

# Nonprofit Data Giants Announce Merger

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The name of the game in 2019 – across all sectors of the American economy – is data.

For the philanthropy community, there's a massive new data behemoth making its debut. The new entity named "[Candid](#)" is the result of a long-planned merger of The Foundation Center and GuideStar, the [two largest data and information nonprofit organizations](#) in the United States.

Candid does more than combine "[vast troves of information](#) about foundations and nonprofits under one roof for the first time." It will provide "the kind of analysis and insight into the nonprofit world that neither the Foundation Center nor GuideStar has been able so far to deliver on its own."

It aims to be a "[one-stop shop for information](#)" on grants and nonprofits." Among what is envisioned is a new, "[easy way](#) for nonprofits to apply for money from multiple foundations and to report the results just once and share it with others."

## *The Merger Partners*

The older of the two key players in this data marriage is the New York-based [Foundation Center](#). Established in the 1950s as a "public information service on philanthropy," it now has the [world's largest database on global grantmaking](#). Half its income comes from fees for access to information; the rest is from foundation grants. Its primary audience has been nonprofits seeking grants. The Foundation Center's president, Ben Smith, will take over as president of Candid. The 65-year-old will remain based in New York.

Created in 1994, GuideStar's primary clientele is individual donors. Two years later, it released the first-ever searchable electronic data to include all tax-exempt organizations registered with the IRS; currently, it includes profiles of some 2.7 million organizations. GuideStar was the first non-government agency [to give consumers access to Form 990s](#), initially on CD-ROMS and then online as technology and the internet evolved. GuideStar's president is 41-year-old Jacob Harold; he will

become Candid's executive vice president. He will remain based in Washington, D.C.

Along with the New York and Washington, D.C. locations, Candid will also have offices in the San Francisco Bay Area, Atlanta, and Cleveland.

### ***The Makings of a Merger***

The two merger partners have been "getting to know each other in a way that acknowledged their linked purposes" for more than 10 years. The idea for the data marriage began in 2012. The delay in launching the newly combined entity was not a matter of "twiddling their thumbs." There were good reasons for a slow debut.

First, the science and technology of data have been evolving at a rapid-fire pace in the last decade or so; it's now at a point that it can properly serve the vision of the merging partners. "In 2008, it was enough to just have data to be collected, cleaning it and curating it. It didn't really matter it was two separate organizations. The change from 2008 and 2018 is that we can get the insights," said Mari Kuraishi, who has been board chair at GuideStar. "Now there is a significant "maturity of the market for data and insight in the social sector."

Second, the long planning phase means that the two organizations could "come together smoothly." They took "stock of the redundancies [they] shared," and "agreed to build on their complementary capacities." According to the Nonprofit Quarterly, "the two organizations have developed purposefully over years in ways that would eventually fit nicely together as one. This is nothing if not understated brilliance and gives them the opportunity to hit the ground running, in a data environment that's changing quickly."

### ***The Merger is Announced***

The merger deal was signed in January 2019 and announced on February 5th. In a joint interview, Smith and Harold explained they joined together from "positions of strength." They added: "It's very rare that two organizations in the philanthropic sector voluntarily decide to do this."

In a press release, Candid explained it will explore a range of new products and services, including:

- "Weaving together databases to enable much more comprehensive search results.
- Driving a common nonprofit profile — and, eventually, a common grant application and framework for nonprofits to report on what they do with grant dollars.
- Providing more skills and training to people working at nonprofits and foundations.
- Creating "give lists" for donors that can be integrated into social media.
- Helping nonprofits improve their fundraising skills."

Donors are apparently welcoming this merger "with enthusiasm and financial support." Grants have been made by the Bill & Melinda Gates Foundation along with the Charles Stewart Mott, William and Flora Hewlett, and Lodestar foundations, and from the Fidelity Charitable Trustees Initiative, among others.

### ***Conclusion***

In What's New at Candid (formerly *Foundation Center and GuideStar*) — February 2019, you'll find more detailed announcements about the first programs and projects of the new venture.

What about the new name: Candid? A design and branding studio – named Open – came up with it. The organization explains its meaning: “We all want to speak honestly about what we do, what works, and what can be improved. Our name tells the world that we put that idea before all others.”