

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY

30 Years

A HISTORY FROM 1976 TO 2006



national committee for
responsive philanthropy

30 Years

A HISTORY FROM 1976 TO 2006

Dear Readers,

The National Committee for Responsive Philanthropy celebrated its 30th anniversary in 2006. To celebrate that milestone, NCRP is proud to release *30 Years: A History from 1976 to 2006*, a publication which chronicles three decades of reform to the philanthropic sector.

From encouraging alternative fund development to opening up the Combined Federal Campaign to include advocacy and non-traditional charities, NCRP has worked tirelessly to steer millions of new dollars to people and organizations with the least wealth and opportunity.

Organized thematically, this history will give readers a clear sense of NCRP's efforts to increase foundation accountability and expand funding for civic engagement, policy, advocacy and organizing.

Sincerely,



Aaron Dorfman
NCRP Executive Director

I. INTRODUCTION

For more than three decades, the National Committee for Responsive Philanthropy has served as an advocate for nonprofits, a watchdog of foundations, an advisor to government and a resource for the media. Through its efforts, NCRP continues to show the tremendous need for accountability, transparency and dedication to social justice within the philanthropic sector.

II. TRANSFORMING IDEAS INTO ACTION

NCRP'S FOUNDING

In the late-1960s and early-1970s, Congress began to closely examine institutions exhibiting a great deal of social influence, despite remaining largely unaccountable. "Private philanthropy, dispensing billions of dollars annually and responsible primarily to its own" standards naturally came under increased scrutiny by Congress during this period of history.¹

To complicate matters more, the Tax Reform Act of 1969, which placed significant restrictions on the activities of private foundations,² foreshadowed future attempts toward altering the "power relationships" long-held by a largely insulated philanthropic sector.

As foundations came under greater inspection, John D. Rockefeller III put together the Commission on Private Philanthropy and Public Needs in the fall of 1973. Because regulating private philanthropy often has been rooted in tax law, Rockefeller sought the support of Wilbur D. Mills, then chairman of the House Ways and Means Committee, as well as George P. Schultz, then secretary of the Treasury, and William E. Simon, also a former Treasury secretary.

The resulting Filer Commission, which took the name of its chairman, John H. Filer, spent more than \$2 million to study the philanthropic and nonprofit sector.

The members of the commission were overwhelmingly repre-

1 Donee Group. "Private Philanthropy: Vital & Innovative? or Passive & Irrelevant?" Commission on Private Philanthropy and Public Needs, Washington, D.C. (1975): i-vii.

2 "Regulating the Political Activity of Foundations." *Harvard Law Review* 83 (1970): 1843-1851.

mented by leaders in the business community, judges, religious leaders, university presidents and foundation executives. That composition would greatly affect future discussions about the relationship between private philanthropy and society.

The Commission maintained little visibility until late-1974 when a coalition of public interest organizations, known as the Donee Group, tried to ensure that the Commission was moving in the right direction. A 1975 article in the *Grantsmanship Center News* further raised these concerns. The author, Pablo Eisenberg, then executive director of the Center for Community Change, reported that the Commission had only addressed “half of the philanthropic equation

– the givers – and had neglected the very real and pressing needs of the recipients ... of philanthropic largess.”³

“[The Commission] had neglected the very real and pressing needs of the recipients ... of philanthropic largess.”

Pablo Eisenberg
NCRP co-founder

“The questions, ‘who gets what? what are the priorities of foundations and voluntary organizations? and do current conditions meet society’s changing needs?’ have either been played down or largely ignored,” Eisenberg said. He postulated that the emphasis of the Commission’s work was at least partly the result of its composition, along with its advisory committee. He noted that the two reflected “disproportionately the establishment side of both the voluntary sector and philanthropic organizations.”⁴

The Commission reacted to Eisenberg’s article by inviting him to help plan a meeting with public interest and social action groups, as well as other volunteer organizations on March 6, 1975. Out of that meeting and several follow-ups, the Commission approved a proposal in April to generate “additional research and consultation on the issues important to recipients of philanthropy and to the Commission.”⁵ The proposal insisted that input be taken from a wide range of organizations in the donee community to improve private philanthropy’s ability to meet public needs, among other recommendations.

To execute the proposal’s objectives, the Donee Group and the

3 Donee Group, ii.

4 Donee Group, ii.

5 Donee Group, iii.

Commission appeared before the Senate Finance and the House Ways and Means committees to present their reports. Shortly thereafter, several members of the Donee Group decided to launch an organization that could address issues raised in the reports on a more long-term basis.

In founding NCRP, the Donee Group managed a handful of organizing committee meetings, which were attended by representatives from both national and regional nonprofits. Chaired by Eisenberg, the organizing committee put together a 40-member panel to determine NCRP's charge.

The panel concluded that NCRP would focus on achieving three broad goals to better shape the philanthropic community. First, it would work closely with about 3,000 local and state groups to deal with issues related to neighborhood revitalization, civil rights, equal employment opportunities, low-income families and other targeted areas. Second, NCRP would campaign for reform and legal action related to philanthropy, as well as research at the local and national levels. To accomplish that goal, NCRP would organize regional and national meetings, analyze government policy and facilitate dialogue among the country's many philanthropic organizations. Lastly, NCRP would act to increase publicity in the media and before government officials to reform private philanthropy. The result of those efforts would provide NCRP greater influence in the philanthropic sector.

Pablo Eisenberg, Thomas R. Asher and Jim Abernathy were the original incorporators of NCRP in 1976. Abernathy was hired as the first interim director, and later became NCRP's first field director. The board also selected Robert O. Bothwell to be NCRP's first executive director, a position he held for 22 years, until he stepped down in 1999.

NCRP's first two funders were John D. Rockefeller III (\$5,000) and John Filer (\$15,000). They were followed by a Rockefeller Brothers Fund commitment of \$25,000 for three years.

GAINING VISIBILITY DURING THE EARLY YEARS

Since its early years, NCRP's important role in improving the

philanthropic community has received wide recognition. In August 1978, the conservative Heritage Foundation released a 17-page report, which stated:

“The NCRP should be taken seriously as an agent of radical change, in coming years, in philanthropic practices and possibly in the laws governing foundations and charitable contributions. The success of NCRP to date suggests both (a) that there are some real inequities in the system and (b) that those who support it — in Congress, in corporations, in foundations themselves — have not deeply reflected on the rationale for a truly decentralized, voluntary, private charity system in America, and thus give uncritical ear to those who urge a quasi-governmental system dominated by an elite who ‘truly’ perceive ‘the public interest.’ Since ‘philanthropy’ has no natural constituency of supporters, as do labor unions and businessmen, and since the public scarcely realizes the good foundations do, it is likely that a scandal or abuse might move a regulatory-minded Congress to consider many of the NCRP proposals. If and when this occurs, NCRP will be ready.”⁶

The analysis is a clear indication of how NCRP effectively captured the attention of the philanthropic community, as well as the general public.

To outline NCRP’s subsequent history, this publication maps the organization’s accomplishments and program areas thematically as opposed to chronologically, providing a better sense of impact.

III. DEMOCRATIZING WORKPLACE GIVING

LOCAL COMMITTEES, THE UNITED WAY AND THE NATIONAL COMMISSION ON NEIGHBORHOODS

NCRP’s first priority was tackling the United Way monopoly on workplace fundraising. To launch the project, NCRP worked to establish local committees for responsive philanthropy in areas such

⁶ Stanmeyer, William A. “The National Committee for Responsive Philanthropy.” 19 August 1978, <http://www.heritage.org/research/religion/IA8.cfm>.

as San Francisco, Los Angeles, Chicago, Washington D.C. and Philadelphia between 1976 and 1979.

The committees were invaluable in gathering information and evaluating their local United Ways and foundations. At Abernathy's direction, the committees issued reports and made recommendations that began a dialogue with the philanthropic institutions in those communities, similar to what NCRP had been doing at the national level. Unfortunately, serious retaliation opened up against the people organizing the local committees, and many feared losing the financial support of their funders. Combined with insufficient funding, those events caused the committees to eventually fade. From that experience, NCRP modified its approach to the issue.

The National Commission on Neighborhoods, created in 1977 by the Carter administration, commissioned NCRP to report on the role of philanthropy in meeting the needs of neighborhood organizations. NCRP investigated three traditional supporters of neighborhood organization development: corporate giving, private and community foundations, and the United Way.

In 1978, NCRP expressed criticism toward traditional funders of neighborhood organizations. United Way policies that monopolized workplace solicitation, for example, prevented many worthy nonprofits from receiving funds from their employees. NCRP suggested that efforts to match staff contributions be developed by companies for the benefit of all nonprofit groups eligible for tax-deductible gifts. NCRP also identified alternative sources of funds and advised that alternative fundraising federations be organized at the local level.

The White House responded negligibly to the recommendations,⁷ but the report successfully generated debate on the corporations' non-support of low-income communities, and built support for the idea of alternative funds.

DEVELOPING ALTERNATIVE FUNDS

In 1979, NCRP held a national conference in Dallas, Texas, only three blocks from the United Way annual volunteer conference. The conference was the first national effort to organize regional activ-

⁷ Beckwith, Dave and Bothwell, Robert. Interview by Ambreen Ali. Washington, D.C., 4 December 2006. Written Notes.

ists working to counter the United Way's monopoly on workplace fundraising. NCRP solicited support from the media through Timothy Saasta, former editor of the *Grantsmanship Center News*, the news outlet that had led the campaign to expose the United Way for being inaccessible to many nonprofit organizations.

The "counter-meeting" consisted of more than 50 representatives and prominent leaders from organizations such as the National Association for the Advancement of Colored People, National Black United Fund, The League of Women Voters and National Council of La Raza. The meeting provided a political and organizing context, practical training, and most importantly, a forum for activists to share ideas and gain mutual support. The press heavily covered the event and resulted in a national awareness of limited donor options and a national attack on the United Way. The alternative local campaign was born, and NCRP dedicated many of its coming years to helping alternative funds organize. NCRP went on to host 16 more annual national conferences in collaboration with groups such as the National Black United Fund, the National Voluntary Health Agencies, the Combined Health Appeal of America, the International Service Agencies and the National Alliance for Choice in Giving.

"NCRP for years was the only consistent critic of [United Way's] monopoly."

Kevin Ronnie
*NCRP field director
from 1990 to 2005*

"It is remarkable that we were willing to criticize the United Way and its monopoly," said Kevin Ronnie, NCRP field director from 1990 to 2005. "Back in the 70s, United Way was unassailable. Nobody was willing to go on the record and critique its monopoly. NCRP for years was the only consistent critic of that monopoly. This was a very important contribution to this movement."

For a long time, NCRP was the only organization providing field support for starting alternative funds.⁸ From 1979 to 2005, NCRP had four successive field directors who assumed the primary responsibility of helping to create alternative funds such as the Community Shares, Earth Shares and Community Coalition Funds. One of them was Steve Paprocki who made the workplace fund raising move-

⁸ NCRP. "Special Report: Charity in the Workplace," Fall 1992; NCRP. "Special Report: United Way's Donor Choice: Who Benefits?" Winter 1992.

ment happen at the local level during the 1980s. NCRP's investment included time, money and knowledge; and these emerging alternative funds also were connected with already-established funds. The results allowed NCRP to build upon existing knowledge and experience to better launch new alternatives.

NCRP Director Robert Bothwell emphasized, however, that NCRP remained careful not to provide a blueprint for creating such funds. Each organization had to be tailored to the needs of its respective community. Without NCRP's nurturing and its combined efforts with others, the millions of dollars that now fund these groups would be nonexistent.⁹ Between 2000 and 2002, for example, alternative funds distributed more than \$10 million annually to organizations promoting social justice causes.

NCRP also helped to organize four of the first women's funds in Washington D.C., Seattle, San Francisco and New Jersey. Along with the Women's Way in Philadelphia, these funds organized the first national women's funds conference in 1985. The Women's Funding Network resulted from that conference. Women's funds found their niche in fundraising among individual donors instead of workplace fundraising. Consequently, NCRP's role with the women's funding movement became minimal after the conference.

IV. PROTECTING AND PROMOTING NONPROFIT ADVOCACY

THE COMBINED FEDERAL CAMPAIGN

In 1979, Bothwell led NCRP into what became a successful 12-year war to open up the Combined Federal Campaign to advocacy and nontraditional charities. An impact study written by Bothwell in 1999 summarizes the effort:

The CFC at \$200 million/year is the world's largest employee charity drive. No advocacy or nontraditional domestic charities (such as women's groups, racial/ethnic groups or hostels) were allowed to participate in 1976 unless they received money through United Way or the National Voluntary Health Agencies – which very few did. We filed an amicus brief in support of

⁹ Abernathy, Jim. Interviews by Ambreen Ali. Washington, D.C., 29 November 2006. Written Notes.; Bothwell Interview, 4 December 2006.

the lawsuit of the National Black United Fund challenging fairness in the CFC. We lobbied Congress to hold hearings on the CFC. Congress did. After the first hearings in 1979, we lobbied the House Subcommittee on Civil Service to report out recommendations to open up the CFC. It did. We lobbied the Carter Administration to implement the Subcommittee recommendations. The Civil Service Commission (forerunner of today's Office of Personnel Management) did. The Reagan Administration then came in and sought to undo the work of the Carter Administration, especially to ban advocacy groups from participating in the CFC. Donald Devine, then director of the U.S. Office of Personnel Management under Reagan, charged that NCRP sought "to alter radically the nature of charity (and transform it) into a tool of social, political, economic and cultural activism." We organized a coalition to lobby Congress to fight the Reagan Administration attempts to eliminate advocacy groups from the CFC. Others filed lawsuits. With substantial effort from NCRP's chief lobbyist, Raymond Brown, we were all successful year after year in winning battles to keep advocacy groups in the CFC, finally getting permanent legislation enacted in 1987, and good regulations enacted in 1988. Today, roughly 25% of the CFC goes to advocacy and nontraditional charities – that's around \$50 million a year in new money. Moreover, the CFC became a model for more than 40 states, hundreds of cities, counties, sewer districts, other public entities, and even some major corporations – which have all admitted alternatives to United Way into their employee charity drives.¹⁰

Although many members of Congress voiced criticism toward the CFC legislation, special recognition should go to the Majority Leader-designate Representative Steny Hoyer (D-Md.) for leading the final charge, and also for representatives Pat Schroeder (D-Ore.), Barney Frank (D-Mass.) and Jim Leach (R-Iowa) for playing key roles.¹¹

10 Bothwell, Robert. "NCRP Activities, Outcomes and Impact, 1976-1999." 28 January 1999, pg. 2.

11 Bothwell Interview, 8 December 2006.

V. PROMOTING FOUNDATION ACCOUNTABILITY

ADDRESSING FOUNDATION TRANSPARENCY

In 1980, NCRP introduced its first report on foundation accountability, *Foundations and Public Information: Sunshine or Shadow*, at the annual conference of the Council on Foundations. "Assessing the quality of information voluntarily provided to the public by 208 of the country's largest private, community and corporate foundations, the report chastised the foundation community for its lax reporting performance."¹² It was the first real look at the issue, and the report generated quite a stir among foundations. The NCRP staff effectively solicited both philanthropic and mainstream media attention to the report, including the *New York Times*. NCRP also presented the report at Council on Foundations events and at other foundation gatherings. The Council introduced the Wilbur Shields awards for public reporting shortly thereafter.

With the increased publicity generated by the report, many foundations, including the Pew Memorial Trust and the Rockefeller Foundation, began publishing annual public reports.¹³ Additionally, with the help of Senator David Durenberger (R-Minn.), the IRS agreed to add additional information requirements in 990PFs.

Foundations and Public Information also shaped NCRP's program on philanthropic accountability, a program area for which NCRP is most prominently recognized. The work has since been supplemented by later reports on corporate accountability (see the 1988 *Corporate Philanthropy and Public Reporting: Sunshine or Shadow?*), as well as nonprofit accountability (see the 1992 *The New Age of*

"[Foundations and Public Information] chastised the foundation community for its lax reporting performance."

Robert Bothwell
*NCRP executive director
from 1977 to 1999*

12 Bothwell, NCRP Activities, pg. 4.

13 Eisenberg, Pablo. Interview by Ambreen Ali, Washington, D.C., 5 December 2006. Written Notes.

14 After the Aramony/United Way scandal in 1992, NCRP worked with the Independent Sector and the Council on Foundations on the Taxpayer Bill of Rights II (1996) which passed, incorporating NCRP's exact suggestions for greater public accessibility to 990s. More information is available in Bothwell's "NCRP Activities, Outcomes and Impact, 1976-1999."

15 Cohen, Rick. "Building Solid Foundations: New Approaches to Substantive Philanthropic Accountability." November 2006.

*Nonprofit Accountability*¹⁴ and the 2006 *Building Solid Foundations: New Approaches to Substantive Philanthropic Accountability*¹⁵). NCRP's accountability efforts have also been covered in its quarterly journal, *Responsive Philanthropy*, and the nonprofit, philanthropic and mainstream press.

IMPROVING CRITERIA FOR MEASURING ACCOUNTABILITY

In 2004, NCRP released *Standards for Foundation and Corporate Grantmaking*, a brief statement detailing 18 criteria the organization determined were central to monitoring foundation accountability.¹⁶ Because accountability is a vague term, encompassing a vast number of issues, NCRP wanted the document to serve as a checklist for the entire philanthropic community. The overarching aim for creating such criteria was to maximize transparency, support for nonprofits, and support for justice and democracy.¹⁷

"The fact that foundations, who traditionally thought they know best and shouldn't be challenged, were questioned and the quality of the information they provided to the public was critiqued was a big accomplishment for NCRP," Bothwell said. "The information we now have on how foundations spend their money wasn't available 30 years ago. Now, foundations understand that they are quasi-public entities and that they should treat nonprofits with decency and not arrogance. By and large the ethic has changed dramatically, and NCRP deserves credit for having made that happen."

EXAMINING COMMUNITY FOUNDATIONS

In 1989, under the leadership of Larry Parachini, NCRP launched community assessments of six of the largest 50 community foundations: Boston, Philadelphia, Cleveland, Seattle, Atlanta and Los Angeles. In September, researchers, who spent 13 weeks interviewing more than 250 people, 63 percent of whom were representatives of foundation-funded organizations, published their work in *Community Foundations: At the Margin of Change, Unrealized Potential for the Disadvantaged*. According to Bothwell's impact report, "We found

16 "Building Solid Foundations," pg. 4.

17 NCRP. "Standards for Foundation and Corporate Grantmaking." June 2004, pg. 1-4.

18 Bothwell, NCRP Activities, pg. 6.

that the foundations were ‘operating at too great a distance from their communities’ most serious problems.”¹⁸

NCRP originally presented the report at the annual national meeting of community foundations. NCRP then decided to expand the list to include Chicago, San Diego, Denver and Dallas, and to create individual reports covering each of the ten community foundations in greater depth. The reports were published from 1991 to 1995, and garnered considerable local media coverage. In 1993, NCRP found that the community foundations in Los Angeles, Atlanta, Seattle, Philadelphia and Boston had significantly expanded their grants to the disenfranchised, and that four of those five had significantly diversified their staff and boards.¹⁹

VI. INVESTIGATING CONSERVATIVE FOUNDATIONS

In 1995, the country saw a political shift to the right as conservatives gained control of Congress and NCRP’s board decided the organization should shift its focus to investigate the role of foundations in politics. In *Foundations in the Newt Era* (1995), NCRP released its finding that few progressive foundations were doing anything to strategically effect public policy. In the report, NCRP issued a wake-up call to those foundations to take action.

That report was followed by Sally Covington’s *Moving a Public Policy: The Strategic Philanthropy of Conservative Foundations* in 1997. It has been one of NCRP’s most popular reports to date. The report brought to light the issues, roles and influence of conservative foundations and generated discussion among mainstream and liberal foundations. The principal question centered on why conservative foundations have been so effective in building an infrastructure for developing conservative public policy, even with a relatively smaller portion of total foundation assets.

“[*Axis of Ideology*] has been used extensively ... to point out the need for political and charitable donors who were concerned about the policy directions of the nation.”

Rick Cohen
*NCRP executive director
from 1999 to 2006*

¹⁹ Bothwell, NCRP Activities, pg. 7.

NCRP's strategy, a "slant attack" focusing on the success of conservative foundations' strategies to generate discussion among progressive foundations, worked: The report's findings have been discussed, presented and applied to many foundations.

Moving a Public Policy Agenda represented perhaps the most important shift in NCRP's work in recent history. The report has been used to garner financial and political support for the development of progressive public policy centers such as the Center for American Progress. In 1999, NCRP published David Callaghan's *\$1 Billion for Ideas: Conservative Think Tanks in the 1990s*, which did not generate as much buzz as Covington's report, but continued NCRP's work in this much-discussed arena.

In 2004, *Axis of Ideology* expanded upon previous analysis and provided recommendations based on the experience of conservative foundations. The report has been used extensively by groups such as the Democracy Alliance and the Center for American Progress "to point out the need for political and charitable donors who were concerned about the policy directions of this nation."²⁰

The series of reports is still shaping the way foundations think about strategy in grantmaking. For example, funders now are more inclined to use their resources in a collaborative way to carry out strategies. Naturally, many other factors have led to that shift, but no one can deny NCRP's large role in this arena:

The call that [NCRP] raised in 1997 and 1999, as well as in other reports, was a real wake-up call to the progressive establishment to pay attention to how the right wing had established itself. NCRP was key in leading the way and focusing on this issue.²¹

Today, a new programmatic public policy infrastructure is developing, specifically because of the work pioneered by NCRP.

20 Cohen, Rick. Interview by Ambreen Ali. Washington, D.C., 5 December 2006. Written Notes.

21 Bothwell Interview, 4 December 2006.

22 Eisenberg Interview, 5 December 2006.

VII. CONCLUSIONS AND MOVING FORWARD

Often those outside NCRP are surprised by the “small shop” behind the scenes of this organization. That has a lot to do with NCRP’s success in leveraging and building credibility among the mainstream media.

“Almost every study or press report about philanthropy isn’t written without consulting someone at NCRP,” Eisenberg said. NCRP “has been quoted widely in the press, over the radio and on TV programs. It reflects the importance of the watchdog role NCRP has.”²²

Additionally, NCRP has participated in many other activities not mentioned in this overview; particularly understated are NCRP’s legislative efforts. NCRP’s board and staff have worked hard throughout the years to defend nonprofit advocacy rights and demand increased accountability of the philanthropic sector. Through these efforts NCRP’s work has clearly had a positive impact. After all, its history shows that, with determination and strategy, a handful of people can take on establishments as seemingly untouchable as the United Way of America.

That context is vital as NCRP continues to work with its allies to ensure that philanthropy contributes to a fair and just society.



national committee for
responsive philanthropy

NCRP is a national watchdog, research and advocacy organization that promotes public accountability and accessibility among foundations, corporate grantmakers, individual donors and workplace giving programs. For more information on NCRP or to join, please visit www.ncrp.org or call (202) 387-9177.

NATIONAL COMMITTEE FOR RESPONSIVE PHILANTHROPY



2001 S Street NW, Suite 620
Washington, DC 20009
P: 202.387.9177
F: 202.332.5084
E: info@ncrp.org
W: www.ncrp.org