

The California Endowment

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www.calendow.org

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An interview with The California Endowment President & Chief Executive Officer Robert K. Ross, M.D.

NCRP: The California Endowment has increased its funding of advocacy and community organizing over the years. Why has the foundation's support of these strategies grown?

RR: One of the myths in philanthropy today is that giving away money must be easy – and it's not. A second myth is that philanthropy is about the business of taking risk – and in my experience, philanthropy is far more risk averse than typically assumed. Another myth, in my opinion, which relates to this question of advocacy, is that philanthropy needs to worship at the altar of innovation. My view is that while innovative ideas and the search for problem-solving innovation seem to represent the holy grail of philanthropy, innovation is overvalued. I think what's undervalued and underappreciated is the issue of power, and that the root of most of the social problems that plague our nation – health reform, education reform, fiscal government reform, housing reform – are not fundamentally innovation problems but power and inequity problems. As a result of that, we have over the years increasingly been attentive to issues of advocacy, voice and power building in underserved communities and populations, and our grantmaking reflects that.

NCRP: The California Endowment and its leaders have taken an increasingly active role in directly promoting changes in the policy or regulatory environment, for example, the recent amicus brief to the Supreme Court. Why does the foundation feel it's important to take stands like these?

RR: Over my decade in philanthropy, I've underappreciated the bully pulpit as a resource in the tool belt of philanthropy. Everyone understands that we're grantmakers, but philanthropy has tools and assets in its belt beyond grantmaking; sometimes they're in the form of convening and facilitation and sometimes they're in the form of amplifying voice. We'd rather see our grantees rallying to use voice and assert issues of equity, and we don't intend to speak for them. In this particular case of health reform, the folks that we talked to from a strategy perspective, said there was a role the California Endowment could play as an organization that's uniquely positioned, cares about what happens in the health care system, but doesn't stand to financially benefit in any way from the rulings. That was part of the reason we asserted support for the Amicus Brief in favor of the Affordable Care Act. We've begun to pick our spots and use our voice when we think having our voice has a unique benefit.

NCRP: What else is going on at the Endowment?

RR: We've jumped into the swimming pool on mission investing and are now using a portion of our investment portfolio to address economic development and community development needs in the communities. We had a very successful first go-round with it when we engaged community leaders about how to reduce childhood obesity in their communities. They asked if we could help them gain access to fresh fruits and vegetables in disinvested communities, so we created a fresh foods financing fund called Fresh Works, and deployed \$30 million of our investment portfolio toward incentivizing independent grocers to bring fresh produce to these food desert communities. We now have a \$240 million fund with 40 potential deals in the pipeline. We're not pretending to solve their poverty and unemployment problems, but we can contribute using our investment portfolio in some way toward their economic development and community development challenges. It's a small thing in the scheme of this recession but I think our board feels very good that we were smart enough to listen and take the risk of doing something we'd never done before.