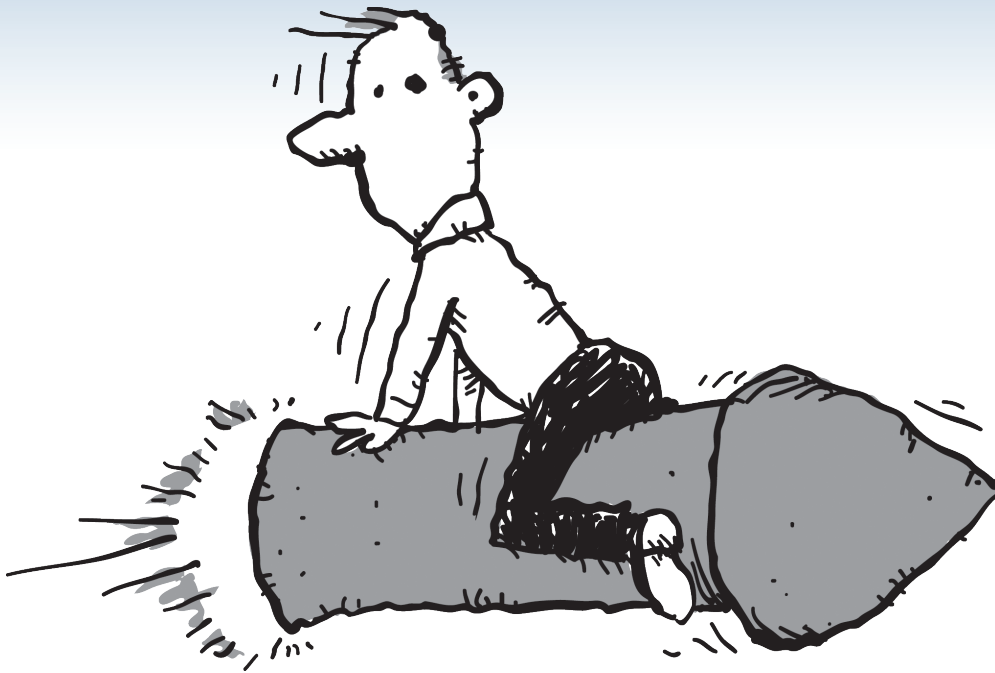


# Responsive Philanthropy



NCRP'S QUARTERLY JOURNAL

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## COF 2.0: Is This What The Field of Philanthropy Really Needs?

As we approach the fifth anniversary of the economic correction and reflect on how much the landscape has changed for the nonprofit and philanthropic sectors, it is important to consider whether grantmakers fully recognize that we have entered what Mario Marino describes as “an era of scarcity.”<sup>1</sup>

This era is marked by a shrinking base of public sector support for a significant part of the nonprofit sector. On a national level, our economy appears to be recovering, but it will be years before we see any restoration of government support to pre-2008 levels. This is now an era of doing more with less. As one New York City nonprofit leader wryly noted, “flat funding is the new up.”

It is a heavy lift to ponder how our country will try to do the same, or more, with less funding at the federal, state and local levels and provide essential things like a social safety net for 49 million Americans at or below the poverty line. The fact of the matter, whether we

By Doug Bauer

know it or not, is that our role as private funders has changed because of these daunting challenges.

The traditional scaling models of the past will most likely not work now or in the future. We, as funders, have to engage the public sector as we never have before. Public and private dollars will have to be utilized and leveraged as effectively and efficiently as possible across all issue areas. To meet these new challenges, we need a new vision from our most critical infrastructure groups that support our field, and they must operate in much different fashion.

*(continued on page 13)*



challenging grantmakers  
to strengthen communities

# A Message From the Executive Director



Dear Readers,

This issue of *Responsive Philanthropy* is dedicated to the memories of Ron McKinley and Bob Edgar, two courageous champions of social justice who were taken from us too soon. Both contributed greatly to NCRP's work to improve philanthropy: Ron spearheaded our *Philanthropy's Promise* campaign in his home state of Minnesota; Bob served on our board of directors. I know readers join me in mourning the loss of these great men. May our memories of them inspire us to speak truth to power, humbly yet with great resolve.

Doug Bauer offers a provocative and thoughtful critique of the Council on Foundations in the cover article for this issue, "COF 2.0: Is This What Philanthropy Really Needs?" Bauer, who serves as executive director of The Clark Foundation in New York, criticizes the current direction of COF under its new leadership and proposes that the sector's largest trade association refocus its efforts on the intersection of public policy with philanthropy if it wants to regain relevance in the nonprofit sector.

In "A Region at the Crossroads: Why Grantmakers Need to Prioritize Investments for Structural Change in the South," Lavastian Glenn of the Mary Reynolds Babcock Foundation writes about the important role of the South in strengthening our country's democracy. She describes funding in the South as low-risk with a high return on investment, and offers three recommendations for foundations interested in supporting progress in the region.

Also in this issue, Molly Schultz Hafid and Kathy Partridge examine the tremendous growth and impact of institution-based community organizing. In "Transformative Philanthropy: Supporting Institution-Based Community Organizing," Hafid, of the Unitarian Universalist Veatch Program at Shelter Rock, and Partridge, of Interfaith Funders, offer compelling reasons why funders should invest in their local IBCOs and share lessons from their own experience in supporting these organizations.

Kevin Laskowski walks us through a crash course on attention deficit disorder in philanthropy. In "A Standard Prescription for Philanthropic ADD," Laskowski writes at length about Grand Valley State University professor Joel Orosz's depiction of the philanthropic sector, the causes and suggested treatment of this sectorwide illness.

Finally, our Member Spotlight features the Blue Shield of California Foundation and its efforts to bring accessible, effective and affordable health care to all Californians, especially the underserved, and to end domestic violence.

We look forward to hearing from you. Send us a note at [readers@ncrp.org](mailto:readers@ncrp.org) to tell us what you think about these stories and what we can do better.

Sincerely,

Aaron Dorfman

## NCRP STAFF

Meredith Brodbeck  
Senior Communications Associate

Sean Dobson  
Field Director

Aaron Dorfman  
Executive Director

Owen Dunn  
Communications & Development  
Assistant

Kevin Faria  
Development Director

Niki Jaggal  
Research & Policy Director

Kourtney Ginn  
Field Assistant

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Communications Director

Lisa Raghelli  
Director of Grantmaking for  
Community Impact Project

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Senior Field Associate

Beverly Samuda-Wylder  
Senior Administrative Associate



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National Committee for  
Responsive Philanthropy  
1331 H Street NW, Suite 200  
Washington, DC 20005  
Phone 202.387.9177  
Fax 202.332.5084  
E-mail: [info@ncrp.org](mailto:info@ncrp.org)

# A Region at the Crossroads

## Why Grantmakers Need to Prioritize Investments for Structural Change in the South

By Lavastian Glenn

Since 2009, communities across the South have endured the fallout of the Great Recession along with a new wave of regressive policy actions that directly affect the civil rights and quality of life of people in the region. Extreme policy shifts, coupled with an organized effort to reduce spending on programs that help low- to moderate-income families, threaten to erode much of the progress achieved in southern states over the last 25 years.

During this time period, frontline social justice organizations leading change within the region were reporting a loss of national funding, along with an inability to make the case for supporting advocacy and organizing to local funders. Long-term supporters of these key infrastructure organizations began convening and asking why foundations are divesting in social justice work in the South at this crucial time.

This group of concerned supporters would become Grantmakers for Southern Progress in 2011. Led by staff from Hill-Snowdon Foundation, Mary Reynolds Babcock Foundation, Open Society Foundations, Needmor Fund, Foundation for Louisiana, Southern Partners Fund, the Greater New Orleans Foundation and the Marguerite Casey Foundation, the working group hopes to inspire national, regional and local funders to engage and collaborate in effective ways to build regional infrastructure for the advancement of democracy and structural change in the South and our nation.

The group released its first report, *As the South Goes: Philanthropy and*

*Social Justice in the U.S. South*, in an attempt to understand funder rationale for investing in structural change work in the South.<sup>1</sup>

This research and subsequent report set out to explore the following questions about social justice work in the region:

- How do local, regional and national foundations think and talk about social justice work?
- Why do they choose to support or not support social justice work?
- What are the major barriers and facilitating factors for foundation support?
- What are some strategies to increase support?

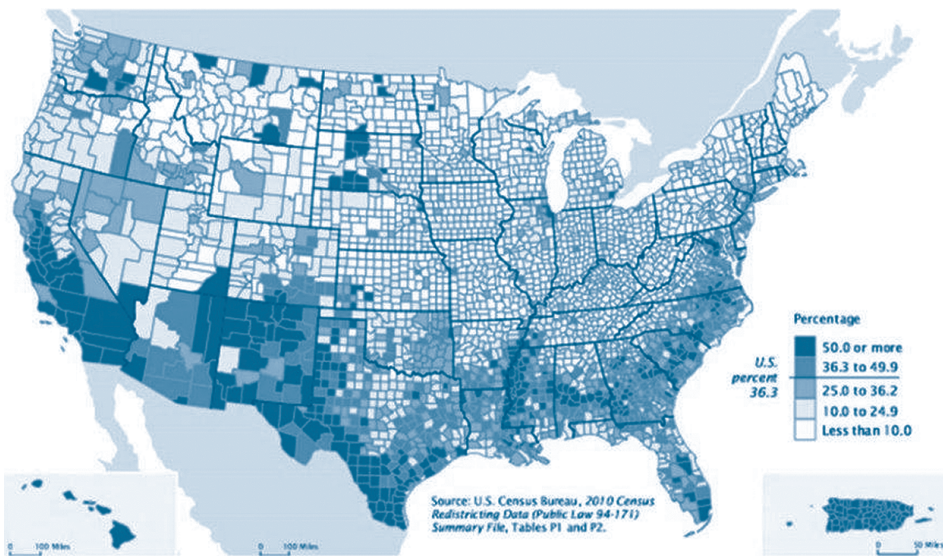
What we've learned has been much richer than anticipated and has implications for adjustments in funder behavior and investment strategy.

The following are key findings from *As the South Goes*:

- Southern and national funders use different languages and employ different strategies. How a funder talks about social justice, or whether the term is used at all, is critical to funder identity, approach and potential for funder partnering. See our companion report on funder language, *Words Matter: Language and Social Justice Funding in the U.S. South*.<sup>2</sup>
- More southern funders support social justice work than is typically understood, whether they call it that or not, employing a range of strategies that include community economic development, youth leadership development, organizing and direct services.
- Many funders who support social justice work in the South do so based on a belief that the region drives national trends and that supporting efforts to challenge regressive policies slows the advancement of such policy trends across the country. In addition, the persistence of historic and severe structural inequities serves as an incentive for funder investment.
- Funders that don't support social justice work in the South cited a lack of infrastructure, capacity and available funding partners. Other

Our region  
is poised  
at a crossroads  
that will  
direct the future  
of our nation.

## MAJORITY OF PEOPLE OF COLOR COUNTIES



Map credit: *The Institute for Southern Studies*

reasons included a perception of a dearth of social justice organizations and an overall perception of the region as a “lost cause.”

- This study found evidence of a larger pool of Southern funders and organizations that pursue a social justice agenda than previously assumed.

Our definition of social justice is: Any *structural or systemic change* that increases the *opportunity* and improves the *outcomes* for those who are *least well off socially, economically and politically*, and that *engages those most impacted in authentic partnerships*. Given what we learned about the challenges of using the term “social justice,” we prefer to talk about our goal for southern “progress.”

We envision progress as access to public resources and political processes, improved quality of life, and fair and equitable treatment of all people. Progress also means strengthened and expanded infrastructure for systemic change, as well as an expanded network of southern and national funders committed to long-term, strategic and

coordinated investments for social justice work in the South. As a working group, GSP is interested in overcoming barriers like language and geography in support of southern “progress.”

### WHY INVEST IN STRUCTURAL CHANGE INFRASTRUCTURE NOW?

Once again, the eyes of our nation are on the South. The combination of post-2012 election demographic analysis and the virulent rightward tilt in some southern states has elevated the attention of policymakers, pundits and philanthropists on the region. Demographic changes are creating a new majority made up of African Americans, Latinos, Asian-Americans, and young and urban whites. These changes are creating the potential for new southern leadership and political power that is more inclusive of low-income families and serves communities of color more equitably.

Political scientists who are framing population changes in the South as an opportunity for building political power do so with the caveat that demographics are not necessarily destiny. This potential must be nurtured and developed through strategic investments

in civic engagement, organizing, policy advocacy and leadership development. If we examine the policy battles playing out in statehouses across the region, it would be clear that moderate and progressive leadership has been completely marginalized, while the existing progressive infrastructure has been outspent and out organized. In North Carolina alone, the last few months have seen the repeal of the Racial Justice Act, the passing of voter identification legislation and an end to federal unemployment benefits for 70,000 North Carolinians. An additional 100,000 residents will lose their benefits in a few months. The North Carolina General Assembly passed a budget that defunds affordable housing organizations and community economic development programs, and makes cuts to Medicaid coverage, access to affordable HIV medication and public education funding

To resist the most harmful policies and capitalize on the potential political power of a new majority, funders and community leaders must invest in strategies that improve and grow democracy throughout the region.

### A ROLE FOR PHILANTHROPY

GSP exists because of our personal and institutional commitments to improving the lives of our neighbors who are the least well-off. There is a shared belief that solving entrenched structural problems that undermine the social, political and economic well-being of entire communities is core to improving conditions for all Americans. We believe that organized philanthropy can play a supporting role in helping local people and organizations improve systems and policies that strengthen democracy and improve outcomes for families.

As local and regional funders, we acknowledge how hard the work is in the region. However, based on our collective experiences alongside evidence obtained through the *As the South Goes* report, we

believe many opportunities exist to invest in the South for regional and national impact. The following are our recommendations to foundations interested in supporting progress in the region:

**1. Develop a deeper understanding of the social justice landscape in the South to uncover hidden talent and capacity.**

Despite its challenges, the South is not a “lost cause” for investments. In fact, because of the scarcity of resources, southern organizations are resilient, entrepreneurial and open to collaboration. This has led to impressive incremental change throughout the region, for example passage of progressive criminal justice reform in Georgia in 2012 and the preservation of reproductive rights for women in Mississippi in 2012.

**2. Build strategic relationships with southern funders for greater alignment and collaboration to achieve structural change.**

Allies and supporters of structural change do exist within the region. They may approach the work differently because of the historical, cultural and political climate, but southern foundations are willing to play a supporting role in improving local communities. Understanding the philanthropic landscape is also critical to surfacing potential partnerships and building relationships among funders. For example, funders in Alabama have supported and advocated for increased state support for early childhood education, constitutional reform and the creation of a state housing trust fund. In Arkansas, the Winthrop Rockefeller Foundation facilitated a positive statewide conversation about immigration through investments in sound research and messaging focused on demographic changes and economic impact. The foundation also has guided struc-

tural changes in the state’s public education system, including the adoption of the Common Core state standards and the creation of the Vision 2025 Legislative Commission on the Future of Higher Education.

**3. Generate new approaches for investing in social justice organizations by thinking “outside your box”.** Social justice funding is limited within the region. Southern organizations not only need more funders, they need patient capital to achieve long-term, systemic change. Our chances for continued incremental change increase if we, as funders, place appropriate timelines to calculate return on investments, because many of the challenges we hope to address within the region have 5–20 year time horizons. Challenging ourselves to stretch beyond our institutional traditions to find ways to deploy the various forms of capital held by foundations is critical to moving the South forward.

Our region is poised at a crossroads that will direct the future of our nation. Never before have foundations had so little to risk and so much to gain by investing in the advancement of southern democracy through structural and sys-

temic change. Although the social, political and economic contexts change from state to state, ample resources are available in institutional and community leadership, organizational capacity, investment capital and relationships that can be leveraged with significant implications for the health of local communities.

Grantmakers for Southern Progress hopes more foundations will join us in this important conversation and effort to better understand the South as a region ripe for investments and critical to the creation of a just and caring America. ■

*Lavastian Glenn is program officer at Mary Reynolds Babcock Foundation.*

## Notes

1. See <http://www.nfg.org/index.php?ht=d/sp/i/25788/pid/25788>. GSP is grateful to NCRP for its generous help in the research for *As the South Goes*. NCRP provided information on foundation grantmaking in the South and lists of nonprofit organizations that strengthened the initial survey work carried out for *As the South Goes*.
2. Available at <http://www.nfg.org/index.php?ht=a/GetDocumentAction/i/25810>.



*Photo by Christine Rucker*

# Transformative Philanthropy

## Supporting Institution-Based Community Organizing

By Molly Schultz Hafid and Kathy Partridge

*The cinder block church, in the shadows of the freeway and the city's new, towering sports arena, was an anchor in this poorest part of town. On a site visit as program officer of the Needmor Fund, Kathy listened to the earnest visions of the pastor and gathered residents – for fair city services, better school funding and safety. This was in the 1990s, and the organization was rather typical of the community organizing of the day – neighborhood-based and addressing city-level issues. But these leaders, and their organizer, also shared visions for expanding to win important reforms at the state level, and even beyond. They got the grant – general support, renewable for four years. Now, just over a decade later, this organization is not only powerful at a state level, but influences Congress and the White House on health care and immigration, and was a key player in voter turnout. Expanded more than tenfold, with increased racial, religious and geographic diversity, and an impressive track record on the issues, a new name reflects its statewide organizing. Kathy considers that initial grant to be among the most effective actions of her philanthropic career.*

As long-time funders of community organizing and movement-building, Interfaith Funders knows that institution-based community organizations (IBCO) like this are transformative – person-by-person and community by community. Interfaith Funders is an affinity group of secular and faith-based funders, and over the last two years we have worked with academic researchers to conduct a comprehensive census of IBCOs. The census builds on the baseline data collected in 1999 and provides us with the rare opportunity to look back and measure the real changes in this field.

What we found through our State of the Field project demonstrates the value of funding multi-issue, multi-constituency community organizing, as well as the merits of general operating support and multi-year funding. Below are observations from our *Building Bridges, Building Power: Developments in Institution-Based Community Organizing* report about the structure and approach of institution-based community organizing, how it has expanded over

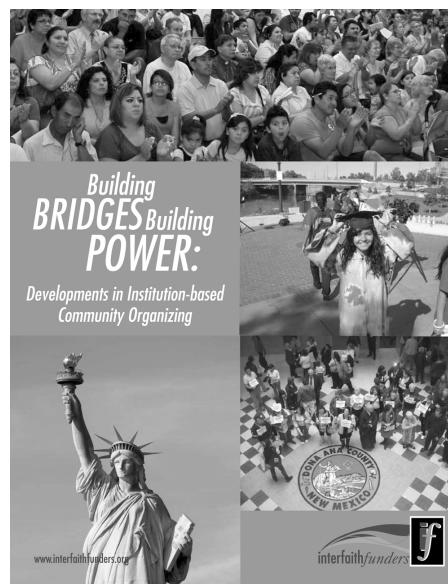
the past decade, the current funding of the field, and some recommendations for philanthropy.

### ORGANIZING INSTITUTIONS TO STRENGTHEN COMMUNITIES

Over the last decade, we have seen an increasingly polarized political discourse that often uses the most extreme elements from different religious

traditions to weigh in on crucial public policy questions of our time. These extreme voices have a distorting influence on the social concerns many of us care about. The groups we studied are the antidote. IBCOs are essential for tapping into a crossroad in American civic and political life. They tend to be diverse groups of institutions coming together, powered by volunteer energy and led by democratic principles to learn about community needs, identify policy solutions and advocate for meaningful change.

Institution-based community organizing is a form of organizing pioneered by Saul Alinsky and is one based in community institutions such as schools, houses of worship, unions and social service organizations. IBCOs are now found in 40 states, comprised of more than 4,500 institutions that collectively represent more than 5 million Americans. Most are locally-based nonprofit organizations, the majority affiliated with networks, the largest being the Industrial Areas Foundation,



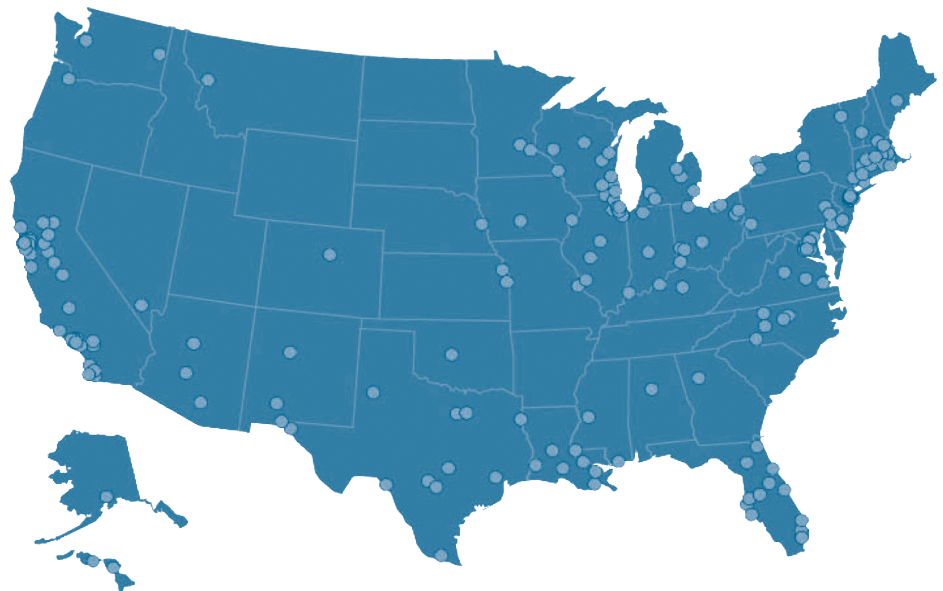
PICO National Network, Direct Action & Research Training Center and Gama-liel Foundation (Figure 1: U.S. Map).

The nearly 200 IBCOs seek to build democratic participation and improve social conditions in low-income and working-class communities. They bolster public life by identifying leaders and developing them into effective advocates for their communities. Employing a wide range of strategies, they influence public and private decision-makers to influence a multi-issue agenda such as poverty and economic inequality, education, health care, immigration, housing, criminal justice and employment.

IBCOs engage a diverse cross-section of community members. Some of the most notable axes of engagement are:

- **Race and Ethnicity:** The membership, staff and leadership of IBCOs are representative of the communities they serve. People of color are engaged at levels that meet or exceed (in the case of African American involvement, by double) their percentage in the population. The majority of leaders (staff and volunteer) are people of color. And increasingly, explicit discussion of racial justice occurs within these cross-racial ties.
- **Socioeconomic:** Because IBCOs are composed of schools, houses of worship, unions and local service institutions, their membership and leadership reflect the broadest range of economic backgrounds within a community.
- **Immigration:** More than half of the IBCOs surveyed are working on comprehensive immigration reform, two-thirds of these at the national level. This is noteworthy because immigrant institutions (largely churches) make up only one-seventh of the overall IBCO membership. However, the large proportion

**FIGURE 1: Institution-Based Community Organizing in 2011**



Map credit: *Interfaith Funders*

of faith communities involved in IBCO helps to bring in a diverse set of stakeholders based on their faith teachings.

- **Religion:** IBCOs bring together people across religious barriers including Muslim, evangelical Christian, Jewish and other faith communities, as well as secular institutions. Catholic, Protestant and historic African American denominations undergird the diversity of the organizations. This allows diverse faith institutions to work on community issues of shared concern across religious differences.

#### DYNAMIC EXPANSION IN SCALE AND IMPACT

IBCOs today are generating valuable social capital by bridging these divides. Over the 10 years studied in our census, we found three noteworthy forms of expansion:

- IBCOs are in more than 40 states (up from 33 in 1999).
- In 1999, they worked mostly at the local level. They have since leveraged their membership in national

networks to work at state, regional and national levels.

- More than three-fifths of IBCOs are working with other local, state and national partners on significant campaigns to influence state and national policymaking, nearly all of these beyond their formal network affiliation. This is a major shift from the previous survey in which fewer than one-fifth indicated collaboration beyond the local arena.

Taken together, these three forms of expansion are evidence of a new capacity for this field that links vigorous local organizing to a strong presence in higher-level political arenas, which translates into meaningful community change. For example:

- **Immigration:** Grassroots lobbying and media campaigns for comprehensive immigration reform complement the strong advocacy of national organizations, whose efforts are bolstered by the in-district public actions by local IBCOs. At the same time, rights for undocumented immigrants have been

advanced locally (such as stopping police impoundment of vehicles) and through work in coalitions at state levels (helping pass “DREAM” acts in California, Illinois and Colorado).

- **Wages:** IBCOs pioneered the living wage ordinance model, and now work regularly at state levels against governors’ budget cuts in education, safety and social services. Nationally, IBCOs work in coalition to strengthen financial reform legislation.
- **Health Care:** Proud IBCO leaders, including children, witnessed President Obama’s signing of the State Children’s Health Insurance Program (SCHIP) authorization (after two earlier presidential vetoes) and went on to play a key role in the coalition for the Affordable Care Act. This national work built on local commitment to health care access, such as winning passage for health clinics in targeted poor communities where there was overuse of emergency rooms.

## ORGANIZING MONEY

IBCOs have an impact that is far greater than their budgets and staff would suggest. Since 1999, the median annual budget for IBCOs has increased from \$150,000 to \$175,000, but adjusted for inflation, this represents a net decline of 12.5 percent in effective revenue for the average IBCO.

There has been a diversification of funding from largely denominational support to recognition by secular foundations that this work is an important part of their overall portfolios. Over the past 10 years, the percentage of support for IBCOs from secular funders has increased from 30 percent to 39 percent.

The increasing recognition by secular funders enables the current impact and future potential of this

field. The aggregate funding of the local IBCO organizations surveyed was \$5 million in 2011, up from \$3 million in 1999.

## RECOMMENDATIONS FOR FUNDERS

It is rare in our field to have baseline data for the issue areas or fields we are looking to support. One of the most valuable findings from our census is that multi-year, general support of community-based groups has a measurable impact. We encourage you to check out your local IBCO and see if it is working on an issue of interest to your institution.

Here are a few other lessons learned from our long-term support of this field:

1. **Like any other field, this is one with its own jargon, methodology and institutional histories.** Interfaith Funders and the State of the Field project are a great place to start for an overview. Our census is a flexible tool that can be accessed around many questions you might have about demographics and issues.
2. **The potential of this field is huge and it is certain to overlap with your funding interests.** New IBCOs are being built every month and have the potential to work in any town in the country.
3. **Faith-based networks vary in their approaches to organizing.** If you are planning to fund the work at a local or state level, be sure to assess each individual affiliate as a stand-alone organization. Ask them which network they are affiliated with and reach out to the national staff of that network to learn more about long-term plans for work on your issue or specific geographic area.
4. **If you have significant investments in several states, or you discover you have a cluster of faith-based**

**grantees, consider supporting for one or more of the national networks.** They provide important recruitment, training, national strategy and other helpful services to their affiliates.

5. **IBCOs are fundamentally democratic organizations made up of volunteers with limited staff support.** The amount of work they accomplish can be remarkable and because they are human, there can also be down periods. If you have met a group and weren’t that impressed, don’t be afraid to take another look. If you have funded a group that was amazing and is lagging a bit, talk to its leaders about their plans to rebuild and try to be patient with them as they do.
6. **If you aren’t sure where to start, feel free to be in touch with Interfaith Funders and our members.** We might be able to help you get specific ideas of groups to fund – and we can definitely help you with the lay of the land and put you in touch with people in the field. ■

*Molly Schultz Hafid is senior program officer at Unitarian Universalist Veatch Program at Shelter Rock. Kathryn Partridge is executive director of Interfaith Funders.*

## Notes

1. Richard L. Wood, Brad Fulton and Kathryn Partridge, *Building Bridges, Building Power: Developments in Institution-Based Community Organizing* (Longmont, CO: Interfaith Funders, 2013), [www.interfaithfunders.org](http://www.interfaithfunders.org).
2. Rarely in American history have voluntary associations incorporated such a high proportion of citizens: those that have done so have profoundly shaped American society in challenging times.



# A Standard Prescription for Philanthropic ADD

By Kevin Laskowski

American foundations have attention deficit disorder, says Joel Orosz, a former program officer at the W.K. Kellogg Foundation and now a professor at Grand Valley State University. In an op-ed for the *Chronicle of Philanthropy* last year, he wrote:

“The major social ills foundations seek to heal – racism, generational poverty, failing schools – are enormously complex, intricately interconnected, and deeply rooted in America’s history and culture. Big foundations respond to these social ills with grantmaking programs that are too brief, too distractible and too ephemeral: in short, too ADD.”<sup>1</sup>

Luckily (or perhaps unluckily), it’s a diagnosis I have some experience with. What follows is a crash course on Philanthropic ADD: what it is, what causes it and how you might treat it.<sup>2</sup>

## WHAT IS PHILANTHROPIC ADD?

Everyone *gets* distracted, but people with ADD *are* distracted – in multiple settings over a long period of time with negative consequences. Likewise, Philanthropic ADD is characterized by pathological *inattention*, *hyperactivity* and *impulsivity*.

*Inattention.* People with ADD make simple, careless mistakes. They often cannot focus for long periods. They fail to finish projects. They lose things. They’re distracted and forgetful. In fact,

you could be talking directly to a person with ADD standing right in front of you, and he or she (it’s more likely to be a he) might not hear a single word.

Ask any nonprofit executive how unresponsive a foundation can be and you’ll hear stories of missing paperwork, grant decisions that drag out over 18 months of phone tag and crossed wires, and out-of-the-blue rejections and exits.

“It’s ironic,” Orosz told me over the phone. “The easier it has become to reach people, the harder it has become to reach foundations.”

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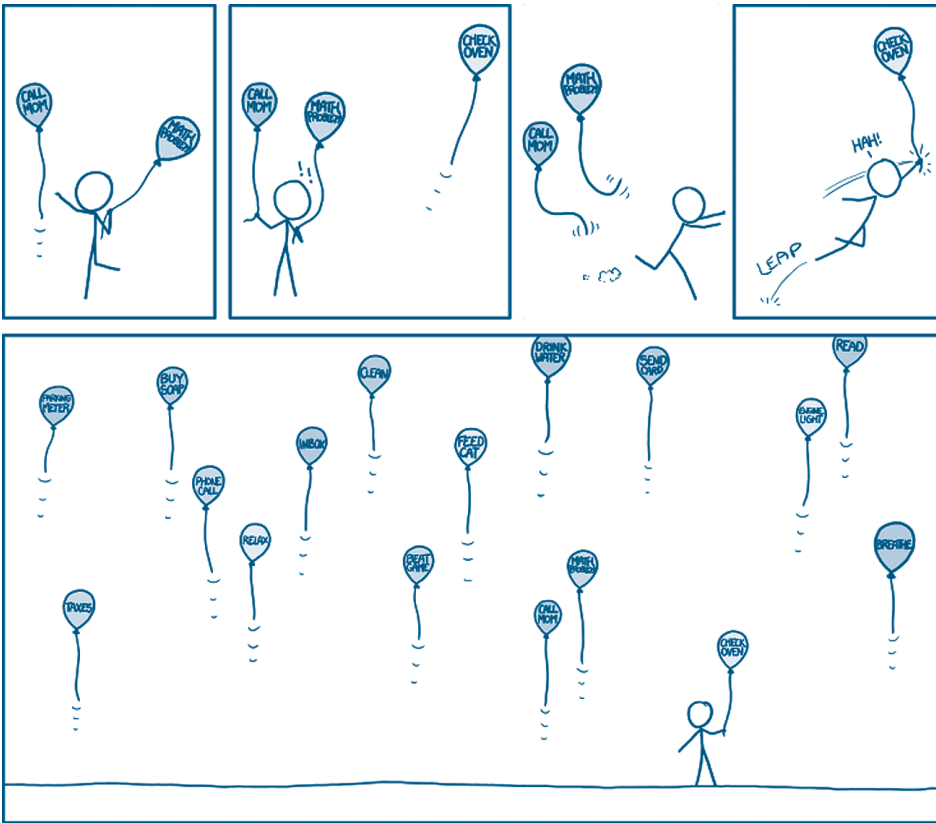
– Joel Orosz

Indeed, foundations as a group have been criticized for lack of communication in the recent recession. While some foundations are true partners to their grantees, nonprofits often wonder if anyone is really paying attention.

*Hyperactivity and Impulsivity.* Children with ADD often fidget, play, climb and leave their seats inappropriately beyond the age when such behaviors are typical. That’s why the disorder is also called ADHD or attention deficit hyperactivity disorder. Adults with ADHD often “grow out” of these kinds of behaviors, but you can see something of it in the colleague who clicks retractable pens during office meetings.

The underlying difficulty with self-regulation remains the same, whether it presents as hyperactivity, impulsiveness or both. People with ADD will often act without regard for the consequences. They interrupt others. They begin and end projects with equal abandon. They make life and career decisions without consulting others.

Similarly, foundations with ADD, as Orosz wrote in his op-ed, “lack focus, patience and commitment.” NCRP has documented philanthropy’s distaste for long-term commitment. From 2004–2010, only one-tenth of sampled funders reported some multi-year grantmaking; fully 90 percent of sampled foundations either do not provide multi-year grants or do not report them.<sup>3</sup> In 2011, just 5 percent of grants and only 14 percent of grant dollars were reported as multi-year support.<sup>4</sup> If



Courtesy of <http://xkcd.com/1106/>.

foundations stick with a grantee, they do so one year at a time, setting off the hyperactive annual dance of reporting and applying for renewal.

Foundations with ADD cannot stick with their own programs, much less those of their grantees. In his article, Orosz lamented a new class of turn-around artist CEOs looking to make their mark by sacking staff, upending past practices and promises, and dragging the community along for the revolutionary ride. Working with foundations can be a constant guessing game: What will these organizations care about today? And who will be in charge? What are they thinking?

In an ADD-addled brain, every stimulus is given roughly equal importance and attention: nothing jumps out. The problem for people with ADD isn't that they cannot focus; they can. It's not that they're not paying attention; they are. The problem is that they're paying near-

ly equal attention to anything and everything. They do not – in a sense, they cannot – organize and prioritize. And that doesn't make for much success. The result, in the formulation given in the classic self-help book *Driven to Distraction*, is this: "You don't mean to do the things you do do, and you don't do things you mean to do."<sup>5</sup>

Does that sound like a foundation you know? Many foundations can too easily lose sight of what's important and grow disconnected from those they claim to serve (inattention). They react restlessly (hyperactivity), moving from project to project with little regard for how communities are affected (impulsivity).

The question is: Why?

### WHAT CAUSES PHILANTHROPIC ADD?

ADD tends to run in families and is thought to be genetic. This manifests itself physically in lower activity in the parts

of the brain responsible for prioritizing stimuli. In effect, everything comes at the ADD brain at once, making it difficult to attend to anything in particular.

In the same way, the field's distraction is genetic. As long as a private foundation operates exclusively for charitable purposes, makes payouts, fills out its Form 990-PF properly and refrains from self-dealing, the law grants foundation board and staff enormous latitude in philanthropic goals and strategies.

Some people can flourish under such conditions while others will struggle. Discretion affords foundations the opportunity to pursue courses of action that businesses and government agencies might be unwilling or unable to undertake. On the other hand, a foundation that can do anything often does. Absent clarity of purpose, a foundation will fail to act on its most important concerns and over-react to others. A charismatic donor, a compelling programmatic vision, or one of Orosz's zealous CEOs might impose order and direction for a time, but what happens then?

The foundation follows the fads, fashions and whims of the moment. Board members and executives divide dollars by preferred program area, geography and strategy and dole them out annually to an ever-shifting portfolio of organizations, keeping up the appearance of action until the next crop of transformational leaders arrives to relieve them – and on and on in perpetuity.

Beyond the law's meager dictates, there is little, if any, shared sense of how a foundation ought to operate. As a result, despite any flashes of brilliance, foundations with ADD will always have trouble delivering on their promises with any consistency or lasting impact.

### HOW DO WE TREAT PHILANTHROPIC ADD?

Treatment for ADD typically involves a combination of therapy, behavior modification and often medication to artifi-

cially provide the organizing principles the ADD brain naturally lacks.

Philanthropies typically focus with well-defined mission statements, program guidelines and various governance and management policies. All this, however, is largely subject to the changing preferences of board and staff.

If the problem with the ADD brain is that it thinks and rethinks just about everything, then part of the solution is the introduction of some principles and practices that go without saying: the setting of some standards. These standards are then shared with loved ones and colleagues who can hold an individual accountable.

Unfortunately, philanthropy as a sector has stubbornly – and hypocritically – opposed as a threat to its license anything even approaching professional standards. If philanthropy wants to overcome its ADD, that has to change.

“The suggestion that foundations should be held to some sort of professional standard is met with harsh cries,” Orosz told me. “There are no standards in the foundation world. We’re coming up on the fiftieth anniversary of the fundraisers’ code [in 2014]. Foundations complain that a code of ethics would crimp their freedom to operate. That’s the whole point of a code of ethics –to crimp your freedom to act badly.”

Foundations should be encouraged to give an account of their fundamental purposes, principles and practices, both individually and collectively. And they should hold themselves and one another to that account.

What should people be able to expect from foundations generally and from your foundation especially? Beyond the law’s prescriptions, how should a foundation behave – how will your foundation behave – regardless of what programs it pursues or who is in charge?

Without something of this account, it is difficult, if not impossible, to make sense of the competing demands for

philanthropic attention and resources to ourselves and to others.

### THE TRAGEDY OF ADD

The tragedy for many people with ADD is the haunting contrast between the person they know themselves to be and the person their family and friends see every day, between the person they might have been and the person they’ve managed to become.

Foundations with ADD may think of themselves as innovative, strategic organizations funding groups and finding success where governments and business fear to tread, but is that what others see? Is that what grantees experience? Is that what the public sees? Is that what Congress sees? That potential contrast should trouble a field that sees no need for standards.

Foundations  
with ADD  
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what others see?

“My biggest fear is that we enter a debate on taxes, the discussion spirals out of control, and an enterprising eminence will look for a scapegoat and point to foundations,” Orosz told me. “He will ask, ‘What have you accomplished lately?’ and foundations will have no hard evidence to point to. What then?” ■

*Kevin Laskowski is senior research and policy associate at the National Committee for Responsive Philanthropy.*

## Notes

1. Joel Orosz, “To Solve Society’s Problems, Grant Makers Need Focus and Patience,” *Chronicle of Philanthropy*, March 18, 2012, <http://philanthropy.com/article/Foundation-Attention-Deficit/131185/>.
2. I do not pretend to have, much less offer, a comprehensive theory of ADD, its true causes or appropriate treatments. I have only my experiences. I think viewing philanthropy’s difficulties (and nonprofits’ difficulties with philanthropy) as ADD might prove helpful. I hope the result is more of an exercise in perspective than it is in projection.
3. Niki Jagpal and Kevin Laskowski, *The State of Multi-Year Funding* (Washington, D.C.: National Committee for Responsive Philanthropy, 2012), <http://www.ncrp.org/files/publications/PhilanthropicLandscape-StateofMultiYear-Funding-Revised.pdf>.
4. Niki Jagpal and Kevin Laskowski, *The State of Multi-Year Funding 2011* (Washington, D.C.: National Committee for Responsive Philanthropy, 2013), <http://www.ncrp.org/files/publications/PhilanthropicLandscape-StateofMultiYearFunding2011.pdf>.
5. Edward M. Hallowell and John J. Ratey, *Driven to Distraction: Recognizing and Coping with Attention Deficit Disorder from Childhood Through Adulthood* (New York: Random House, 2011), pp. 157–158.

## New and Renewing Members

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# COF 2.0: Is This What the Field of Philanthropy Really Needs?

(continued from page 1)

## THE NEW COF: WELL-MEANING BUT GOING IN THE WRONG DIRECTION?

For more than 60 years, the Council of Foundations (COF), our leading infrastructure group, has been an important resource for its members and the field. It also has been an important source for individual professional development, as its members serve on various committees, plan conferences, participate in research and so on. In its heyday, when James Joseph was president, COF was an active organization full of energy and intellect. In more recent years, COF has become an institution that has not been robust and, as a result, membership has declined.

For many foundation executives, it is getting harder and harder to justify a four-, five- or six-figure check for dues to COF. Foundation board members have been rightfully asking what they are getting in return for such a large annual investment? The answer, especially in the last 10 years is, not enough.

Vikki Spruill joined COF last summer to take over an organization that needed direction and rejuvenation. Spruill is a nonprofit executive, a former grantee and a public relations expert. She also managed an early stage of the Philanthropy Awareness Initiative and served as a trustee for a grantmaking public charity. The hope, of course, was that a new CEO would bring new ideas, energy and enthusiasm – something that the council needed desperately.

After assessing the lay of the land, Spruill has decided to basically do what COF has always done: be *The Ed Sullivan Show* of philanthropy and provide a little bit of everything to everybody. In a July 9, 2013, letter that was widely distributed to stakeholders of COF, Spruill stated that COF needs to be effective and responsive. She then cited four guiding principles: stronger public policy, productive thought leadership, a thriving philanthropic network and an effective and responsive organizational structure.

While those principles are certainly acceptable, is this really what COF should be focusing on? The short answer is no.

What the field needs is for the council to focus entirely on the first principle: public policy. We need the council to be a true industry association and to fully engage on public policy and its intersection with philanthropy. The council should be staffed not to engage the various factions within philanthropy – community foundations, small foundations, corporate foundations, independent foundations and so on – but should monitor and influence legislation and regulations across a set of issues areas: K–12 education, the environment, the arts and others. COF should also have some staff dedicated to issues that directly affect the way we work every day, as well as monitor, and work with, the tax exempt division of the IRS.

The reason for this shift is because the council should be measured the same way we measure other grant-

ees: by its results. The council's results should be informed by its members and their desire for clear public policy outcomes for their grantees and their ultimate clients or constituencies.

Here's what the 2.0 version of COF with a robust policy shop could look like:

- Deeply engages all stakeholders within the Beltway about the role of philanthropy in an era of scarcity.
- Carefully manages what policymakers can rightfully expect from our sector's involvement in any social benefit.
- Nimble serves as conduit of proven ideas and programs supported by philanthropy that can be utilized or implemented by government entities.
- Aggressively share and disseminate outcomes-based research.

This policy focus for the new council would seek to reinvent the public-private partnership across a spectrum of issue areas, and make sure that the work of our grantees thoroughly and convincingly informs policymaking. Additionally, we shouldn't be afraid to adopt the strategies and tactics of other organizations that have been successful.

## REALLOCATE RESOURCES TO GET COF A BIGGER AGENDA

If COF restructures itself and realigns its talent and resources to the single-focus task of influencing policymakers, then programs that don't fit should be outsourced to other appropriate entities.

Other parts of the philanthropic infrastructure have grown and demonstrated their ability to deliver programs and content. We simply don't need duplication of effort.

For example, Foundation Center's CEO Brad Smith and his team have brought the organization into the 21st Century and it is fully utilizing technology to disseminate research, data and best practices. If all goes well in the near future, the center should have a Bloomberg-like platform for funders and non-

We need COF

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completely

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profits to use in their daily work. The center is also continuing to do training and programs on a national scale. Given its capacity and access to current research and data on the field, why shouldn't the center assume management of the council's current annual conference?

The 30-plus regional associations (RAs) are another huge component of the field's infrastructure. One of the biggest head scratchers in the 2.0 version of COF is the establishment of regional representatives who will help the council stay more current on what is really happening out in the field. Six of these representatives will be housed in RAs throughout the country. This whole strategy seems redundant. Council staff can simply stay in touch with RA leadership around the country and gather the same intelligence. Indeed, the mechanism already exists: The Forum of Regional Associations is currently embedded at the council's offices in Virginia.

More importantly, the RAs are a huge driver and delivery mechanism for professional development and knowledge sharing. The Foundation Center and the RAs have the ability and capacity to deliver a robust platform that can inform and advance best practices in philanthropy. And finally, RAs are building more capacity to pursue public policy agendas at local and statewide levels. This important work also can help inform a public policy agenda driven by the council.

Such a shift would relieve the council of a huge responsibility, reallocate its internal resources and free it up to focus fully on public policy engagement. It also begins to bring some common sense to an infrastructure that has grown dramatically and cannot be sustained indefinitely.

#### THE AGE-OLD QUESTION: HOW DOES THIS GET FUNDED?

COF is funded largely through membership dues – and in the short run, this model cannot be easily changed.

COF uses a classic dues formula – one widely shared by RAs and various affinity groups. While many complain about the cost of joining or maintaining membership in the council, many of the very large foundations do it out of a sense of duty and citizenship.

It doesn't have to be that way. There are 100,000-plus private foundations in the U.S. The council has about 1,800 members (representing, about 90 percent of the assets that exist within our field). If COF shifts to being our turbo-charged policy force in D.C. our sector wants and needs, then a broader base of members is required. COF should charge less but should have many more members. It can do that by demonstrating real value in triggering impact in D.C. in policy battles.

I understand all too well that setting dues and obtaining adequate resources is not easy. The Association of Small Foundations (ASF) charges \$795 in annual dues and has captured more than 3,000 members. That dues revenue, however, only covers about 50 percent of ASF's operating costs. On the other hand, Philanthropy New York covers more than 85 percent of its operating budget through dues from its 280+ members.

The point is that the council of tomorrow does not need to be burdened with a dues structure of yesterday. It should find a different funding formula, one that will help capture a broad base of support that allows COF to truly say it represents a real cross-section of the field.

#### SO WHAT? WHY SHOULD A GRANTMAKER CARE ABOUT THE COF AND ITS ROLE?

The council is an underperforming asset and at a crossroads. Many were hoping that true winds of change were going to blow through to rethink and restructure the council and its role. A year later, it looks like not nearly enough has changed – and some

duplication of services to boot. It is clinging to an old structure and way of serving its membership in a highly dynamic and innovative environment. In its current state, it is hardly a pioneering organization.

Now and in the future, the field requires a council that is assertive and can ably represent the field to stakeholders inside the policymaking system. It also needs to be able to speak with authority on behalf of the field.

My goal is not to demean the council and its staff and board. To the contrary – I write this because I believe that COF can be exactly what we need. I have been active in various council committees and initiatives for more than two decades. Much of my professional development has been accomplished through work with COF and I am committed to having a council that contributes meaningfully to the field and our grantees' agendas.

This is the time to shift the council and its resources so it becomes a potent public policy force that really matters to its membership and our grantees. We need COF to be active, energetic and completely relevant again – not just to the field of philanthropy but to the nonprofit sector as a whole and to the communities and causes we all strive to serve. ■

*Doug Bauer is a 25-year veteran of the field and is the executive director of The Clark Foundation in New York City and Cooperstown, N.Y. He has served on various boards and committees of philanthropic infrastructure groups including chair of Philanthropy New York. He is the current chair of Confluence Philanthropy.*

## Notes

1. Mario Morino, *Leap of Reason: Managing to Outcomes in an Era of Scarcity* (Washington, D.C.: Venture Philanthropy Partners, May 2011).

# Blue Shield of California Foundation (BSCF)

San Francisco, CA

[www.blueshieldcafoundation.org](http://www.blueshieldcafoundation.org)

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## **An interview with Brenda Solórzano, the BSCF chief program director.**

*NCRP: What is the foundation doing to aid the implementation of the Affordable Care Act (ACA) in California, and how does that contribute to the foundation's mission of improving the lives of all Californians?*

BS: BSCF has long been committed to the transformation of California's health care system to improve access to care for all. With the passage of the Affordable Care Act, the foundation further reinforced this commitment to systems transformation through targeted support for grantees, providers, key stakeholders and policymakers as they respond to new challenges and opportunities.

Even before the ACA was signed into law, BSCF was investing in its future. Our first grants went to support California's efforts to secure a Medicaid waiver that would serve as the "bridge to reform." Grants included support to convene key stakeholders, conduct research and develop the successful waiver application. Through this initial groundwork, California was able to establish the low-income health programs (LIHP) that are currently providing coverage for more than 600,000 previously-uninsured, low-income adults across the state.

BSCF is helping strengthen California's health care system and improving the efficiency, efficacy and reach of safety net providers. For example, the foundation has made investments in a number of strategic areas, including new care delivery and payment models, the development of performance-measurement

tools, research into the health care preferences of low-income patients, leadership training and care coordination.

To help ensure that policymakers have the tools they need to support the successful transformation of our health care system in the lead-up to January 2014 and beyond, BSCF grants are currently supporting new policy analyses and proposals for federal resources, as well as funding for the transition of LIHP enrollees into Medi-Cal or other coverage options through Covered California.

*NCRP: Why does the foundation prioritize giving that benefits and empowers underserved communities?*

BS: Research shows that underserved communities experience a greater burden of health challenges. Historically and currently, health disparities fall along the same fault lines as wealth disparities. In addition to lack of financial resources, fewer educational opportunities, language barriers, and rural and hard-to-reach locations mean that marginalized populations have less access to the services that keep them healthy and safe.

BSCF works to build a world in which everyone – regardless of income or background – has access to high-quality health care and domestic violence (DV) services, and the systems that provide those services are strong and effective.

*NCRP: Ending domestic violence is one of the foundation's two main program areas. Why is this issue so important and what are examples of how foundation funding has shown results?*

BS: BSCF has a longstanding commitment to the issue of domestic violence, and is the state's largest private funder of DV services and prevention efforts.

As many as one in three women will experience domestic violence during her lifetime, affecting people from all ethnic backgrounds and all education and income levels. With a focus on two outcomes – providing greater access to services and improving systems of care – BSCF supports a broad spectrum of DV projects and practices to effectively reach these goals.

To improve access to services, BSCF partnered with the Robert Wood Johnson Foundation to fund teen dating violence prevention programs in California. We've seen this project work successfully across the entire Los Angeles Unified School District, which has adopted a district-wide safety policy and is using innovative approaches to recognize and effectively respond to teen dating violence among middle school students.

To improve systems of care, we've also made significant investments in preventing violence in military families. Through this work, we've produced new research and training models, have seen greater national interest and investment in this issue, and spurred a number of cross-sector collaborations to respond more effectively to and prevent intimate partner abuse within the homes of our veterans.

Additional investments include grants to encourage culturally competent DV services for California's diverse populations, as well as capacity-building, leadership training for DV service providers, general operating support and forging new partnerships. ■

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***The Philanthropic Landscape*** May 2013

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***Take and Give: The Crimes and Philanthropy of Bank of America, Wells Fargo, Goldman Sachs and JPMorgan Chase*** 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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