Funders need to push past politeness and hammer out expectations for how their collective action will create value—for beneficiaries, grantees, and themselves—beyond what they could do alone. For more than a century, donors have pooled their resources to create change through community foundations and organizations like United Way Worldwide, immigrant mutual aid societies, and faith-based giving circles. In recent years, the scale of investment and number of independent funder collaboratives have accelerated dramatically. More than 70 percent of aggregated giving funds—one type of collaborative—have emerged since 2000, with major funds like Blue Meridian Partners, Co-Impact, and the END Fund. A collaboration literature review identified more than 125 major articles and reports by practitioners and academics, but revealed important knowledge gaps regarding whether funders should pursue collaborative action, and what distinguishes failure from success. These gaps exist due to the difficulty in studying collaboratives, lacking control groups and open discussion about failures. The study involved a rigorous analysis of 10 relatively successful collaboratives and 15 that had faltered or failed, including over 65 interviews, plus survey responses from 95 funders and 330 grantees from the stronger collaboratives. The main finding is that, when executed well, funder collaboratives can drive tremendous results—greater results than funders generally believe they could attain by working alone. Among funder respondents, 94 percent agreed their collaborative was a success, and 93 percent were on track to reach goals, with an average Net Promoter Score (NPS) of 53. Importantly, 92 percent of funders and 80 percent of grantees said benefits exceeded costs. Funders experienced benefits like learning more, forming important relationships, funding strategy aligned to problem scale, identifying grantees, increased funding to an issue, and taking more funding risks. Grantees also reported positive outcomes, including greater ability to collaborate for systems-level impact, a reputation boost, and more non-financial support, with an average NPS of 48. However, grantees reported a wider range of NPS, suggesting some faced challenges. Commonly mentioned costs included managing funder relationships and heightened funder power dynamics. The concentration of resources can create extra pressure for grantees to align, leading to a distinct set of 'winners and losers' and potential 'gatekeepers,' which can magnify blind spots and implicit biases. The Four Freedoms Fund (FFF) is highlighted as an example where national funders gain grassroots insights through the collaborative. The fact is, funder collaboratives don't always create value. Interviews with participants in failed or faltered collaboratives revealed lack of strategic clarity as the most common challenge, including misaligned goals, unclear strategies, and absence of winnable milestones. Problems with structure and failure to adapt were also cited. Weak leadership, though infrequently explicitly mentioned in failed cases, was often identified in successful collaboratives. Successful collaboratives all possess a clear 'primary investment thesis' explaining how they achieve impact beyond individual funders. This thesis, more than anything else, propels collaborative performance and helps clarify critical questions for both investors and grantees. Three primary investment theses were identified: 1. Organization funders: Support strong, organization-driven strategies; 2. Field builders: Build resilient fields by changing practices; 3. Goal aligners: Align strategies toward 'winnable milestones' for population-level change. While some collaboratives had elements of more than one, successful ones prioritized a single primary thesis. Collaboratives with this thesis support high-performing leaders and organizations to achieve the collaborative's overall goals, allowing each grantee to reach its full potential rather than consolidating efforts toward a single collaborative goal. Examples include Big Bang Philanthropy, founded in 2011 with 17 funders focused on global poverty, collectively investing over $30 million annually, and Blue Meridian Partners, launched in 2016, which has raised over $1.7 billion to support promising strategies for disadvantaged children in the US. The core value proposition for funders in this model includes surfacing investment opportunities, conducting due diligence, and building grantee capacity. Grantees report significant benefits such as funder endorsement, access to unrestricted capital, multiyear funding, larger grant sizes, and access to more funder relationships. Challenges include the risk of creating 'winners and losers' and the need for generalist funders to carefully listen to grantees and remain flexible about the pace of change. Blue Meridian is innovating to bridge the tension between growing targeted models and focusing on community-level success. This thesis focuses on creating or shaping a defined field or set of practices, strengthening the enabling environment, and offering consistent, longer-term support. The Funders Collaborative on Youth Organizing (FCYO), created in 2000 with 12 funders, aims to increase resources for youth organizing and leadership, enabling young people of color to advocate across issue areas. Field builders often employ expert staff to identify gaps, develop strategies, and support execution, taking on operational roles like convening, advocating, researching, and training. Grantees cite benefits such as collaboration with other grantees, capacity building, and access to rapid-response grants, with the FFF example showing greater capacity for policy and advocacy efforts. Challenges include high operational costs, the risk of competing with grantees for resources, and potentially exerting too much control over strategy, with some grantees questioning whether the services offered were more valuable than direct grants. Despite these concerns, stronger field builders were highly regarded for effectiveness. Goal aligners identify or create strategic alignment among funders to develop coordinated goals and 'winnable milestones,' often pursuing population-level change. These collaboratives are typically more funder-driven but should include grantee and community voices, acting as catalysts for common goals rather than operating their own programs. The Climate and Land Use Alliance (CLUA), with five main funders since 2010 and over $500 million committed, supports land-use policies for climate change mitigation and indigenous communities by aligning distinct funder strategies. The Water Funder Initiative, focusing on clean water in the American West, has aligned $175 million in funding, leading to significant wins like the Internet of Water and the Colorado River Basin agreement. Grantees of goal aligners often report fewer direct benefits, as funding may come from individual funders, but the consensus among collaborative members instills confidence in other funders. This thesis is noted as the trickiest to get right due to the ambition and complexity of strategies and the need for multi-stakeholder alignment. The right primary investment thesis emerges from understanding the impact collaborative members seek, the value they bring, and how they will invest together to achieve more impact than alone. The 'start-up phase' is crucial for candid discussions to surface different approaches, identify strategic overlap, and establish non-negotiables, thus avoiding 'groupthink.' Failing to agree on a primary investment thesis can lead to lack of clarity, increased conflict, and reduced impact. Importantly, successful collaboratives distinguish themselves by their ability to adapt and change their investment thesis later in their lifecycle as circumstances shift. Examples include FFF evolving from a 'goal aligner' focused on immigration reform to a 'field builder' supporting long-term capacity, and the Latin America Regional Climate Initiative (LARCI) splitting into two organizations, one becoming a goal aligner and the other a field builder, to adapt to distinct country contexts. Third-party evaluations can play a key role in prompting these discussions. Our research indicates collaborations can yield real value under the right circumstances. Funder collaboratives should continually ask themselves four sets of questions, both at the outset and throughout their journey: 1. What goals and primary investment thesis best describe our work, and what specific value propositions does it offer for funders and grantees? 2. How will we work together, including initial commitments, shared expectations, structure, governance, leadership, supporting staff, and timeline? 3. How will we know we are delivering value, through authentic feedback, independent evaluation, and learning from prior history? 4. If funder-driven, how will we effectively and authentically engage diverse communities, incorporating their perspectives into all aspects of our work? Engaging each other candidly on these questions is essential for ambitious social change goals.