

Responsive Philanthropy

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Mississippi Civil Rights Leader Hollis Watkins of Southern Echo leads the Emerging Leaders group in a freedom song. Photo courtesy of Mary Reynolds Babcock Foundation.



Engage. Listen. Connect. Support: Building Mutual-Benefit Relationships Among Funders and Emerging Leaders

By Gayle Williams

Over the last decade, philanthropy's response to research on generational transition in the nonprofit sector has ranged from panic – “Who will carry on when the Boomers retire?” – to a big yawn – “These generational transitions always take care of themselves.”

For those of us living the transition, either as Boomers or as younger leaders, the research is up-close and personal. During my tenure at the Mary Reynolds Babcock Foundation,¹ investing in new and emerging leaders for social justice work in the Southeastern United States was a personal priority for me. My experience guides me to two conclusions for funders:

1. Foundations need emerging leaders as much as the leaders need funders.
2. The menu of ways funders can engage and support emerging leaders

is rich and diverse; there's something here for all types of funders.

REFRAMING LEADERSHIP

Studies of social impact and our common sense tell us that leadership is a major determining factor in success or failure of specific efforts. People make things happen – and not only people with designated “leader” titles. Leadership is activity that can come from a community resident, a program manager or a CEO. For the sake of clarity, I focus here on people in their 20s through early 40s who (continued on page 12)



challenging grantmakers
to strengthen communities

A Message From the Executive Director



Dear Readers,

As Thanksgiving approaches, I'm feeling grateful for those who speak out against injustice, wherever they find it. As Dr. Martin Luther King Jr. said, "Injustice anywhere is a threat to justice everywhere." I'm also feeling especially thankful for donors who give generously and who also realize that just because they have the money doesn't mean they have all the answers. What are you thankful for?

This issue of *Responsive Philanthropy* challenges us to revisit our assumptions about the importance of leadership in nonprofits, the application of business models in philanthropy, resistance to funding nonprofit advocacy and the role of flexible grants in protecting our democracy.

In the cover story, "Engage. Listen. Connect. Support," Gayle Williams, former Mary Reynolds Babcock Foundation president, writes about how leadership plays a crucial role in determining the success of any initiative. She offers compelling reasons why foundations need emerging leaders to be successful and suggests four concrete ways to engage and support them.

In "Free(ing) Data: Philanthropy's Essential Role in Disclosure and Democracy," Edwin Bender, executive director of the National Institute on Money in State Politics, shares the story of how multi-year general support grants are playing a critical role in how the organization helps ensure that the public has access to data on how special interest groups are influencing public policy.

Lori Bezahler, president of the Edward W. Hazen Foundation, dissects claims by "philanthrocapitalists" that their ideology-free market approach is the best strategy for solving tough social issues. In "Philanthropy: Beyond Business or Charity," Bezahler describes how foundations can work to change institutions and policies to promote equity and justice with "rigor and focus."

Regina McGraw, executive director of the Wieboldt Foundation, and Christine Reeves of NCRP urge foundations to diversify their funding strategies to include a democratic approach to their giving. In "Democratic Philanthropy: A Different Perspective on Funding," they offer 10 common queries about democratic philanthropy and follow-up questions to spur conversation and additional resources.

Also in this issue, our Member Spotlight features the Native American Rights Fund, a nonprofit law firm that provides legal representation to Indian tribes, organizations and individuals across the country.

We thank all our nonprofit and foundation colleagues who continue to work tirelessly to promote our democracy and strengthen communities.

Tell us how we're doing and what you think of the articles in this and other editions of *Responsive Philanthropy* by sending us a note at readers@ncrp.org.

Sincerely,

Aaron Dorfman

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Free(ing) Data

Philanthropy's Essential Role in Disclosure and Democracy

By Edwin Bender

Success breeds more success. More than 20 years ago, the John D. and Catherine T. MacArthur Foundation made a series of grants to regional organizations that would ultimately revolutionize how citizens could examine the role of money in politics. It funded efforts to “digitize” the campaign finance reports filed by state-level candidates with their state disclosure agencies, to spread the news to groups concerned about the role of money in elections and the public-policy processes. This was pre-robust Internet.

Support added by The Joyce Foundation and Ford Foundation provided one fledgling regional group enough financial stability to form the National Institute on Money in State Politics, in 1999, resulting in the creation of the country's first comprehensive 50-state database of donors to legislative and statewide candidates in the 1999–2000 election cycle, posted at FollowTheMoney.org.

That seed money catalyzed more research and more data, giving the nation its first comprehensive, cross-state look at who was donating to lawmakers across state lines, and early sketches of how major industries and groups were donating to politicians strategically in multiple states to move specific policy agendas. The institute began reporting on relevant industry campaign contributions to elected officials who influenced public policy. For example, the energy deregulation policy initiatives gave us fundamental restructuring of energy markets in 24 states, but also the Enron scandal. Three-strikes and

mandatory-minimum tough-on-crime measures got politicians elected, but spurred the expansion of prison privatization in a majority of states that gave a handful of companies tidy profits.

In 2001, Carnegie Corporation of New York, Albert A. List Foundation, Open Society Foundations, and The Pew Charitable Trusts joined the team with multi-year support.

Today's highly connected world is now awash in up-to-date information about who supports major candidates and policy initiatives, why they are supporting them, and how those donations may affect policy outcomes. The many eyes of social media – and a mountain of high-quality data at www.FollowTheMoney.org –

are making it more difficult for politicians to dole out taxpayer-funded favors to high-dollar donors. Voters now have an unprecedented ability to match donors who have an agenda to politicians eager to comply to get elected.

MacArthur Foundation's vision of what could be, and its significant seed money, has had a profound effect on our democracy.

KEY MOMENTS OF FOUNDATION SUPPORT

Many foundations have since played important roles in the institute's development, providing multi-year general support grants that allowed the institute to launch to the next level again and again, taking on major data-collection initiatives and responding to high-value data opportunities, such as lobbying reports and new independent spending data after the U.S. Supreme Court's ruling in *Citizens United v. FEC*.

The rise of the Internet caused the institute staff to begin thinking about how it could best utilize this tool to serve the new breed of reporters: bloggers. In 2006, the organization convened its board, select expert advisors and key foundation supporters at the B-Bar Ranch on the northern boundary of Yellowstone National Park for a discussion about the future. Representatives from Carnegie Corporation of New York, Open Society Foundations and The Pew Charitable Trusts all helped the institute embrace the open-data movement and provide free public

Today's highly connected world is now awash in up-to-date information about who supports major candidates and policy initiatives, why they are supporting them, and how those donations may affect policy outcomes.

application program interfaces (APIs) to its unprecedented, unique data.

This collaborative, cross-discipline meeting became the model for successive annual board meetings, offering the board and foundation partners testimony of the value and successes of the past year's work, framed by the words of journalists, scholars, lawyers and advocates who used the data creatively.

That healthy, collaborative relationship was tested on Dec. 15, 2008, when the institute learned that a major grant from the JEHT Foundation was canceled in the wake of the Bernard Madoff investment scandal. Within days, Open Society Foundations, Ford Foundation and Rockefeller Brothers Fund stepped up in this emergency situation to help the institute weather the major loss.

The Sunlight Foundation, formed to promote more transparency in government, soon became a strong supporter of the institute's continuing move toward open-access data with both financial investment and by integrating the institute's state-level data into its own

web tools, particularly its Influence Explorer and Transparency Data hub.

More recently, renewed interest in campaign finances resulted from the major Supreme Court cases, *Citizens United v. FEC* and now *McCutcheon v. FEC*, that target aggregate contribution limits. The Bauman Foundation, The William and Flora Hewlett Foundation and Mertz Gilmore Foundation have supported our continuing transparency program. In 2010, Public Welfare Foundation, Rockefeller Family Fund and Open Society Foundations joined to support a new project to compile independent-spending information in the states. Issue-related funders who understand the value of transparency in elections and politics to their work include The California Endowment and the Energy Foundation. And, MacArthur Foundation has once again become a robust supporter of the institute's work.

THE IMPACT

Over the past decade, the institute's

comprehensive, highly credentialed data have influenced some of the brightest minds in the journalism, academic, legal and advocacy communities. The result? Thousands of articles by some of the most influential news publications in the country, more than 430 scholarly analyses and numerous legal citations in court cases, including 11 amicus briefs before the U.S. Supreme Court. Highlights include the institute cosigning an amicus curiae brief for *Citizens United v. FEC*; Campaign Legal Center and Justice at Stake relied on institute data in preparing their briefs to the court.

While legal cases attest to the high value of the institute's work and are in many ways the cutting edge of the debate over our democracy and essential freedoms, scholars examining our election and public policy processes offer a different perspective. Michael Malbin of the Campaign Finance Institute used our comprehensive data to create a web-based Citizens Analyst Tool to illustrate the effects of contribution limits, matching donations and public education on donations in each state. This evidence-based analysis makes a powerful case for increasing donor and voter education, and for offering \$50 matching funds to small donors to offset candidates' reliance on large donations to run their campaigns.

The National Institute on Money in State Politics' data have also provided hard evidence for groups advocating for what has been called "Clean Money Campaign Reform," which has passed in various forms in Arizona, Connecticut, Maine, Massachusetts, New Mexico, North Carolina, Vermont and West Virginia. The data have been invaluable to the inevitable legal challenges to these reform efforts.

Scholars, including Thomas Stratman of George Mason University, Ray LaRaja of the University of Massachusetts and Thad Kousser of the University of California, San Diego, have



Data Maven, Ryan Murphy by *thetexasribune*, on Flickr.

used institute data to study the effects of campaign contribution limits and laws on electoral competition. Others, such as Lynda Powell of the University of Rochester and Keith Hamm of Rice University have examined correlations of campaign finances with the setting of legislative agendas, influencing committee deliberations and the passage of legislation, among other issues. New analyses by Adam Bonica of Stanford University focus on understanding the ideological leanings of candidates early in their careers based on multiple layers of complementing data.

In the minds of some citizens, the highest and best use of the institute's information is when it helps them effect change or confront ill-conceived public policy efforts. A prime and ongoing example of that is the way individuals and group are fighting a handful of businesses that promote private prisons as a solution to overcrowded state facilities. Nearly 10 years ago, the institute wrote a report, *Private Prisons, Politics and Profits*, that detailed how a couple of businessmen developed a business plan to privatize prisons in the states, and the lengths to which they went to promote public policy that would ensure large numbers of inmates. That study and updates have fueled accountability efforts by groups pressing the corporations on their promises to save taxpayers money and provide for the safety of the public. Just last year, Florida citizens stopped the privatization of two dozen state prisons, despite a coordinated lobbying effort and strong support among legislative leaders. The institute's data provided the exclamation point for sound arguments against the policy.

The institute's verifiably accurate data archive has been rewarded by its clear adoption as a primary resource by the national press and as a training resource for journalism schools. Nearly 4,000 reporters have signed up to receive in-

stitute releases and reports relevant to their specific states or topics. The resulting stories include articles published by *Bloomberg Business Week*, Center for Public Integrity, *CNN Money*, Investigative News Network, *Los Angeles Times*, *Mother Jones*, *NBC News*, *The Nation*, *The New York Times* and more.

Our May release of a scorecard that ranks state practices for disclosure (or not) of independent spending met with immediate response, such as this from WIBC/Fox News Radio in Indiana: "*Senate Elections Chairman Sue Landske (R-Cedar Lake) says she was blindsided to discover Indiana doesn't require financial disclosure from those groups.... and says a legislative study committee is likely to request data from those states this summer.*"

THE FUTURE

Robust and sustained foundation support is essential to the institute and other good-government and transparency organizations. Elections and governing institutions are multilayered and complex; gaining access to relevant information about them is essential to greater citizen accountability. Without standardized reporting, gathering that information in each of the 50 states still requires much "heavy lifting."

The institute is leveraging the public's demand for immediate access to high-quality information to get that job done, and helping to move disclosure agencies toward better disclosure practices and upgraded data-access procedures.

While no one can predict what our country will look like in 20 years – especially where politics and elections are concerned – we can be confident that debates built on high-quality data will result in more focused and substantive policy outcomes. ■

Edwin Bender is a founding incorporator and executive director of the National Institute on Money in State Politics.

New and Renewing Members

Alliance for Justice
American Constitution Society for Law and Policy
Atlantic Philanthropies
Blandin Foundation
Citizens for Responsibility and Ethics in Washington (CREW)
Community Foundation for the National Capital Region
Compton Foundation, Inc.
Con Alma Health Foundation, Inc.
Cricket Island Foundation
Daphne Foundation
Discount Foundation
Emerging Practitioners in Philanthropy (EPIP)
Evelyn and Walter Haas, Jr. Fund
Funders Concerned About AIDS
Grassroots Grantmakers
Greater New Orleans Foundation
John D. and Catherine T. MacArthur Foundation
Joint Center for Political and Economic Studies
Kate B. Reynolds Charitable Trust
League of Women Voters US
Liberty Hill Foundation
Maine Initiatives
Marguerite Casey Foundation
Mertz Gilmore Foundation
National Gay and Lesbian Task Force
Native American Rights Fund
New Mexico Environmental Law Center
PICO National Network
Progressive Pupil
Social Justice Fund Northwest
Stewart R. Mott Foundation
Tambasons Global Human Services (TGHS)
United Way of Greater Los Angeles
Wise Philanthropy

Philanthropy: Beyond Business or Charity

By Lori Bezahler

This past August, William Schambra published a critique of strategic philanthropy, faulting its practitioners for inappropriately applying scientific methods to the remediation of social ills. While I found aspects of his analysis compelling, I would argue that there is a different and perhaps more pernicious problem with what has been come to be known as “strategic philanthropy.” That is the imposition of the logic of business on charitable and social change efforts.

“Philanthrocapitalists” argue that we need to get at “what works” absent the distractions of ideology. They argue that this requires an analysis of the return on philanthropic investments in time-limited, quantifiable chunks, and complex planning processes that provide a pretense of objectivity. Planners generally start by identifying goals and desired outcomes – the box at the end of the logic model – and then make decisions about what actions to take in order to get there. A sensible progression, but fundamentally flawed: it does not acknowledge that the very first step – defining the desired outcome – is driven by the framers’ beliefs and values or, dare I use the word, ideology.

In his book *What Money Can't Buy: The Moral Limits of Markets*, the philosopher Michael Sandel tells us that “markets leave their mark.” Creating a market and converting something into a tradable good transforms it. Just think of slave markets and the dehumanization of African Americans through their commodification. As Sandel demonstrates,

markets corrupt the norms of social interaction and exacerbate inequity when introduced into nonmarket endeavors.

I fear that the unexamined, almost dogmatic, belief in markets and economics is shrinking support for collective responsibility for public goods and what we once thought of as the social contract. There are some goods, as Sandel explains, that for moral reasons should not be subject to market norms. Markets prioritize return for the resources invested and use competition as the mechanism for distribution. By definition a competition creates winners and losers, but the work of philanthropy is not to guide the allocation of social goods among the winners; it is to make sure there are no losers.

In philanthropy, privileging measures of efficiency, productivity and cost/benefit as the key criteria for philanthropic investments commodifies social good and favors short-term interventions that maximize the return on investment over the three-year grant cycle. Such calculations limit the appetite among foundations to take on the largest and most intransigent challenges we face as a society. But given the enormous freedom that the sector has, the role of philanthropy should be to take on these most fundamental problems. In an op-ed in the *New York Times* this past summer, Peter Buffet calls for such a shift, writing, “Money should be spent trying out concepts that shatter current structures and systems that have turned much of the world into one vast market.”

Matthew Bishop, author of *Philan-*

throcapitalism: How Giving Can Save the World, asserts that his model of philanthrocapitalism was created out of his observations as a business reporter for *The Economist*. His strong implication is that only business is ideologically neutral – caring only about results, and any framework not rooted in the culture of markets and methodology of business is somehow biased and therefore inferior.

And yet, while purporting to be ideologically neutral, Bishop consistently determines effectiveness through one particular – and ideological – lens. He repeatedly defines problems in ways that elevate individual choice and competition as levers of change, stressing business models of measurement and accountability without interrogating the moral presumptions and values that underlie them. It is no surprise then that “what works” from Bishop’s viewpoint is a market fundamentalist philanthropy. While someone with Bishop’s commitment to a market society might see classrooms lacking adequate supplies and react by setting up a system whereby individuals can respond to competing requests from teachers for specific supplies and projects, someone else operating from a moral base centered on equity and justice might respond to the same situation by advocating for a revised revenue generation and distribution policy to ensure that all schools are equipped with sufficient resources. Bishop’s framework, in other words, is not ideologically neutral, but rather based on a set of morals and beliefs that are unexamined, unexpressed – and unchallenged.

For many years, and to a great extent still today, philanthropy has been in the business of charity. The ultimate objective of this charity has been to ameliorate the ugly effects of poverty, not to fundamentally alter the structures and policies that create and exacerbate inequity. Today, there is an increasing, and I would assert positive, emphasis on changing the public and private systems and policies that create conditions of poverty and inequity. This requires moving away from the unquestioned business model to a philanthropic strategy that strives for outcomes and impact grounded in a different moral frame.

So, if we reject the business planning model, how do we undertake the hard work of fundamental change with rigor and focus?

First, start with values. Clarify them, discuss them and make them public so they will always be at the forefront of your work. Sandel tells us that this may be the hardest part, as we may have serious disagreements about morals and values. In our heterogeneous society with diverse beliefs and priorities, such efforts will likely result in a range of philanthropic approaches and goals. In the case of the Edward Hazen Foundation, racial justice has been identified as a core moral precept, and our mission statement has been revised to reflect that value.

Second, identify social problems that are clear symptoms of the social ills that conflict with those values, but don't stop there. Identify the root causes of those problems or you will achieve only temporary fixes, not sustainable solutions. With the grounding of racial justice as its moral center and self-determination as a guiding principle, the Hazen Foundation has provided long-term support to groups of parents and students concerned with the issue of educational inequity. Understanding that there are no simple solutions to this persistent problem, we support many



The Edward W. Hazen Foundation provides long-term support to parents and student groups working for education equity, including the Padres y Jovenes Unidos in Denver, CO.

components of change, including their advocacy to end punitive school discipline practices that disproportionately affect students of color and are the result of decades, even centuries, of assumptions about their educability.

Third, use data. Find information that can help you to get at root causes, identify solutions and also monitor progress. Information can be a powerful tool for philanthropy. But not all data are good data, nor are they all helpful. Remember Einstein's admonition that "Not everything that can be counted counts, and not everything that counts can be counted." Some useful data will be quantitative; in the example of school discipline, several studies documenting the overuse and disproportionate imposition of harsh discipline in schools provided credibility to young people sharing their personal experiences, situating them in a systemic context and bringing public attention to the problem. However, some will be qualitative, such as data on the personal transformations of young people as their experiences are affirmed and placed in a societal context and as they take

action to change those circumstances and structures. This is information that the Hazen Foundation also collects and uses to inform our decisions.

Over the past 15 years, the trend in philanthropy has been to strive for sustainable change, not alleviation of current conditions through charitable works. However, market orientation and business planning have overwhelmed the commitment to core values and morals as the driving force for philanthropy. Sandel urges us to understand the limits of markets and to interrogate our beliefs and assumptions in the pursuit of a moral society. Lessons from social movements – civil rights, universal suffrage, abolitionism and others – show that deep social change takes a path that does not conform to the metrics or culture of business. It is incumbent on our sector to do the tough work of marrying moral principles with accountability for outcomes in the service of our philanthropic objectives. ■

Lori Bezhler is president and board secretary of the Edward W. Hazen Foundation.

Democratic Philanthropy: A Different Perspective on Funding

By Regina McGraw and Christine Reeves

There's an old saying: If you are a hammer, everything looks like a nail.

Wise words indeed.

CHARITY

If you are a funder — even the most altruistic and empathetic one — you may see low-income families, for example, as economic victims in need of help. So, your foundation might help these families through a strategy of direct service, i.e. funding food pantries. Good for you; you are definitely making a difference.

This activity comes under the heading of “charity,” which of course isn't a bad thing.

DEMOCRATIC PHILANTHROPY

However, we suggest that a democracy needs something beyond charity; we believe a democracy involves and even requires residents to confront challenges facing them and their communities. This is important, because the process and outcomes of charity — in addition to doing good work — can sometimes unintentionally reinforce victimization or paternalism. We cannot limit ourselves to relying on those who give philanthropically to also be the ones who identify which problems to prioritize and which solution strategies to pursue.

After all, shouldn't a democracy strive to be transformational, not merely transactional, in both outcomes and process? The tenets of what we call “democratic philanthropy” should address systemic roots of societal problems, serve as a vehicle and laboratory

for positive societal change, and include those who are most affected by the problems not merely as recipients of charity, but as empowered, engaged participants.

When people help solve problems facing them and their communities, they gain a sense of civic participation and pride. Additionally, they cultivate abilities to solve present and future problems. In the abstract, it's difficult to oppose values of democratic philanthropy. In application, though, challenges can arise.

We are not arguing for every foundation to immediately embrace democratic practices, as we define them. Yet, we hope more foundations will diver-

sify their funding strategies to include democratic components, similar to the way they diversify their endowments' stock portfolios. This article aims to help funders consider or reconsider a democratic model, answer questions their staff or board might pose and increase philanthropic dialogue.

Let's step back and consider the aforementioned example of funding food pantries. In addition to being helpful, this is an easily measurable direct service strategy to address hunger; a foundation achieves quantitative success if it grows from funding 100 lunches to 100,000 lunches daily. However, what about dinner? In addition to funding food pantries, why not also address hunger's root causes, such as entrenched and systemic educational, health, economic, racial and class disparities? What about inquiring if food is actually the most important community need? Perhaps the community considers job training more important than lunches, and the community, if asked, might prefer a foundation to innovate to be more responsive. Asking questions and avoiding assumptions can be a rewarding adventure that may lead to a deeper positive impact.

CASE STUDY: THE WIEBOLDT FOUNDATION

The Wieboldt Foundation in Chicago, founded more than 90 years ago, learned this lesson firsthand. The founders made their fortune through a chain of family-owned department stores that served Chicago's neighborhoods. The

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motto of the foundation was, and remains, to support “charities designed to put an end to the need for charity.”

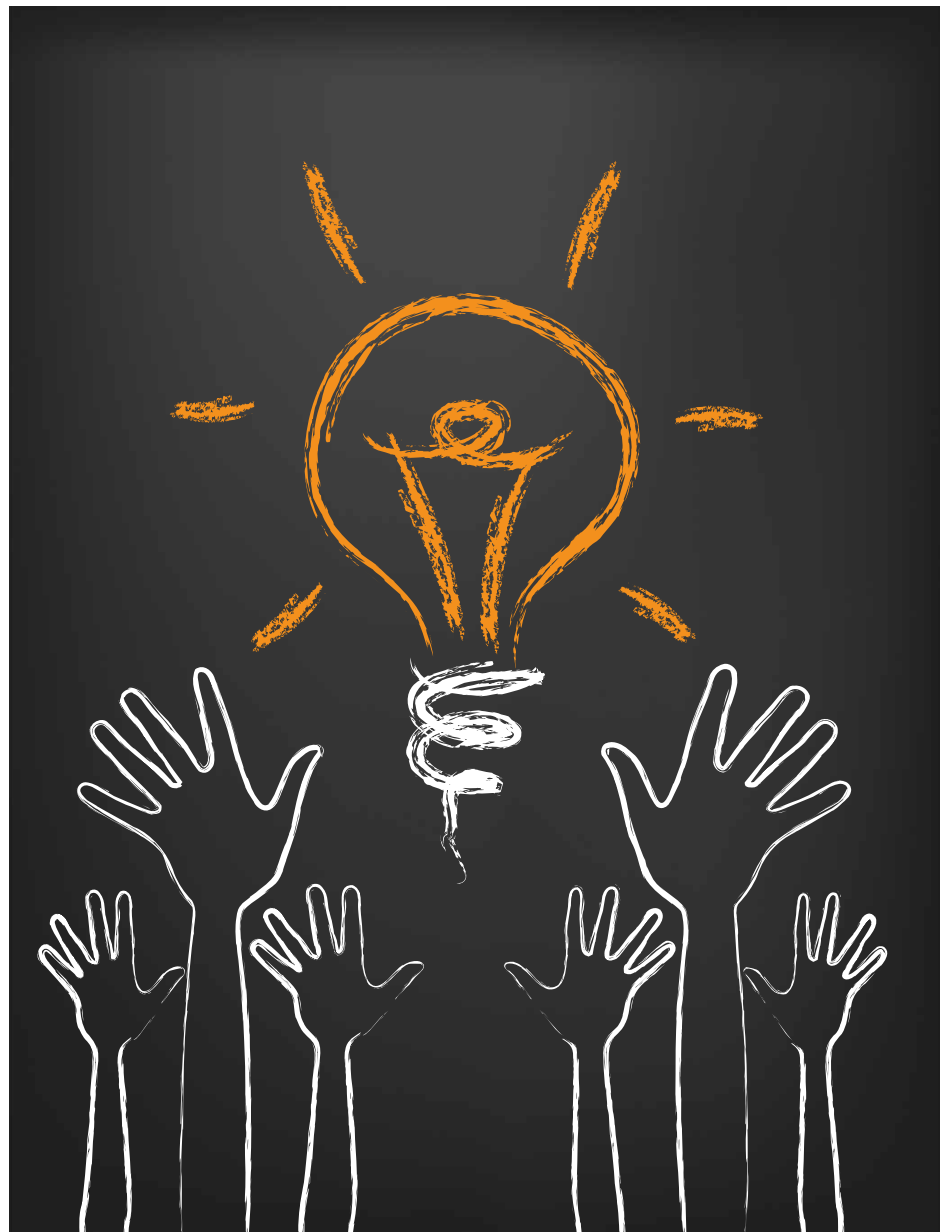
Originally, the Wieboldt family interpreted this motto as funding direct services (basic social needs). This type of funding ended in the 1960s, when the board changed its focus to funding community organizing, an application of the democratic philanthropy we just described.

The Wieboldt Foundation Board didn’t change priorities in a vacuum. Board members explored the world of community organizing by making on-site visits to meet community leaders and talk with talented organizers. Family members also elected community members to the board of directors, because they sought the perspective of those who had “on-the-ground” knowledge of Chicago communities.

The family believes funding the activities involved in organizing – issue identification, leadership development, collaboration among groups and innovative programming – is a way to encourage community cohesion and foster civic responsibility. Transitioning from funding direct services to community organizing was due to a foundation culture that embraced open-mindedness, avoided assumptions and valued stretching beyond comfort zones.

Board chair Jenny Straub Corrigan explains, “Empowering people to act on their own behalf is immensely gratifying. I feel I have learned more and grown more by interacting with our grantees than I might have by simply funding a service to them. Because we are a small foundation, the leverage and impact of our dollars is especially important.”

Community organizing generates public and private funds for affordable housing, holds hospitals accountable for charity care and registers thousands of new voters. The same entrepreneurial spirit that made the Wieboldt Stores



successful now infuses organizing. It is important to clarify that community organizing is not an issue; rather, it a strategy to address the many issues a foundation chooses to fund.

About nine years ago, a Wieboldt Foundation grantee studied the turnover rate of new teachers in Chicago public schools. In eight high-poverty schools, annual teacher turnover reached 50 percent or more. In response, community organizations involved in school reform gathered and developed an innovative idea to create a teacher-training program for mothers who were volunteering in classrooms and receptive to becoming teachers. These women came

from the surrounding communities and agreed to teach in their neighborhood schools after becoming certified. A special academic track was set up for this program and the state granted tuition assistance. This program continues to grow, and 70 people have now graduated.

ADDRESSING THE ELEPHANT & BANISHING THE SCARLET LETTER

Why do some foundation boards avoid funding community organizing and its public policy sibling, the scarlet letter of philanthropy: Advocacy?

Through our work, conversations and travels, we found 10 recurring reasons why foundation boards may

TABLE 1: 10 QUESTIONS ABOUT DEMOCRATIC PHILANTHROPY

Concerns About Democratic Philanthropy (advocacy, organizing, civic engagement, etc.)	Conversation Starters	Potential Resources
1. Is it too political?	Advocating for change is political, but so is not doing so (i.e. quietly advocating for the status quo). Reframe the question to “Should we be nonpartisan or non-present?”	Consider the work of foundations that joined Philanthropy’s Promise ¹
2. Does it threaten donor intent?	Most donors outline issues, communities or places they want to fund, not strategies on how to fund.	Find funders doing this work via funder affinity groups ² and funder regional associations. ³
3. What if I don’t know of nonprofits that do this work?	How can we reach out to more community members to get ideas?	Many funders use Community Advisory Committees. ⁴
4. Is it legal?	Yes, so how can we learn more?	Alliance for Justice resources ⁵ & NCRP’s Resource List of Funding Advocacy, Organizing and Civic Engagement ⁶
5. How can I measure it?	Is the goal to fund what can be measured, or to fund what is most needed and then find a way to evaluate?	Grantmaking for Community Impact Database ⁷
6. What if advocacy/community organizing makes me uncomfortable?	Even if your board members have mixed feelings about this, if these strategies can help further your mission, isn’t it worth a conversation? Let’s not fear words.	Grantmakers for Southern Progress: <i>Words Matter</i> and <i>As the South Goes</i> reports ⁸
7. What if my board isn’t ready?	Is the community already ready, and if so, how can the foundation be responsive to both the board and the community?	Consider site visits, learning tours, with funders that already do this, or sharing resources on definitions about these strategies. ⁹
8. Does it take a long time to measure results?	Or, should we ask, do we just need different tools to measure this?	<i>Leveraging Limited Dollars</i> ¹⁰ and <i>Real Results</i> . ¹¹
9. Are advocacy/organizing issues or strategies?	Advocacy and organizing aren’t issue areas. They are strategies, like direct service, to address issues.	High Impact Strategies in Philanthropy ¹²
10. Is it time-consuming and difficult to learn about this work?	Consider reverse engineering your mission statement, and see if one of these strategies can work.	Consider funding pilot project grant(s), or hiring a consultant who specializes in this.

not warm to the strategies under the democratic philanthropy umbrella (see Table 1). We believe foundation leaders who shy away from this work may not always align their visions of philanthropy with the entrepreneurial spirit and business acumen that generates the kind of wealth needed to start a foundation.

Think of your foundation's mission statement – the actual words, as well as the aspirations, inspirations and hours of heartfelt discussion that created it. At present, there are nearly 81,000 foundations in the country, and every single one strives to promote something worthwhile in the democratic process: end child neglect in Boston; achieve 100 percent literacy nationally; eliminate poverty globally. Mission statements trumpet audacious goals. So, let's ask ourselves: Are our current strategies sufficient roadmaps for reaching our missions?

Put differently, consider this: Would a women's foundation recruit an all-male board, no matter how compassionate they are or how many mothers, sisters, wives and daughters they had? Probably not. Similarly, if a foundation focuses on homelessness, it might be reasonable to inquire how many of their board members or staff have ever been (or have ever known someone who's been) homeless and impoverished. Not all foundations can alter board composition, as the Wieboldt Foundation has, but even a conversation about who is involved in the process can prove helpful.

When working in philanthropy, altitude sickness can become an occupational hazard; helping nonprofit grantee partners who then help communities keeps foundations one-step removed. So, just as elected officials meet constituents and CEOs meet customers, foundation board members can benefit from time in the field with grantee partners and community members.

When working

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altitude sickness

can become

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SOME IDEAS & NEXT STEPS

First, independent of the issue, geography or community that motivates your foundation's philanthropy, democratic strategies may help you better meet your mission and achieve greater quantitative and qualitative returns-on-investment.

Second, phrases like "social change philanthropy," "grassroots strategies," "economic justice grantmaking" or "advocacy and organizing funding" may put off some funders. Yet, before making up our minds about these phrases, let's take a moment to look beyond the language to see the definitions, applications, examples and people of democratic philanthropy.

Third, consider where your foundation falls on the continuum of traditional charity (transactional) to democratic philanthropy (transformational), both in terms of the outcomes you seek and the process by which you seek them. How would you define those two phrases, and where would you like your foundation to be in five years?

Last, we collected 10 recurring questions we hear from funders who might have concerns about democratic philanthropy and its applications. We also offer corresponding conversation starters and resources (see Table 1). ■

Regina McGraw is executive director of Wieboldt Foundation. Christine Reeves is senior field associate at the National Committee for Responsive Philanthropy (NCRP).

Notes

1. See <http://www.ncrp.org/philanthropy-promise/who>.
2. See <http://www.cof.org/about/affinitygroups.cfm>.
3. See <http://www.cof.org/about/regionalassociations.cfm>.
4. Such as Con Alma Health Foundation's Community Advisory Committee: <http://conalma.org/who-we-are/community-advisory-committee/>.
5. See www.bolderadvocacy.org.
6. See <http://www.ncrp.org/campaigns-research-policy/communities/gcip/gcip-resources>.
7. See <http://www.ncrp.org/campaigns-research-policy/communities/gcip/gcip-impacts>.
8. See www.nfg.org/gsp_south.
9. See <http://www.ncrp.org/campaigns-research-policy/communities/gcip/gcip-resources>.
10. See <http://www.ncrp.org/files/publications/LeveragingLimitedDollars.pdf>.
11. See <http://www.ncrp.org/paib/real-results-strategic-philanthropy>.
12. See <http://www.ncrp.org/paib/high-impact-strategies-philanthropy>.

Building Mutual-Benefit Relationships Among Funders and Emerging Leaders

(continued from page 1)

are moving into significant roles in social justice work. They are creating new, more networked organizational structures and filling mid- to top-level roles in existing organizations and networks.

Younger social justice advocates are inclined toward shared leadership models that rely on contributions across a spectrum of roles. They urge funders to invest in younger talent beyond the “rock stars” who have already made it and whom foundations love to “cherry pick.” To make this point, the new Talent Philanthropy Project² helpfully re-frames and expands funders’ responses to generational leadership transition into “investment in nonprofit talent.”

WHY FOUNDATIONS NEED EMERGING LEADERS

The trite phrase “they are the future” is profoundly relevant to organized philanthropy’s current and future impact. Having grown up in a networked, more diverse world, many younger leaders exhibit the qualities required of today’s leaders, as articulated in current leadership literature. See sidebar for examples.

Typical foundation practices and processes match up poorly with this list of leadership characteristics. For the most part, foundations are stuck in old-style hierarchical, bureaucratic, slow, non-adaptive leadership patterns that are ill-suited for impact in today’s world. Foundations need to be in active, mutual-learning relationships with new social justice leaders, who can help funders develop the institutional and personal leadership capacities listed in the sidebar. In mutual relationships, younger leaders can provide experience, advice and inspiration. In turn, funders can offer emerging leaders hard-earned wisdom from history, along with connections to influencers, moral support and last but definitely not least, financial support.

This more mutual relationship challenges the existing balance of power in

typical funding relationships. From our experience at the Babcock Foundation, I can say that developing more open, trusting and mutual relationships with some grantees over time is demanding, delicate work – and possible. Core values of respect and transparency must be rooted and alive in the entire foundation, including the board. The foundation must hold itself accountable for mutuality in relationships with grantees, for example with the foundation demonstrably incorporating grantee wisdom into its decisions and grantees acknowledging value added by the funder beyond grants.

The perennial reality of “money = power” is inescapable in philanthropic relationships. However, as the number of younger nonprofit, foundation, gov-

ernment and business leaders grows, we will hopefully see more breakthroughs toward mutual, networked, inclusive partnerships for social change. These breakthroughs will require new funder practices that are natural to many younger leaders.

HOW FUNDERS CAN ENGAGE WITH AND SUPPORT EMERGING LEADERS

The menu of ways that funders can engage and support emerging leaders is rich and diverse; there’s something here for all types of funders.

First, what do emerging leaders say they need? The following themes appear in national research and two unpublished reports to the Babcock Foundation that capture the voices of approximately 30 Southern leaders. They say they need:

- Support networks of peers and elders for learning and strategy development.
- Management training and resources for organizational development.
- Development opportunities focused on horizontal and collective leadership.
- Career ladders, support during career transitions and redefinition of executive roles.
- Attention to sustaining themselves; e.g., better pay, self-care, work/life balance and reflection time.
- Support for people of color and women leaders; examination of expectations embedded in racism and gender bias placed upon them and their organizations.
- New funding models for social justice work.
- Funder investment in leadership development for social justice field.

Funder responses can be organized around four key principles essential for mutual relationships: Engage. Listen. Connect. Support. These flow and are nonlinear. Simple examples make this point: engagement is more satis-

EFFECTIVE LEADERS IN TODAY’S WORLD:

- Cross sectors and boundaries to build results-oriented partnerships.
- Practice collective leadership; they influence, persuade and motivate others, and are open to being influenced, persuaded and motivated by others.
- Are skilled at adaptive, strategic thinking; are informed by both data and intuition.
- See connections, put resources together in new ways and learn from trying new approaches; are entrepreneurial.
- Use technology tools strategically and with ease.
- Value the professional management of resources, people and organizations.
- Pay attention to sustaining themselves and their work by restoring mind, body and soul; bring spirit, love, art, cultural traditions and family into their work

fyng when the parties listen deeply to each other. Connecting younger leaders to management training opportunities might require financial support for their participation. Hiring or promoting younger people into executive positions requires support for their success.

ENGAGE: Funders can get informed, build relationships and be active with emerging leaders. Ideas for funders:

- Read the literature on next generation leaders and transitioning elders. A few sources to begin your internet search are the Building Movement Project's Generation Series of reports; Emerging Practitioners in Philanthropy, Leadership Learning Community, and Grant-makers for Effective Organizations.³
- On site visits, ask to meet younger nonprofit staff and board members. Talk to them about their social justice work, their lives and their peer networks.
- In conversations with grantees, ask questions about leadership transition and talent development in the organization – and be willing to help fund it.
- On the foundation staff, be prepared for inevitable differences between younger staff and Boomers; engage in open, honest conversations to build everyone's understanding, effectiveness and enjoyment. At the Babcock Foundation, we hired consultants to facilitate difficult staff conversations about living up to our aspirational values of inclusiveness and respect when younger staff questioned how well we were doing.
- Get the foundation board engaged with emerging leaders – for example, as foundation board members, as members of working groups to inform foundation strategy, or as discussion partners at board meetings.



Participants Tom Kohler, Daa'iyah Salaam and Jeff Fugate map out entrenched, evolving and emerging issues facing Southern leaders. Photo courtesy of Mary Reynolds Babcock Foundation.

LISTEN: We are probably really listening when we say less than the person to whom we are listening and find ourselves surprised, our thinking challenged or our heart stirred. Unfortunately, a common critique of funders by our nonprofit partners is that we don't listen well. Ideas for funders:

- Start with the basics: Hire staff with strong relationship and listening skills; hold staff accountable for the quality of relationships with applicants and grantees.
- Conduct objective assessments of the foundation's performance, such as the *Grantee Perception Report* from the Center for Effective Philanthropy; act on what you learn.⁴
- Support a convening of emerging leaders from your grantees, planned by them with foundation staff there to participate in mutual learning. In November 2012, the Babcock Foundation hosted such a convening with the goals of 1) informing the foundation about the next decade's approaches to promoting equity and opportunity in the South, and 2) nurturing relationships

among a small group of emerging leaders.

CONNECT: Within our foundations, we can apply what we learn from engaging and listening to improving our own practices. We can also use our social, intellectual and financial capital to help emerging leaders build their professional networks. Ideas for funders:

- Assess your foundation practices using this article's sidebar or a more comprehensive list of 21st century leadership qualities; engage highly effective younger leaders to help build new capacities at the foundation.
- Use your relationships to connect emerging and elder leaders in mentoring relationships.
- Use your technology and communications capacity to help emerging leaders in your geographic region find each other and build peer-learning networks.
- Connect emerging leaders with management training, leadership development and coaching op-



Emerging leaders Charmel Gauden and Jessica Norwood look over a timeline of important moments in Southern history created during the convening. Photo courtesy of Mary Reynolds Babcock Foundation.

opportunities (and help pay for it). Examples are Rockwood Leadership Program, Stone Circles, and Courage and Renewal Academy for Leaders. Leadership Learning Community maintains a list of leadership programs on its web site.⁵

- Knit together a cohort of emerging leaders into a community of practice through in-person gatherings and online platforms. This could be a peer-led network with modest funding or a formal fellowship program. Examples of fellowship programs are the Barr Foundation's Fellows and the Evelyn and Walter Haas, Jr. Fund fellowship programs.⁶ Or, support fellowship programs offered by others, such as those offered by Frontline Solutions or the Association of Black Foundation Executives.⁷
- Introduce emerging leaders to other funders and influential people in your networks; become a partner in fundraising and capital aggregation.

SUPPORT: Money matters. So does activating your foundation's influence

and supporting young talent on your staff. Ideas for funders:

- Make general operating and multi-year grants. This may be the single most helpful thing funders can do to increase nonprofit impact and provide essential core support for grantees to attract, pay, train, retain and advance talented staff.
- Provide grant support for talent and organizational development, including leadership transition and leadership development.
- Support networks and partnerships of emerging leaders and their organizations with "glue" money to pay for their time learning and working together to achieve greater impact than they can alone.
- Provide seed grants for start-ups led by younger social justice activists; invest more and longer in successes.
- Fund sabbaticals and transition roles for social justice elders who cannot financially afford to leave their jobs.
- Use your foundation's web site and social media outlets to be an advocate for investment in emerging talent and their ideas.

- Make sure emerging leaders on your foundation staff and board are adequately supported with opportunities for increasing influence inside the foundation, along with mentoring, coaching, peer networks and training.

The generational transfer of leadership will indeed happen, with or without funders' intentional responses. However, to sit this out would be a huge missed opportunity for emerging leaders, funders and the communities we serve. ■

Gayle Williams is former executive director of the Mary Reynolds Babcock Foundation.

Notes

1. See <http://mrbf.org/>.
2. See <http://www.talentphilanthropy.org/>.
3. See <http://www.buildingmovement.org/reports>, <http://www.epip.org/>, <http://leadershiplearning.org/> and <http://geofunders.org/>.
4. See <http://www.effectivephilanthropy.org/index.php?page=grantee-perception-report>.
5. See <http://www.rockwoodleadership.org/>, <http://www.stonecircles.org/>, <http://www.couragerenewal.org/programs/academy-for-leaders> and <http://leadershiplearning.org/>.
6. See <http://www.barrfoundation.org/fellows/program-detail/> and <http://www.haasjr.org/what-were-learning/resource/21st-century-fellows-program>.
7. See <http://frontlinesol.com/about-H-PJfellowship.html> and <http://www.abfe.org/abfe1.asp?PageURL=26>.

Native American Rights Fund (NARF)

Boulder, CO

www.narf.org

Established 1970



NCRP: What are the most pressing civil rights issues facing Native American communities today? What is the Native American Rights Fund doing to address those issues?

NARF: The Native American Rights Fund (NARF) is the national Indian legal defense fund, whose primary work centers on the preservation and protection of Indian rights and resources. NARF began its work in 1970 and through the years has grown into a reputable and well-respected advocate of Indian interests. Five priorities continue to lead NARF: preservation of tribal existence; protection of tribal natural resources; promotion of Native American human rights; accountability of governments to Native Americans; and development of Indian law and educating the public about Indian rights, laws, and issues.

Climate change is widely recognized as the number one threat to the well-being of humanity. Indigenous peoples, who historically have left a negligible carbon footprint, are suffering disproportionately from the effects of climate change. Because of the threat that climate change poses to indigenous peoples, NARF is committed to mitigating the effects of climate change and insuring that indigenous communities be given a voice and a seat at the table.

Indigenous cultures are woven from the many intricate strands of traditional stories that extend back to the beginning of time. Indigenous knowledge is grounded in oral traditions that recount the stories of their peoples throughout innumer-

able and multifaceted life experiences. These stories help constitute and structure the existence of indigenous nations and peoples. They tell how life came to be and how indigenous peoples are to conduct themselves as they interact with the physical and social world. These teachings show how people are to behave on the basis of spiritual and natural laws, with profound respect for the energetic basis and biological fabric of life. The stories of these respective indigenous nations and peoples contain vitally important knowledge and wisdom very much needed by the planet in this era of ecological deterioration, breakdown and decline.

Only recently has the realization dawned that the scientific knowledge of indigenous cultures holds information of tremendous importance for the planet. Mother Earth is definitely in crisis, and indigenous knowledge of ecosystems points the way to the paradigm shift and change in lifestyle that is needed at this time — a paradigm shift of healing and revitalization for all living things. In this way, the indigenous communities can become the natural guides to restoring balance and harmony in the world.

The strength of the indigenous perspective builds on thousands of years of accumulated observation of the environment. The oral histories of indigenous cultures are a tremendous resource because the histories preserve information that reaches into data-sparse time periods unavailable to many modern science techniques.

Because governments too often do not understand the knowledge and

wisdom of indigenous cultures, indigenous peoples tend to be left out of intergovernmental discussions and processes. The inclusion of the indigenous voice significantly strengthened the Working Group II report of the Intergovernmental Panel on Climate Change (IPCC), the National Climate Assessment, and the Arctic Climate Impact Assessment reports. We feel that it is vitally important for indigenous people to be invited and supported to participate throughout the process. One unanticipated benefit may be that an indigenous perspective may help all those involved translate the science back into human terms.

In the meantime, the urgency of the issues requires that NARF continue to build bridges among indigenous and scientific communities, federal and state governments, and environmental organizations so that indigenous cultures can build their own research programs that build on the strengths of a rich and varied set of voices.

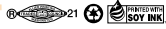
NCRP: What advice does NARF have for grantmakers who want to be more supportive of Native American communities?

NARF: NARF encourages grantmakers to become educated on tribal histories, tribal sovereignty, culture and the many different issues that affect our tribal communities. Invite tribal people and Native American organizations to meet with you to discuss the history of these issues and the resources that will be needed to resolve these issues. ■



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The Philanthropic Landscape

May 2013

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