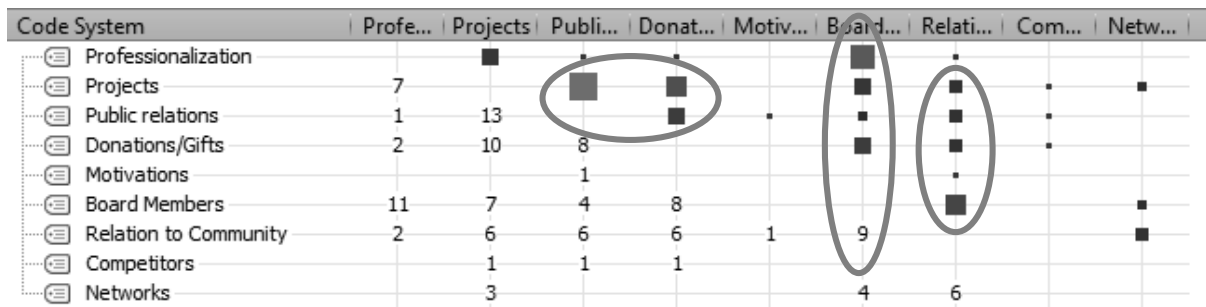
Code System	Profe...	Projects	Publi...	Donat...	Motiv...	Board...	Relati...	Com...	Netw...
Professionalization		■				■			
Projects	7		■	■		■	■	·	·
Public relations	1	13		■	·	■	■	·	
Donations/Gifts	2	10	8			■	■	·	
Motivations			1						
Board Members	11	7	4	8			■		·
Relation to Community	2	6	6	6	1	9			·
Competitors		1	1	1					
Networks		3				4	6		

Figure 2. Overlapping of mentions of codes. Top: proportional distribution. Bottom: Absolute Numbers. (Code-Relation-Browser by MaxQDA 10)

The overlapping mentions of codes (see Figure 2) indicate a high correlation between projects and public relations (n = 13) as well as between projects and donations (n = 10) and between donations and public relations (8). Therefore the relationship between these three topics frames the first phenomenon that is related to funding and public relations. The second phenomenon we want to analyze is formed by the work of the board members. Their work is often mentioned together with professionalization (11), donations (8) and relation to the community (9). The third phenomenon is the relationship to the community which seems to be a cross-sectoral theme that combines the most of the other codes.

3.2 Qualitative Content Analysis.

The following analysis are based on the results of the quantitative content analysis as previously introduced. While the quantitative analysis indicates that there is an association between different coding groups, it does not show the direction and the thematic orientation of the association. Therefore, the results for each of the identified phenomena will be presented by a qualitative summarization including quotes by the interviewees.

3.2.1 Funding and Public Relations

The daily work of community foundations in the early stages is a combination of raising assets and providing their own projects or external projects with money. In order to make acquisitions from private or households or local companies the community foundations have to show their projects to the public. Every foundation interviewed during the study stated that finding donors is the most important task. Therefore the function of funded or operated projects is more than achieving good results and reaching the goals of the projects. The interviewees realize that one of the most important challenges for running projects is the necessity of convincing current and potential donors (cf. CF#1, 31; CF#4, 7; CF#7, 13). As a result their projects are focused mainly on issues that provoke positive responses in the local media. The community foundations in our sample therefore concentrate on issues such as education and youth.

'*There is a willingness to donate, but we must have a look at the issues. Children are very good, diseased children are even better. There is generosity but I can't express it in quantitative terms.*' (CF #6, 51). It is a fact for the interviewees that community foundations must show the community the profit of having such a foundation (Cf#1, 29; Cf#2, 25; CF#6, 13); hence the decision to tackle hot topics. When asked about the current project the foundation is running an interviewee stated '*Yes, right now we deal with catchy topics. The community has to realize that it's helpful*' (CF #4, 46).

From these statements it seem clear that public relations play a major role for foundations. There are often direct interactions between local schools and community foundations (CF #2, #3, #4, #5). Other topics however are also important like arts and culture, elderly care (CF #1), immigration (CF #2) or active citizenship in general (CF #6). All these projects are used to get more publicity. The interviewees realize that other topics are also of high importance for the community, but either there is not enough publicity for this kind of projects or these topics do not have a positive connotation. Therefore, the projects that the community foundations perform or support have to be in accordance to the topics the community is willing to donate for. '*Our supported projects should cover larger groups of people. Smaller projects in schools are important too, but not in our focus. We need publicity to get more well-known.*' (CF#1, 31).

Beyond the acceptance of the supported projects in the community the presence in the media and the communicated profile of the foundations are the most important objectives the foundations want to achieve. Therefore, the community foundations work in close contact with the local media. When a project is chosen to be supported the possibility of a good presentation in the local media is one of the major decision criteria. By presenting the supported projects in the media the foundations hope to get more popular and therefore new donors for the projects or for their general issues (CF#6, 23). Some interviewees know that there are more burning problems, but they support high visibility projects to have "at least a picture on the newspaper" (CF#3, 38). Therefore the impact of a supported project is not always of interest for the foundation as long as it is visible in the media (CF#2, 51).

3.2.2 Relationship to the Community

To ensure the project reaches people that are in need, the community foundations in our sample often work together with partners like the local social service agencies or the youth welfare office (CF #4, 28, CF #6, 43). Other partners can be found in the local media, in associations and NGOs, schools, as well as in other community foundations. Networking among community foundations seems very fruitful in the first years. Many foundations stated they are in close exchange with other community foundations or community foundation

networks to get examples of good practice and to rate their own success in relation to others (CF#1, 17; CF#2, 21; CF#5, 31).

In general community foundations are funded by citizens. During the research two interviewees reported of failed establishments of community foundations. In both cases a political party wanted to establish a community foundation before the citizens initiated one. In both cases the political parties failed, but civil initiated community foundations were later established (CF #6, 3; CF # 3, 3). Nevertheless the idea of funding a community foundation can have different origins. The idea could come from the local government that offers the infrastructure and retreats after the citizens meet for their first exchange of experiences (CF #1, 3). Other foundations were influenced by the UN-Agenda 21 process (United Nations, 1992) which consequently built local agenda groups that led to the establishment of a new community foundation (e.g. CF #2; CF #5). In other cities a network of associations and NGOs (e.g. CF #4, CF #6) or an initiative of private citizens reportedly founded the community foundation (e.g. CF #3).

In general the people that are involved in the process of establishment can be defined as moderately wealthy. The interviewees describe the typical donors as teachers, researchers, lawyers or pilots (CF #5, 11; CF #2, 45). The motivations for the volunteers and donors can be very different. "There was the desire of many to do something good, but in their own community, in their hometown and not in the 'third world' or somewhere else. They want to do something good at grass roots level and they want to see how their money is spent." (CF #4, 5) is one of the statements that describe the motivations of the donors. The donors want to give something back to the community they have lived in most of their lives. But there is also a second motivation for some donors. The question of social capital can be seen as an additional driver for donations. They want to gain contacts, work in networks and gain social acknowledgment (CF #6, 11).

Therefore, the community the foundations acts in is seen in different ways. First the community is a group of potential donors that can spend their money on the foundation. "We want to convince the people; especially the older generation. They should say: "That's a good thing you're doing. We will leave our inheritance to the community" (CF #3, 25). Secondly, the community can be seen as a pool of volunteers that can help the foundation to support and run projects. Even if they prefer to pay for professional employees they still depend on voluntary action for the projects. "All of us are 100% volunteers, even if it seems to be part-time job (laughter). Honestly, we can handle the projects with volunteers, but in the future we need paid staff" (CF#3, 24) One of the highlighted projects for example is the support of children with a migration background. In this case more than 30 volunteers are involved in working with different schools to support the children with a computer assisted language

course and with private lessons (CF #3, 15-17). At the project start, the first school was very skeptical about yet "another project", but after the first year this skepticism vanished and today more and more schools want to be a part of this project (CF #3, 39). This is just one example of how community foundations become more connected to the local community through their projects. Another example is the annual project to raise money for institutions like a public library, where the community foundation organizes an annual picnic for the citizens. This picnic serves two missions. The first one is to find new donors and to gain publicity; the other mission is to raise money for actual projects (CF #6, 35-37).

But getting funds and donations or to find volunteers to support projects is not the only challenge community foundations are faced with. One of the primary missions is to play a significant role in the community. The community foundations want to take a community leadership role, to coordinate other associations and be part of the decision making processes in the community. "The foundation will get more weight in the community; and therefore a voice in our specific field of interests" (CF #4, 51). "The foundation shall be something like a circle in the middle of the organizations; as a partner for building networks with voluntary associations and organizations. Neutrally in the middle, not above them; we want to be a partner" (CF #3, 47).

They want to play "a leading role for local impulses in the orchestra of aid organizations" (CF #6, 45), but also want to be involved in decision making processes. "We want to influence the local authorities to make better decisions for volunteers and want to become a spokesperson for them" (CF #7, 65). However they are also afraid of being taken over by the local politics. "I think it is the other way around. The politics will come to us to check how the community foundation can be integrated. It's important that the politics will still be responsible for their responsibilities" (CF #4, 53)

To achieve these goals the interviewees know that professionalization is very important in the upcoming years. "After we get the first donor advised fund, we have to act more professionally. The office must be manned and not only with an answering machine or a cell phone" (CF #4, 26). The interviewees see professionalization a key project not only to handle the donations of money and voluntary action more efficient, but also to show the community that the foundations is a serious player within the non-profit organizations. A tendency for professionalization can be found in most of the interviewed foundations even though their work is mostly performed by volunteers. Good examples can be found in the statements regarding evaluation and monitoring. When asked about measures for evaluation most community foundations said that they do not perform evaluation measures because they know the projects they support. After asking more precisely about reports and monitoring, different approaches were mentioned. "*The evaluation of projects is not yet necessary. If we would need it, we would do it. [...] Well,*

we get a list of supported projects and check what they did– meticulously. If something is not in accordance with our policy or philosophy we would intervene" (CF #2, 51). This statement shows that evaluation, even if not referred to as evaluation is important for community foundations to control their supported project. They also knew that they would lose confidence if they would support projects that waste their money.

3.2.3 Role of Board Members

As mentioned before networking within the community takes place with different public and private partners. But even if networking is an integral part of a foundation's work most networks seem to depend on just one person. All in all it seems to be a major problem for younger community foundations for they lack engaged personnel in their operative structures. While the voluntary work in the projects is running quite well the activities of the boards are done by just a few activists. The board of a community foundation is often found to be made up of a lawyer and a bank employee who are responsible for the annual reports to the local authorities plus a person who is well connected to the community who runs the operative businesses.

The board members decide what types of projects will be supported and set the strategies for the foundations. Even if community foundations hold annual meetings with their donors, the donors are not integrated in the decision making process (CF #2, 9; CF #4, 23). They can make suggestions, but board members make the final decisions. There is no form of real participation in general (CF #1, 11; CF #3, 20). Most of these boards have an additional advisory committee. If someone is interested in serving on the board they have the possibility of becoming an active board member. The annual meeting is in general used to inform donors of the work done and to present the annual report. Although most board members may be volunteers, most foundations try to get finances for paid-staff to run an office and to do the financial work (CF #3, 24; CF #5, 47).

The person that is well connected in the community seems to play the leading role in the foundation. In all community foundations that were interviewed the interviewees state that they or another member of the board are responsible for public relations (CF#1, 45; CF#2, 43; CF#3, 42; CF#4, 29; CF#5, 11). Sometimes the interviewees mention that other associations just work with the foundations because of the good contact the interviewees have (CF #4, 11) or that they take the responsibility if others fail in their function (CF#3, 43; CF#5, 29).

The board members are also responsible for measures like evaluation and monitoring. Keeping close contact with running projects seems to be the most applied forms of evaluation. "Our approach is that we look at running projects thoroughly. Then we have an intensive talk if we decide to support these projects" (CF #6, 19). "If I can't go there, then another board

member will" (CF #5, 29). The board members know projects in the community either through personal connections or observation of their work. In one case board members are directly responsible for the funded projects. "Everyone in the board has to run his/her own project and to take care of at least one additional project. 4 times a year the board member provides a report for the other board members. […] If you don't do this, you will have to leave the board. […] We had to do that. […] We have someone working part-time in the office that controls, monitors and demands that" (CF #3, 31).

On the other hand the foundations also seem to know that they have to build a profile for the foundations' work. "Yes the board has to build a profile. Every board member must be responsible for a different sector; that's necessary otherwise we would be stuck in organizational matters." (CF #5, 33). And they also realized the problem of passing on the work between different generations, like the experts mentioned before. "The challenge will be to find younger people to join the community foundation. They have their challenges with their work; they are often in different places. It'll be hard to find continuity and to link their engagement to the community. That's a problem we have to solve in the future" (CF #6, 45).

4. Discussion and Conclusion

As outlined previously, there are three phenomena that could be identified with a quantitative content analyses. The present findings highlight the importance of active board members for community foundations. In the sample all interviewees emphasize the enormous responsibility of board members for contact with the community and for the successful management of projects. These findings were consistent with Bradsaw, Murray and Wolpin (1992), Cornforth (2001) and Brown (2005), who described the association between the performance of a nonprofit organization and its board members. It seems obvious that the 'community champions' and the 'supernetworkers' (Roseland 2000) belong to the most important factors of success for a newly established community foundation.

On the other hand there seem to be contradictions to the results of Suarez (2011, 2012), who worked out that smaller nonprofit organizations are highly related to social justice and social change. In our interviews the Interviewees state that these are important topics, but the supported projects should first and foremost gain publicity to attract potential donors. Therefore the main areas community foundations support can be found in the fields of education and social services as well as arts and culture (Aktive Bürgerschaft e.V 2013). The results indicate that in the early years of a community foundation project are basically used to generate social trust as Graddy points out (2009). Nevertheless these project do not necessarily meet the needs of the community as Ostrower (2007) and Silver (2004) assume. The Interviewees stress that publicity might be of higher interest to them than the success of the activities. Even

if all Interviewees clarify that foundations want to support the community, they also mention that the financial situation demands that foundations convince potential donors to spend their money. Therefore, foundations must first get into the thoughts of the community.

The third point that was mentioned often during the interviews was the relation to the community. All interviewees make clear that they don't take responsibility for political authorities. They won't act when a project belongs to the scope of activity of public institutions. They also make clear that they are an active part of the civil society and that they are not influenced by political decisions. To fulfill their mission statement they built networks with other nonprofit organizations. In contrast to the assumptions made by Monroe (2001), an increase in competitors that comes with a growing local nonprofit sector could not be validated in the case of German community foundations. Therefore, community foundations do not depend on the nonprofit market. Nevertheless, a reason for the absence of competitors might be due to the low financial resources that are available to the charitable market in Germany. Most foundations especially community foundations in the eastern part of Germany complain about the low willingness to donate. While there is a high generosity in voluntary work the financial basis is comparatively weak.

The low financial basis in association with the consistently voluntary board members also leads to a low level of professionalization. Measures of monitoring and evaluation are rarely implemented. Mostly board members know the supported projects or feel responsible for their success. The interviewees realize that professional structures are necessary but the financial standing does not allow the hiring of full time or part time employees. Therefore, the results give evidence that community foundations in Germany do not have the same level of professionalization as other studies attest for the nonprofit sector in other countries (Ostrower 2006; Carman 2009b; Benjamin 2007; Rueegg-Stuerm, Lang, and Schnieper 2006).

In summary it seems that community foundations in Germany lack financial power and depend highly on activists that take responsibility for projects and organization. Therefore, the potential of community foundations appears lower than we suggested as based on the high rate of publicity community foundations had been getting in recent years. The current study shows that community foundations could be facing trouble once the motivation for voluntary work decreases after the first wave of enthusiasm. It will be difficult to recruit new active members especially if the foundations fail to run projects that meet the needs of the community. The data show that one active board member mainly keeps a foundation running. A successful handover to another person therefore depends on the skills and experience of both persons involved. The foundation therefore faces two challenges: First to secure more financial strength to support community related projects and second to recruit highly skilled members that can be responsible for the foundation and its projects. To overcome these challenges more

professionalization and good networks within the community and with other nonprofit organizations are necessary.

Even though the number of community foundations in Germany is still increasing and some foundations are well established, most community foundations complain that their low financial strength deters the establishment of professional structures. These foundations have no monetary possibility to hire employees and therefore depend exclusively on voluntary work. Furthermore the yearly return on interest is insufficient to support larger projects financially. Therefore the potential of community foundations in Germany seems to be critical. On the other hand voluntary work is well established. Now, some years after their establishment community foundations must take the next step. Therefore they need potential donors that appreciate the work they have done so far. If they can recruit these wealthy donors and convince them to spend some of their money on the foundations, they might have the possibility of becoming more professional and increase their potential of becoming a major player in community development.

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