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Changing the Culture of Philanthropy in Michigan From Audacious Beginnings to Real Results

By Vicki Rosenberg

In 2008 and 2009, two documents rocked the world of institutional philanthropy in the United States: California's Assembly Bill 624 (AB624), calling for foundations with assets of more than \$250 million to collect and publicly disclose certain ethnic, gender and sexual orientation data pertaining to governance, operations and grant-

making, and NCRP's *Criteria for Philanthropy at Its Best*.

The California bill (eventually rejected by the state senate) would have required large foundations to confront inequities with regard to the demographic composition of their boards, staff, grantees and vendors. The NCRP *Criteria*, introduced as "a tool for meaningful self-regulation," cautioned: "If grantmakers don't improve their relevance to society by regulating themselves with integrity and rigor, government regulation will likely increase." The reaction was intense: some philanthropic leaders found the idea of any regulation – or benchmarks – audacious.

In a quieter, but in some respects equally audacious move, the Council of Michigan Foundations (CMF) began a six-year initiative in 2008 that president and CEO Rob Collier boldly named "Transforming Michigan Philanthropy Through Diversity and Inclusion" (TMP). Conceived as a catalyst for positive social change, TMP aimed to increase the effectiveness of organized philanthropy in the state focusing on CMF's 350 family, community, corporate, private and public foundations.

Five years later, CMF has clear evidence that the once audacious TMP objective to "increase member understanding and (continued on page 9)



challenging grantmakers
to strengthen communities

A Message From the Executive Director



Dear Readers,

It's been a great pleasure to see so many of you in person these past few months during the busy spring conference season. As our nation moves forward – and sadly, sometimes backward – on issues like immigration, gun control and the federal budget, I am deeply appreciative of the work you are doing to influence policies that affect the communities we are all seeking to serve. I hope you enjoy this issue of *Responsive Philanthropy*.

In “Changing the Culture of Philanthropy in Michigan,” Vicki Rosenberg writes about the positive impact of the Council of Michigan Foundations’ initiative to bring diversity and inclusion in philanthropy to its communities. She shares anecdotes from Grand Rapids Community Foundation, Kalamazoo Community Foundation and W.K. Kellogg Foundation to demonstrate how higher intercultural competency in these foundations have improved foundation practices as well as engagement with grantees and their communities.

Also in this issue, Lisa Ranghelli interviews Jihan Gearon of Black Mesa Water Coalition about how a group of Native nonprofits beat efforts by powerful senators to appropriate water rights. In “How Underfunded Native American Nonprofits Beat the Odds to Protect Water Rights,” Gearon points out how philanthropy can better support indigenous organizing.

Many foundations are taking to heart the need to be effective at helping address tough social issues our communities face. In “Building Bridges: The Power of Multi-Issue Advocacy and Organizing,” Niki Jagpal urges grantmakers to practice strategic philanthropy with a social justice lens to maximize their impact.

Finally, our Member Spotlight features the National Community Reinvestment Coalition, an association of more than 600 community-based organizations that promote access to basic banking services for working families across the country.

We're continuing to improve *Responsive Philanthropy* and look forward to hearing your ideas for stories and what we can do better. Send us a note at readers@ncrp.org.

Thank you for being a part of our community of readers.

Sincerely,

Aaron Dorfman

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How Underfunded Native Nonprofits Beat the Odds to Protect Water Rights

By Lisa Rangelhelli

NCRP's series of reports, *Strengthening Democracy, Increasing Opportunities*,¹ featured the advocacy and organizing impacts of several native organizations among our sample of 110 nonprofits in 13 states. Our research revealed that policy change and civic engagement in native communities are defined and executed in culturally-specific ways and may require foundations to think differently about their grantmaking in this context. The exciting victory described below in my Q & A with Jihan Gearon of Black Mesa Water Coalition² illustrates this point well.

Additionally, a timely new study released by Native Americans in Philanthropy and Common Counsel Foundation provides a strong rationale for philanthropy to make substantial investments in native organizing and leadership development that support self-determination. Authored by former NCRP board member Louis T. Delgado, *Native Voices Rising: A Case for Funding Native-led Change*³ describes both the strategies grassroots native groups employ to achieve change and the unique barriers they face when seeking grant funds. The paper provides guidance on how foundations can most effectively partner with these organizations.

Former Senator Jon Kyl (R-Ariz.) introduced SB 2019, the Navajo-Hopi Little Colorado River Water Rights Settlement Agreement and Act of 2012, in February of that year. Senator John McCain (R-Ariz.) was the bill's only cosponsor. Why was it important to try

to defeat that bill? What was the significance of it for your communities?

We (the Navajo Nation) would be required to permanently waive our aboriginal (as in first priority) rights to the Little Colorado River (LCR) watershed in exchange for promises from Congress for two water delivery projects serving two (out of 110) communities. At the time of the debate, funding for these projects was not identified. To me, this already seemed like an unfair deal, but there were many, many other things proposed in the settlement that made it even worse. I will highlight only a few here.

Of great importance to our organization, the Black Mesa Water Coalition (BMWC), was the inclusion in the water settlement of lease extensions for the Navajo Generating Station (NGS) located in Page, Ariz. This is a coal-fired power plant that is located on the Navajo Nation, powered by coal from the Navajo Nation, and runs with the help of free water from the Colorado River (that the Navajo Nation agreed to waive for NGS's use). NGS and the Kayenta Mine, which feeds it, have caused serious environmental and health impacts for the Navajo communities that surround them, and we have been advocating for a just transition of the plant. The water settlement would have supported the ongoing environmental injustices caused by the coal economy on Navajo Nation.

More specifically, the water settlement would have made water delivery

to Navajo and Hopi communities contingent upon the renewal of various leases – for transmission lines, coal and water supplies – for the Navajo Generating Station through 2044. For example, the Window Rock area would have gotten water only if the Navajo Nation approved a water lease for NGS for 34,000 acre-feet/year. This would have been a 32-year extension on what is provided to the plant now. The settlement also would have let the federal government off the hook from protecting the Navajo Aquifer, which already has been drawn down to dangerous levels by coal mining on Black Mesa. Under current law, the Department of the Interior has a responsibility to protect the N-Aquifer, but under this deal it wouldn't have.

Other key issues are that the settlement did not actually quantify Navajo water rights to the LCR and did not allow for fair compensation for Navajo water from the LCR. While upstream users were allocated and guaranteed specific amounts of water, even in times of drought, we were not. We would only be allowed to use whatever *reached* us and is not appropriated to upstream users. The settlement also would not allow us to lease or market LCR water, use it for agricultural purposes or bank (save for a rainy day) our water. All of these are allowed for upstream and downstream users, so why not us?

Lastly, the process to approve the settlement completely excluded the Navajo people and their actual needs for water. It was introduced in a press release from Kyl's office before it was even



Photo credit: Black Mesa Water Coalition

introduced to the Navajo Tribal Council. It was announced as a done deal, with an attempt to railroad it through the Navajo Nation Council in a week. The settlement and act comprise more than 200 pages of dense legal language that was never explained to the Navajo People. This is simply not the way to make such an important decision.

Why did the Navajo tribal leadership initially support the legislation?

The water settlement was brokered by Stanley Pollack, the water attorney for the Navajo Nation. Since we pay him as our lawyer, I believe our council trusted him to arrive at the best deal possible. When the council was asked to vote on the settlement, Pollack provided only a two-page summary of it. With community members present in the council chambers at that meeting – asking questions and asking to see the settlement agreement itself – the council also started asking questions.

How did you get the Navajo leaders to change their minds and vote no? What were some of the most important tactics and strategies of the campaign?

BMWC engaged in the water settlement issue through the larger Dine’ Water

Rights Committee (DWRC), which included various Navajo and Hopi organizations and individuals, including To Nizhoni Ani, the Forgotten People Corporation, Dine’ Citizens Against Ruining the Environment, Nxt Indigenous Generation, Council Advocating an Indigenous Manifesto, Dine’ Hada’ Asidi, IINA Solutions and others. Together, the DWRC was able to organize and support nine community forums to educate Navajo people about the settlement; attend and participate in each of the seven town hall meetings sponsored by the president’s office to voice our concerns and questions; sponsor three radio forums on *KTNN* “The Voice of the Navajo Nation” and two newspaper ads in the *Navajo Times* that provided information about the settlement; attended and presented information at several chapter meetings; collected 23 chapter resolutions and two agency resolutions (agencies represented 34 chapters) against the settlement; presented to the Navajo Nation Council the reasons to oppose the settlement; collected 1,347 Navajo petition signatures against the settlement; and mobilized hundreds to write letters voicing their opposition. Essentially, we made grassroots opposition to the settlement impossible to ignore.

BMWC’s role was an important one in the larger Dine’ Water Rights

Committee. We contributed staff time and funds to the collective efforts, played lead educational roles during the radio forums and various meetings, led our collective media work and brought vanloads of people to the Navajo Nation on the days of the decision. Most important, though, was our role as coordinator of the coalition and its base. We organized and facilitated meetings and conference calls, ensured transparency and collective decision-making in the coalition, engaged the coalition’s base (for example, by motivating the 1,347 petition signatories to write letters to their council delegates), compiled the evidence against the settlement and basically ensured that the committee stayed coordinated.

Did the groups that came together to challenge SB 2019 have a track record of working together? What enabled the coalition to be so effective?

Yes, most of the groups and individuals involved in the Dine’ Water Rights Committee had worked together at some point or another. BMWC, To Nizhoni Ani and Dine’ CARE particularly have worked closely together in the past several years as an “indigenous caucus” working within a larger group-

ing of environmental organizations. I think a key factor that enabled the group to be effective was the coordinating role that we were able to play in making sure that everyone's roles were clear, decision-making was collective and everyone's work was coordinated. This is an important role that we need more Navajo and Hopi people to be trained to play.

What role did philanthropy play (in the short or long term) to support your capacity to succeed?

Philanthropy's role was minimal during the actual campaign against the settlement. It happened so fast that the group did not have the capacity to make a real effort in fundraising. However, organizations that already had consistent funding were able to step up and reallocate those funds to things like educational forums, etc. BMWC pitched in for radio forums and newspaper ads, and even paid members of DWRC who were doing significant work for the campaign, such as managing and updating the Dine' Water Rights Facebook page. Mostly, organizers volunteered their time and money to this campaign. Our estimated cost was \$4,000. We conservatively estimated our tribal government (the executive branch) spent \$500,000 in comparison.

Which foundations were most helpful in providing that "consistent funding" and why?

We have counted on the Solidago Foundation and Common Counsel Foundation for support for many years. They are also great at advocating for us and our work and have opened doors for us. Also, the Marguerite Casey Foundation (we are in our first grant with them) has, from my perspective, been the most excited about the successful campaign of the DWRC. It has shown a real interest in understand-

ing how we were able to accomplish so much with so little, and has also become an advocate for our work and the work of indigenous organizations in general. It has been extremely helpful to get general support grants because it is easier to reallocate these funds when something important but unexpected comes up (such SB 2019).

What can philanthropy do to better support indigenous organizing and advocacy?

In a nutshell, philanthropy can invest more money in indigenous organizers and organizing. We've seen in our region that most money goes to mainstream environmental organizations. However, these organizations could never have accomplished what we did with the water settlement, especially with so few resources. They do not speak Navajo, do not understand how to appeal to a Navajo audience and do not have familial, community and clan ties to depend on and organize from.

Jon Kyl is no longer in the Senate. Is this bill likely to be introduced in the new congressional session, or is it dead for now?

This iteration of a settlement is dead. However, a water settlement of some kind will come up again. An outcome of the campaign was the creation of a Water Rights Task Force that includes grassroots members from the DWRC, for example Nicole Horseherder of To Nizhoni Ani. It has been working to develop a new settlement that better benefits the Navajo Nation. ■

Jihan Gearon is Diné (Navajo) and African American from the community of Old Sawmill, located on the eastern part of the Navajo reservation in Arizona. She is the executive director of the Black Mesa Water Coalition.

Lisa Ranghelli is director of NCRP's Grant-making for Community Impact Project.

Notes

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Building Bridges

The Power of Multi-Issue Advocacy and Organizing

By Niki Jagpal

In 2002, Transit Partners was formed to pass a statewide comprehensive transportation plan in Minnesota. It was led by Transit for Livable Communities and included groups such as ISAIAH, the Alliance for Metropolitan Stability, and the League of Women Voters Minnesota. Working across issues ranging from environmental protection to racial and economic equity, coalition members identified one means to create a sustainable funding stream: a quarter of a cent increase in the regional sales tax. Despite the governor's veto of similar legislation in 2008, the legislature overrode the veto. The commitment of public funds to improve transportation infrastructure will benefit millions of public transit riders and address an immediate need for public investments because of the collapse of a major bridge in the Twin Cities. With the revenues for public transit, this is one of the biggest public investments in Minnesota's history.¹

This victory is instructive for many reasons. It demonstrates the power of

collective action when there is shared purpose. It shows that when we work across issues, we have more collective power and leverage. It suggests that breaking down issue silos might be among the most powerful ways to respond to real community needs.

Findings from the High Impact Strategies for Philanthropy series of reports on education,² health,³ arts and culture⁴ and the environment⁵ suggest that there is potential to break down the current issue silos that many grantmakers work in. They also illustrate how disparities keep underserved communities from equality of opportunity and diminish civic engagement and social capital. They underscore the importance of ensuring that grantmakers support the unique needs and urgency to empower underserved communities.

Many grantmakers have turned to strategic philanthropy to achieve effectiveness, but as currently practiced, it is limited by its technocratic and sterile approach to philanthropy. Using a social justice lens adds a much-needed

humanistic correction, as we suggested in *Real Results: Why Strategic Philanthropy is Social Justice Philanthropy*.⁶ Strategic philanthropy at its best is, in fact, social justice philanthropy.⁷

One way that grantmakers can fuse strategy and justice is by funding multi-issue advocacy and organizing by or on behalf of underserved communities.

In terms of economics, it just makes sense.

We are currently seeing the highest levels of economic inequality since the Great Depression. Indeed, the Census Bureau reported that the poverty rate remained stuck at a record high of 15 percent in 2012, while household income declined and the gap between the rich and the poor increased. With the continuing uncertainty of the future of the economy, funders across all issues must take disparities into account when developing their strategy. The High Impact Strategies for Philanthropy reports document the disproportionate negative outcomes across all issues for lower-income communities.

Given the economic structure of our country, there will inevitably be some level of inequality. However, the current levels of inequality suggest that disparities are being reinforced rather than mitigated. They will not be alleviated unless groups that are working on behalf of underserved communities receive more funding.

Larger organizations across all issues receive the majority of philanthropic monies, mirroring the socio-

TABLE 1: \$5 MILLION NONPROFITS' SHARE OF ORGANIZATIONS AND CONTRIBUTIONS, GIFTS AND GRANTS RECEIVED BY SECTOR, CIRCA 2009

	Organizations	Contributions, Gifts and Grants
Education (excluding higher education)	5%	71%
Health (excluding hospitals)	14%	75%
Arts and Culture	2%	55%
Environment	2%	51%
ALL 501(C)3 PUBLIC CHARITIES	6%	74%

FIGURE 1. STRATEGIC PHILANTHROPY'S LEARNING CURVE: BRINGING JUSTICE AND STRATEGY TOGETHER FOR PHILANTHROPY AT ITS BEST

economic disparities we confront. The imbalance of funding and over-resourcing of already well-endowed organizations results in a less effective and responsive philanthropic sector. While philanthropy provides a fraction of funding relative to the public sector, it plays an important complementary role. And when it does not reach the most vulnerable communities, it can exacerbate the very disparities that it seeks to alleviate.

This distribution is not strategic, sustainable or effective. Success requires a healthy ecosystem that includes small and medium-sized organizations, especially those that work at the grassroots level and engage and mobilize underserved communities.

To be clear, large organizations often play an important role in addressing disparities, but a broad spectrum of small and medium-sized organizations do not receive the resources required for a thriving nonprofit sector. As noted in Americans for the Arts' report, *Arts & Economic Prosperity IV*, "Every day, more than 100,000 nonprofit arts and culture organizations populate America's cities and towns and make their communities more desirable places to live and work. They provide inspiration and enjoyment to residents, beautify shared public spaces and strengthen the social fabric of our communities." For example, the Tucson Pima Arts Council launched the Place, Land, Arts, Culture and Engagement (PLACE) initiative in 2010, supported by the Kresge Foundation. The goal is to support arts-focused individuals and organizations working on difficult societal issues within communities that also have a civic engagement component. One such organization is the NEW ARTiculations Dance Theater, which offers workshops for community members of all ages that increased awareness of the issues of riparian ecosystems, water scarcity and the ecology of the Sonoran Desert.

Increasing Focus on Social Justice

- Emphasis on social and systemic change
- Prioritizes and empowers underserved communities
- Advocacy, community organizing and civic engagement by those most affected



Increasing Focus on Strategy

- Emphasis on measurable impact
- Evidence-based strategy
- Clear goals
- Feedback

Politically, it makes sense, too.

Philanthropy will lack vitally important constituencies needed to make meaningful progress on any issue unless grantmakers use a social justice lens while developing their strategy. Most of the impacts documented in the education, health, environment and arts and culture reports suggest that long-term change is contingent on direct engagement with a spectrum of constituents. The work of Health and Environmental Funders Network (HEFN) suggests that success in one's issue is amplified when grantmakers work collaboratively across issues and fund multi-issue advocacy and organizing. Indeed, several of the successful campaigns documented in the reports were the result of multi-issue, cross-race coalitions. For example, HEFN's strategic support of cross-issue collaboration by funders and nonprofit partners led states from Maine to California to ban hazardous substances. And, recognizing the "gender gap," the HEFN Working Group on Women's Environmental Health was established to promote women's leadership in the environmental movement and highlight issues of concern to women.

The working group collaborates with the Catalysts Collaborative to amplify women's voices in chemical policy reforms and builds relationships among funders working on reproductive justice, health and rights.

The demographics of our country also provide a political rationale to reconsider grantmaking strategy. Race persists as a fundamental way that individuals identify themselves – and our country will have a non-white majority population soon. Indeed, the 2010 census noted that for the first time in documented history, non-white births outpaced white births. Age is another important factor – our population is younger and foundations must consider what the changing demographic trends imply for developing grantmaking strategies. The presumption of race neutrality is misguided and diminishes impact. Targeted funding within universal programs is strategic because it addresses "the needs of the particular while reminding us we are all part of the same social fabric."

Philanthropy by and large does not provide funding for advocacy and organizing, despite the potential of these two strategies to produce

lasting impact. On the rare occasion that it does, it prioritizes top-down, high-level national advocacy groups. Grantmakers overwhelmingly do not engage with their most potent grantees or communities – organizations that respond to pressing needs as articulated by the community. This is also a lost opportunity to build the needed political will to effect changes that philanthropy seeks in our society. As Sarah Hansen notes in our report for environment and climate funders, “any push for environmental change that fails to prioritize communities of color is a losing strategy.” The same holds true regardless of issue focus.

However, there are signs of hope – truly strategic funders provide critical funding to community-led education organizing efforts such as the Coalition for Educational Justice California has some of the nation’s strictest diesel truck standards because members of the environmental community worked strategically with grassroots groups that receive foundation monies and focus on different parts of the environmental movement, engaging and consulting with them throughout the campaign.

Social capital and civic engagement are bolstered when grantmakers adopt this approach in their strategies.

Bridging Silos

The two common themes discussed in this analysis provide a sound rationale for grantmakers working on any issue to reconsider traditional silo-ed approaches to advancing their specific issue of interest. The current funding ecosystem is misaligned; it is imperative to diversify the organizations that receive funding if grantmakers want to see more impact and success. There also are limitations to funding only one issue when issues are interconnected and represent a system; when any one

part of a system is changed, the impact is on the entire system.

Funding groups that work directly with intended beneficiaries of philanthropy offer the needed resources to mobilize these change-agents. It is especially necessary to fund organizations that work with or for communities across the lines of race, gender, class and other identity markers. If more foundations worked collaboratively and provided funding for multi-issue policy engagement work such as advocacy and organizing, and prioritized underserved communities, the potential for sustainable, systemic reform is incredibly high. ■

Niki Jagpal is research and policy director of the National Committee for Responsive Philanthropy (NCRP).

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13. John A. Powell, “Race-sensitive Policies through Targeted Universalism,” *America’s Future Now! Conference*, Washington, D.C., June 3, 2009.
14. Hansen, p. 29.
15. Ibid, p. 21.

Diversity in Michigan's Philanthropy

(continued from page 1)

support for voluntary action to become more diverse and inclusive" has established roots in the state. A group of "early adopters" from within CMF's membership has been deeply engaged in transforming their foundations' internal cultures, policies and practices, and the way they engage with community stakeholders and partners. The results of their efforts are beginning to have a noticeable impact in the communities they serve.

SEEDING A MOVEMENT

TMP was officially launched in March 2009 at a Detroit symposium co-hosted by CMF and the Diversity in Philanthropy Project. Over two days, close to 90 individuals (including CEO-led teams and trustees of Michigan foundations, as well as experts and partners from across the country) debated and imagined what could be achieved through TMP. The discussion was framed by the findings of three studies commissioned by CMF to document current demographics, policies and practices of foundations in the state.

Among other recommendations, symposium participants requested that CMF provide them with an expert-led peer-learning program that would provide a safe space for candid conversation about diversity and inclusion, and a curriculum that would result in individual, team and organizational transformations. After extensive research, CMF invited Beth Zemsky (an expert in social movement building, intercultural competency and systems change) and Dr. Lynn Perry Wooten from the Ross School of Business at the University of Michigan (an expert on organizational strategy and culture) to design and serve as lead faculty for the Peer Action Learning Network (PALN) on diversity and inclusion.

Designed to build knowledge and skills in intercultural competent leadership, management and grantmaking,

PALN has engaged CEO-led teams from eight foundations – many of them participants in the 2009 symposium – in a year-long immersion curriculum based on the Intercultural Development Continuum (IDC) (M. Hammer, 2011).

The program begins with baseline Intercultural Development Inventory (IDI) assessments to measure the "intercultural competence" levels of individual team members and their organizations. Based on their IDI profiles, which present information on how respondents make sense of and react to cultural differences, each team works to set learning objectives at the individual, team and organizational levels.

Over the course of the year, teams participate in six one-day seminars designed to help them move to the next stage of intercultural sensitivity as outlined by the IDC model (see p. 10).

Seminars include presentations, group exercises and other activities to help participants develop understanding and skills in organizational culture change, team building, managing power dynamics and intercultural competent conflict resolution. Between meetings, teams complete action-learning projects based on actual work responsibilities and receive monthly coaching support to achieve their learning goals.

In 2013, CMF retested all PALN participants and their foundations' employees using the IDI. Preliminary findings show a statistically significant change in levels of individual and organizational intercultural competence. On average, participants moved the equivalent of one level – from the minimization stage to the acceptance stage, or from acceptance to adaptation – after completing the PALN program.

RIPPLE EFFECTS

It's exciting to see the impact of PALN graduates on their foundations' organizational cultures, their engagement with grantees and community partners,

and their strategies for increasing equity in the state. The ripple effects extend beyond anything the bold project team at CMF imagined in 2008. Here are just a few examples.

Grand Rapids Community Foundation

In 2006, the board of trustees of the Grand Rapids Community Foundation (GRCF) declined to approve a proposed anti-discrimination policy for grantees and asked staff to re-present the policy when the foundation *itself* met the demographic, policy and practice requirements it sought to require of grantees. In 2010, GRCF president Diana Sieger – a champion for TMP from its conception during her tenure as chair of CMF's board of trustees – made sure that hers was the first foundation registered for the inaugural PALN program.

Since then, GRCF has sent two teams to PALN, and those teams have initiated and managed significant changes in organizational culture, communications and work with community partners.

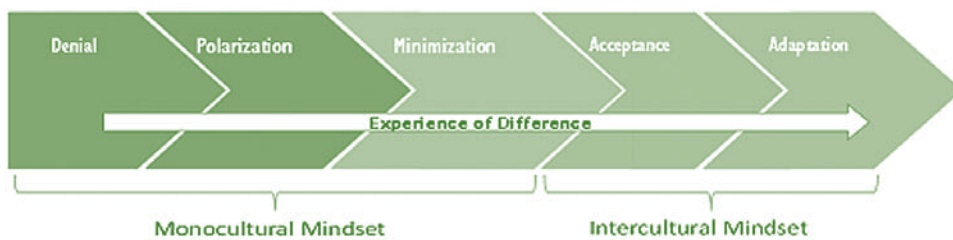
For example, GRCF is currently hosting its first estate planning workshop for civically engaged LGBT individuals or couples, a clear indicator of a more inclusive approach to donor development. The foundation is also participating in a CMF project designed to increase its grantmaking capacity "at the crossroads of issue, population and place" and to effectively support LGBT individuals and other marginalized communities within existing grantmaking guidelines and programmatic frameworks.

Just recently, GRCF was honored as one of the first recipients of a community certificate recognizing anti-racist organizations. And, in April 2013, the foundation's board of trustees officially approved that anti-discrimination policy for grantees.

Kalamazoo Community Foundation

Another PALN three-year veteran, the

INTERCULTURAL DEVELOPMENT CONTINUUM



(KCF) is also making progress toward engaging a more diverse group of donors. The focus of its PALN action project has been building a base of donors from among women of color in the Kalamazoo area.

President and CEO Carrie Pickett-Erway notes that PALN has helped KCF become a learning organization that encourages and supports a continuous cycle of learning, action, reflection and improvement, eliciting staff input to improve communication and interaction with community stakeholders.

For example, with a more nuanced understanding of intercultural differences, KFC staff initiated changes to the foundation's annual landscape scan, asking stakeholders to share ideas on emerging community trends and to make suggestions regarding the foundation's work and the organizations it should partner with.

Most recently, KCF revised a long-standing anti-discrimination policy required of grantees when staff realized that it did not address the unique differences of religious institutions but rather focused solely on those of minority-led nonprofits. A series of internal discussions led to adjustments that more effectively honored those differences, resulting in a significant increase in satisfaction among all staff and greater opportunities to support valued religious institutions serving the community.

W.K. Kellogg Foundation

During the three years that teams from the W.K. Kellogg Foundation

led by president and CEO, Sterling Speirn, the organization has made significant changes to its human resource policies and practices. Today, racial equity programming strategies are essential to organizational goals. As part of the yearly performance review cycle, racial equity and valuing people are two of the critical success factors against which all employees are assessed. In addition, all employees are expected to have at least one performance or learning goal related to racial equity.

Human resources analyst Deborah Green says that WKKF, like many organizations, "initially focused its internal diversity efforts on counting people." But the foundation has come to understand that real diversity and inclusion are about "so much more than the demographics. They're about the experience that staff members have while they are here and how all of our actions influence the work environment, from learning about and celebrating our differences to addressing structural barriers that perpetuate inequities."

As the result of a PALN action project, WKKF has revamped its core customer service training for all staff members, from a corporate model that did not address cultural considerations as part of customer needs to one that integrates intercultural competency into the curriculum. The foundation also includes an introduction to the IDC and individual IDI assessments as part of its on-boarding for all new hires.

MOVEMENT BUILDING

The success of the TMP initiative is being measured through the lens of social movement building. Key indicators of success are:

- Mobilizing a base of individuals around issues they are passionate about.
- Sharing a long-term vision for change.
- Going beyond a single issue to a set of connected issues.
- Challenging current conditions and assumptions.
- Building the organizational and leadership infrastructure to support sustainable, long-term change.

CMF and the growing group of foundation champions engaged in TMP through PALN and other activities are moving the needle on each of the movement building indicators. To date, CMF has engaged staff and trustees from more than 100 foundations in this work, expanding it in 2011 to include a major initiative on equity.

One of the most exciting indicators that TMP is having the catalytic role envisioned by the CMF board is the interest PALN alumni have created through sharing their stories with leaders in higher education, government and the nonprofit sector. As Michigan's movement for equity continues, the likelihood of achieving that once audacious vision seems within reach. ■

As a vice president for the Council of Michigan Foundations, Vicki Rosenberg designed and managed the audacious Transforming Michigan Philanthropy Through Diversity and Inclusion initiative and related equity initiative. She is now president of Vicki Rosenberg & Associates and advises CMF on TMP and directs PALN and related equity programs. Her work with clients continues to promote transformative change in the philanthropic sector.

National Community Reinvestment Coalition (NCRC)



Washington, D.C.

www.ncrc.org

Est. 1990

An interview with NCRC president and CEO, John Taylor.

NCRP: *NCRC recently held its annual conference with 600-plus attendees. What did the organization learn from its members about what's happening in local communities as the country emerges from the economic recession?*

JT: Our members reaffirmed to us that this crisis is far from over. While Wall Street and parts of middle America are rebounding, poverty in low-income and minority America has deepened.

Though the housing and economic recovery has started to take hold in some places, other cities and towns are still dealing with growing numbers of underwater homeowners, a continued stream of foreclosures and a lack of investment and available credit for homeowners and small businesses.

Leaders from local governments and community organizations, even those from places where things are looking better, told us that cuts from sequestration and other budget reductions pose a real threat to the recovery and the work they do. Those cuts, combined with Neighborhood Stabilization Program funding – which has made a big difference in many places – running out, mean that they have to turn to private sources for funding. Unfortunately, in many places, banks have not been stepping up to fill the gap; in fact, they're pulling back by closing branches, decreasing lending and the like. There are still a lot of people out there who are hurting, and communities need financial institutions to invest as government funding sources run dry.

While much of America celebrates an unemployment rate of 7–8 percent across the country, there is a severe shortage of jobs

in communities of color and low- and moderate-income neighborhoods. Further, many of the available employment opportunities offer low wages with little or no benefits. Unemployment rates in some communities are higher than 20 percent.

Our annual conference and membership are constant reminders that while many great efforts have been made, the disparity in income, assets, education, health care and opportunity is dismal for nearly half of America. The so-called poor class is growing larger with little hope of abatement. Eventually, people will get more organized and the wealth and economics of our nation will work in a more democratic manner. The NCRC membership is at the vanguard of this movement and its efforts will create more opportunity for all as time goes on.

NCRP: *How can foundations be more helpful to NCRC and the organization's member base?*

JT: The biggest growth in community development in low- and moderate-income neighborhoods occurred in the 90s when CRA was enforced like never before. Compared to today's 1 percent CRA failure rate, nearly 10 percent of all banks received a failing CRA grade. In the U.S. Department of Treasury, the OCC and the White House, leaders at the highest levels were promoting the value of CRA. During this period, we saw the largest growth in community development corporations (CDC), community development financial institutions (CDFI) and more importantly safe and sound loans to low- and middle-income populations. In both 1994 and 1995, African Americans witnessed a 50 percent increase in the total amount of prime home loan originations.

CRA changed because advocates organized to rewrite the rules, create real transparency in Home Mortgage Disclosure Act (HMDA) data and increased public comments and action around bank applications to acquire other institutions.

It was also during this period that CRA advocates organized to get the new CDFI legislation passed that would put hundreds of millions of dollars into local CDFI efforts.

The point is that advocacy matters.

Foundations could be more helpful by providing patient, sustainable funding for advocacy and organizing. We see a persistent problem that foundations like to support the next new thing, creating new organizations and funding new models, when perhaps existing groups simply need more support to build their capacity and go to the next level.

Foundations need to get into communities to see what is happening. We see it every day as we provide housing counseling, provide women- and minority-owned businesses with training and technical assistance, and hear from our members and board leadership who are working to build access to capital, credit and basic banking services in the field.

Finally, community leaders welcome the foundation community into the national and local conversations on how to address poverty and related matters. However, they should not lead that conversation but rather participate in it as they engage local leaders. Unfortunately, the trend in many foundations is to dictate what is needed in low- and middle-income communities as they hold a checkbook above the heads of those who have more experience and real answers to our nation's challenges. ■



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January 2013

This report examines the philanthropic claims made by these four megabanks to offset bad publicity from their role in the economic meltdown of 2008 and serial law breaking.

Real Results: Why Strategic Philanthropy is Social Justice Philanthropy

January 2013

In this report, NCRP contends that strategic philanthropy is limited by its top-down, technocratic approach and recommends the use of approaches familiar to social justice philanthropy to address these limitations. The authors draw on common themes seen in the High Impact Strategies for Philanthropy report series to demonstrate how a social justice approach produces concrete results and society-wide benefits regardless of issue focus.

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