

Community Philanthropy and Public Service

Practice Models of Giving, Civic Engagement and
Leadership Development



UNIVERSITY OF ARKANSAS
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COMMUNITY
PHILANTHROPY





The University of Arkansas Clinton School of Public Service is the first graduate program in the nation offering a Master of Public Service (MPS) degree. The program is designed to help students gain knowledge and experience in the areas of nonprofit, governmental, volunteer, or private sector service work and strengthen their commitment to the common good.

The Center on Community Philanthropy at the Clinton School has a vision to expand the knowledge, tools, and practice of community spawned and community driven philanthropy. The Center promotes community philanthropy as the giving of time, talent, and treasure that when invested in community results in positive change and long-lasting improvement.

The Center is unique in its mission to study philanthropic concepts and acts emerging from within communities. It is a place for learning about philanthropy in a way that becomes understood and practiced by a new wave of donors, foundation board and staff members, community leaders, and policy decision-makers.

The views and opinions expressed in this publication are held by the authors and do not necessarily represent the position of the Clinton School or the Center on Community Philanthropy. Any reference to specific commercial products, processes, or services does not constitute an endorsement by the Clinton School.

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The logo for the Clinton School of Public Service, featuring a blue wavy line that ends in a white five-pointed star.

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Foreword

The Center on Community Philanthropy is committed to diversity and equity, cornerstones of the University of Arkansas Clinton School of Public Service. Our program promotes community philanthropy as an approach to social change with lasting impact. We believe that strengthening families and strengthening communities are among the most important and challenging tasks in the Delta region.

Beginning in 2012, the Center on Community Philanthropy welcomed our third cohort of Scholars in Residence, who have shared their models of and lessons learned through community philanthropy in their fields.

During each scholar's week of residency at the Center, he or she wrote an essay on community philanthropy, interacted with students and faculty, and, ultimately, presented his or her scholarship. The goal of gathering these scholars was to catalyze broader acceptance of community philanthropy as an innovative, effective means of improving the lives of vulnerable people. We hope to increase understanding of the capacity of community philanthropy in the field at large.

We are excited to introduce our third compendium from the 2012 to 2015 Scholars in Residence at the Center on Community Philanthropy, *Community Philanthropy and Public Service: Practice Models of Giving, Civic Engagement and Leadership Development*. Each scholar's work represents a unique view of community philanthropy and illuminates the creative ways in which community philanthropy can be a conduit for positive social change and a vehicle for public service. At the Center, we believe that anyone can be a philanthropist through giving their time, talent, and treasure, and our scholars' work embodies the success stories demonstrating that belief. The imagery on the front and back covers of this publication is a reflection that civic engagement, patriotism, and philanthropy can all be demonstrated through acts of public service.

We are especially honored to present this body of work at our 2016 National Conference on Community Philanthropy and Public Service, which is themed *Elevate Children*. This compendium provides real examples of how communities across the United States are using community philanthropy to bring positive change to children and families in unique and effective ways. We hope you will use these examples as tools in your own communities. While at the conference, we hope you will connect with practitioners and learn more about how the Center on Community Philanthropy at the Clinton School of Public Service continues to help strengthen the philanthropy sector in this region through positive social change innovation.

This work is made possible through generous grants from the W.K. Kellogg Foundation and the Winthrop Rockefeller Foundation.

Charlotte Lewellen-Williams, DrPH MPH, Associate Professor of Public Health and Director, Center on Community Philanthropy, Clinton School of Public Service, University of Arkansas



Introduction

A critical part of the mission of the University of Arkansas Clinton School of Public Service is to educate and prepare professionals in public service to work to ensure equity, challenge oppression, and create positive and lasting social change. One way we fulfill that mission is through the vital work of the Center on Community Philanthropy.

Established in 2007, the Center provides leadership in promoting local issues and concepts related to community-based philanthropy as a powerful tool of social change; implements a strategic approach to convening with the goal of creating a shared understanding among community

members; and, as you will see exhibited throughout this compendium, contributes to the research and scholarship on innovative models and practices of community philanthropy.

The Center's third cohort of scholars, whose essays make up the Center's third compendium, *Community Philanthropy and Public Service: Practice Models of Giving, Civic Engagement and Leadership Development*, each spent time sharing expertise with both students at our school and community members in our state. This compendium highlights the Center's ability to bring together a diverse group of scholars and experienced practitioners to contribute to our knowledge of effective community philanthropic practices.

As you will see in the following essays, the scholars lay out an array of issues facing communities around the nation and provide proven strategies based on their decades of work in the field. These scholars are improving their communities in myriad ways, including using advocacy to improve public policy outcomes, building respect between funders and grantees, and addressing civic engagement among African American men.

I know the insights they share will challenge you and move you to continue your work in community philanthropy and public service. Let us continue to create change so that we all can live in—and future generations can grow up in—thriving communities that value diversity, equity, and social justice.

Susan A. Hoffpauir, Ph.D., Associate Dean, University of Arkansas Clinton School of Public Service



Diana Aviv is CEO of Feeding America, the nationwide network of food banks that leads the fight against hunger in communities across the United States. From 2003 until 2015, she was the president and CEO of Independent Sector, the national leadership network for nonprofits, foundations, and corporations, whose mission is to advance the common good by leading, strengthening, and mobilizing the charitable community. Aviv is a leading speaker on emerging trends within the sector, the financial state of the nonprofit community, public policies affecting charities and foundations, the role of civil society in democracy, and civic engagement. She has testified before Congress and has been featured in media outlets, such as *The New York Times*, *The Washington Post*, *The Wall Street Journal*, NPR, and MSNBC.com. She previously spent nine years at United Jewish Communities. A native of South Africa, Aviv graduated with a B.S.W. from the University of Witwatersrand in Johannesburg and received a master's degree in social work at Columbia University.

Using Advocacy to Improve Public Policy Outcomes: A Guide to Effective Civic Engagement

Introduction

President Bill Clinton observed in his first inaugural address that “there is nothing wrong with America that cannot be cured by what is right with America.”

A fundamental belief in fairness, hard work, self-reliance, and risk-taking—plus a penchant for dissent—are all considered quintessentially American. From our nation's earliest days, Americans also have joined forces to find solutions: to achieve independence, pursue justice, and create opportunity. An early visitor from France, Alexis de Tocqueville, observed that “In every case, at the head of any new undertaking, where in France you would find the government or in England some territorial magnate, in the United States, you are sure to find an association.”

Over time, our ever-evolving legal system supported—in principle at least—the inclinations of the citizenry to take the initiative to make life better for themselves and for others. These actions have been in service of improving life in communities, but also have included efforts to encourage government to support policies helpful to our citizenry. The final clause of the First Amendment to our Constitution guarantees the right for Americans “peaceably to assemble, and to petition the government for a redress of grievances.” Pressing government to take an action or support a cause has been a vital and essential part of our democracy. The people are guaranteed the right to challenge their public officials and are guaranteed protection from vengeful actions for doing so. This is an extraordinary right, so revolutionary that its enforcement at times has been weak and sporadic, particularly where the push for justice buffeted deeply-held prejudices or corrupt power structures.

Over the decades, charitable organizations have—while working within the rules and laws that govern their activity—sometimes found ways to petition government or persuade lawmakers to adopt their priorities. Through carefully honed advocacy campaigns and often in partnership with a groundswell of supporters across the country, these leaders helped secure the abolition of slavery, women's suffrage, amnesty for political prisoners, life in the mainstream for Americans with disabilities, the protection of endangered species, global consciousness-raising concerning climate change, and affordable health care in America—to name just a few.

As difficult as advocacy by civil society organizations has been in the past, these organizations continue to face great challenges today, including operating in a crowded and highly competitive field of influencers—many of whom have more substantial resources available to them. Further, many charitable organizations are uncertain about what they are legally permitted to do with regard to advocacy. Add to that, there is no commonly agreed upon definition of nonprofit advocacy. Independent Sector’s seminal work, *Beyond the Cause: The Art and Science of Advocacy*, describes it as follows: While there is no legal definition of advocacy, for the purposes of clarity, nonprofit advocacy is attempts by nonprofits to influence government decisions through direct and indirect means, including communication with policymakers, grassroots mobilization, and education. Lobbying, a legal term, is any attempt to influence legislation by stating a position on specific legislation to legislators or other government employees who participate in the formulation of legislation (known as direct lobbying) or by urging the organization’s members or the general public to contact their legislators with a position on specific legislation (known as a “call to action”).

Pressing government to take an action or support a cause has been a vital and essential part of our democracy. The people are guaranteed the right to challenge their public officials and are guaranteed protection from vengeful actions for doing so.

The American political process experienced a substantial influx of money as a result of the landmark 2010 U.S. Supreme Court decision, *Citizens United v. Federal Election Commission*. It gave corporations and unions the ability to make unlimited independent expenditures, including through 501(c)(4) social welfare organizations, which may engage in unlimited advocacy and lobbying to advance their social purposes, and may engage in limited political campaign activity as long as it does not constitute the primary activity of the organization. The 501(c)(3) charitable sector, even prior to the *Citizens United* decision, was a relatively modest player in policy debates, owing to its limited financial clout and prohibition from engaging in partisan political activity.

Political action committees, known as PACs, are permitted to campaign for or against specific candidates, ballot initiatives, and legislation and contribute to candidates up to specified levels. Super PACs can raise and spend funds without any limits on donation size, but cannot give funds directly to candidates or political parties or coordinate with them. They must also publicly disclose the identity of their donors, which is not a requirement for 501(c)(4) organizations. A June 2012 report by the Center for Responsive Politics and the Center for Public Integrity found that 501(c)(4) organizations outspent Super PACs by a 3 to 2 margin in the 2010 election and nearly 90 percent of the spending by 501(c)(4) organizations was done by organizations that never publicly disclosed the identity of their donors. During the 2012 election cycle, news outlets highlighted electoral campaign spending by 501(c)(4) organizations, often making no distinction between 501(c)(4) social welfare organizations that have long engaged in issue advocacy and those apparently created specifically to circumvent campaign disclosure rules and/or engage in partisan political activity. In addition, press reports that use the term nonprofits often do not distinguish between 501(c)(4) organizations and 501(c)(3) charitable organizations, creating confusion and a reputational risk for charitable organizations. The public has long supported nonpartisan advocacy by charitable organizations, as long as it has not involved partisan political activity.

The Pros and Cons of Advocacy and Lobbying

Lobbying expenditures for large pro-business groups skyrocketed in the last quarter of 2012, fueled by the elections, an atypically active Congressional lame-duck session, and the intense political dueling pertaining to the so-called fiscal cliff negotiations between the Obama White House and Republican-led House of Representatives. According to data analyzed by the Center for Public Integrity, the biggest spender was the U.S. Chamber of Commerce, the country's preeminent business advocacy group. In 2012, its lobbying expenses exceeded \$125 million, an 88 percent increase over 2011. This did not factor in the group's spending on the 2012 elections, which came to an additional \$36 million. Similarly, the National Association of Realtors spent \$41.5 million lobbying Congress and the Obama administration in 2012, with just over a third of that amount expended in the last three months of the year. *The Economic Costs of Tax Policy Uncertainty* concluded in 2012 that business investment was down because of the explosion in lobbying: businesses were moving money away from expanding and hiring and toward lobbying Washington for favorable tax treatment.

In contrast, many nonprofit charitable organizations have shied away from broad advocacy and from lobbying activities in particular. These organizations steer clear of an advocacy role for a number of reasons. According to *Nonprofit America: A Force for Democracy?*, a survey conducted by Johns Hopkins University's Center for Civil Society Studies in partnership with seven leading nonprofits, the top three factors impacting charities' lobbying efforts are lack of staff time, lack of staff skills, and reliance on coalitions.

Other reasons offer additional insights as to why a variety of private "funders" and charities don't engage in advocacy—including a lack of clarity about what types of advocacy and lobbying they are permitted to fund and undertake. Public charities and private foundations must consider two types of federal law—lobby disclosure law and the U.S. tax code—and five definitions of lobbying at the federal level (and multiple rules at the state level as well) as they navigate the world of lobbying (see *Beyond the Cause*, p. 169).

Public charities formed as tax-exempt 501(c)(3) organizations have the right to advocate for policies that are consistent with their missions, and they may also engage in a limited amount of lobbying and in nonpartisan election-related activities like get-out-the-vote drives or candidate forums. (Sections 503 through 505 set out the Internal Revenue Service's requirements for attaining such exemptions.) Private foundations, another type of 501(c)(3) organization, are generally not permitted to lobby (with some exceptions, which include self-defense, nonpartisan research and analysis, technical assistance to legislative bodies, and discussions of broad social problems), but they can inform public policy in other ways, including by providing general operating support to charities that lobby on issues. Public charities and private foundations are prohibited from engaging in partisan political campaign activity. Government funding cannot be applied to lobbying activities—an important restriction for organizations with few resources outside of government funding.

The law treats community foundations differently than private foundations. As 501(c)(3) public charities themselves, community foundations may directly fund and engage in lobbying to the same extent as other public charities. Community foundations are in a position to promote nonprofit advocacy in three ways: by directly funding and training

grantees in their area to engage in lobbying; by directly educating and training their donors with donor-advised funds on the importance of nonprofit advocacy and the law; and by convening stakeholders in their community to lobby on critical community issues. (The Center for Lobbying in the Public Interest lays out the parameters for foundations at www.clpi.org/the-law/foundations.)

Foundations and nonprofits, large and small, have learned that taking some solutions to scale may well depend on negotiating new policies and partnerships with government.

Notwithstanding that they are permitted to do so, many private foundations and their legal advisors continue to have reservations about allowing their general operating support grants to be used by organizations on public policy advocacy or lobbying. Some foundations have included prohibitions in grant agreements that go beyond legal requirements. Even among charities that are aware that lobbying is permissible, confusion about what constitutes “appropriate lobbying” is widespread and many fear that they will unintentionally cross the line into electioneering and partisan political activity. Resources that describe what is permitted under the law are available online from the Internal Revenue Service, Independent Sector, and the Alliance for Justice.

The deep confusion engendered in recent decades concerning advocacy and lobbying and the heightened concern about outdated rules and spending limits on these activities by charitable organizations have fueled an interest in simplifying and updating the process. In 2011, Independent Sector convened attorneys and other experts to consider what, if any, changes should be recommended to the rules governing lobbying by public charities and private foundations. The group unanimously agreed that the rules were confusing and outdated, and that the dollar limits imposed decades earlier should—at the very least—be adjusted for inflation. They further believed that the rules could be modified by a combination of regulatory and legislative changes to allow private foundations more latitude both in funding lobbying activities and being subject to the same rules as public charities. Efforts to move these recommendations forward have been slowed down by other pressing issues facing the charitable sector and by some major foundations, worried that a legislative initiative in this area might, as a quid pro quo, precipitate other unwelcome changes to the rules governing private foundations.

Additional Obstacles and Inhibitions

Lack of knowledge about effective advocacy process and strategy and the value it potentially affords to multiply a donor’s impact. Mastering an effective advocacy strategy requires an initial commitment of time and attention, but the return on investment is more than worth it. The former director of advocacy and policy at the Bill & Melinda Gates Foundation, Greg Shaw, has noted: “There is absolutely a role that philanthropy can play in giving voice to evidence-based arguments and policy positions that don’t otherwise get heard” (*Investing in Change: Why Supporting Advocacy Makes Sense for Foundations*). Foundations and nonprofits, large and small, have learned that taking some solutions to scale may well depend on negotiating new policies and partnerships with government. Yet, in a survey by Johns Hopkins University’s Center for Civil Society Studies and the Center for Lobbying in the Public Interest, charities reported that foundations too often “discourage or even prevent” advocacy.

Boards and staff are reluctant to appear “political,” especially with social services organizations. At times, staff and boards of directors of charities have worried that engaging in advocacy and lobbying might adversely affect grants and contracts that they receive from government. However, there are many examples of very effective social service organization advocates who have obtained more funding, become more visible as actors in the problem-solving arena, and acquired more credibility with funders because of their (use of private dollars to support their) advocacy efforts. Further, private sector funding, while critical, does not begin to meet the budget requirements of most direct service organizations. According to the Urban Institute, in 2009, on average, social service organizations received 60 percent of their revenues from government sources, 19 percent in private donations, and 16 percent in fees from public and private sources.

There is much to be gained through the execution of skilled advocacy strategies and much to lose if such strategies are ignored. Our primary obligations are creating impact and achieving outcomes that fulfill our respective missions.

Many charitable organizations lack the skill set or knowledge of the most effective strategies necessary to achieve successful policy outcomes. Some nonprofits worry that they don't know the best way to pursue a campaign. Many charitable organizations that lobby on public policy and regulatory issues seldom achieve their goals on a consistent basis. Independent Sector's research on successful advocacy campaigns revealed that organizations that were consistently successful in attaining their policy goals recognized two distinct phases to accomplishing successful policy outcomes. The first is the ongoing “building work” that occurs on a continual basis, in which the organization builds out relationships with lawmakers, studies the issues, and develops expertise about the environment and opportunities that may be available to advance their

particular policy agenda. This ongoing work ensures that an organization's relationships, reputation, and expertise accumulate over time and helps them become ready to act when an opportunity arises. Key building activities include:

- Cultivating a reputation for integrity and effectiveness
- Securing adequate resources to develop and manage the elements necessary for successful advocacy
- Researching and developing policy solutions
- Building relationships with public officials
- Building relationships with potential allies and managing opposition
- Identifying target audiences and testing messages, and
- Monitoring the public and political climate for windows of opportunity.

The second phase is “campaign activities,” which are concentrated periods when an organization or coalition mobilizes around a single objective or target that supports a broader goal. These activities include:

- Exercising thoughtful leadership
- Continuously evaluating and redirecting activities in response to the environment

- Monitoring the political and economic climate carefully to ascertain the best time to proceed and the optimal approach, being mindful of public officials' circumstances and imperatives
- Working closely with appointed officials and their staff to, among other things, ensure that the public officials coordinate their efforts in support of the goal, and
- Aligning efforts of engaged organizations and grassroots leaders to maximize the impact of related advocacy activities.

Distinguishing and prioritizing building activities over campaign activities was viewed as critical by those consistently scoring public policy successes. That said, these strategies by themselves do not guarantee success. Every advocacy campaign needs a conductor—a skilled leader who will cue communication with public officials, oversee the community outreach strategy, work with grassroots leaders, perform the necessary research, and manage the other components needed to achieve the goals of the organization. It is not only a matter of what is done, the order, and the timing. Every strategy needs a lead strategist of demonstrated ability, clarity, and integrity.

Many organizations do not ask board members with ties to public officials to use those connections to advance the organizations' policy goals. Board members are free to communicate with public officials as private citizens on issues important to them. Some of these board members have strong relationships with public officials and their voice may carry a great deal of weight that can help the organization, so long as the timing, messages, and content are consistent with the organization's objectives. Yet nonprofit professionals don't always work with their board members and key volunteers associated with the organization to help advance a particular campaign or even help with the building activities. When these relationships are not maximized, opportunities are missed.

Examples of Successful Grassroots Community-Based Advocacy

Independent Sector's research produced three case studies of organizations that were consistently successful in achieving their policy goals at the federal level: Human Rights Campaign, Americans for Tax Reform, and General Electric. While their missions, points of view, resources, and organizational structures varied widely, they shared five traits in common that were evident in the successful pursuit of their policy goals. These three organizations:

- Sustained a laser-like focus on long-term goals
- Prioritized the building elements in preparation for their campaigns
- Factored into their strategies the motivations of public officials
- Sought opportunities to achieve short-term goals, and
- Exhibited strong, high-integrity, transparent leadership.

The research also described the successful work of four coalitions of organizations, including small and local organizations which brought to the coalition diverse strengths that better enabled the coalition to achieve critical goals.

One such coalition was the Reentry Working Group, formed to address the dramatic increase in prisons and imprisoned people in the 1980s and 1990s. A bipartisan push for

federal legislation to assist recently released incarcerated individuals involved organizations large and small—among them, the Open Society Policy Center, National Alliance to End Homelessness, Prison Fellowship, National Council of La Raza, and other organizations, including local community-based reentry chapters. The issue of reentry won national attention when it was included in President George W. Bush’s 2004 State of the Union address. However, the hard work of passing the Second Chance Act in 2008 was largely secured through the use of scientific studies (undertaken by the policy think tank Urban Institute) showing the economic and social costs of incarceration. Combined with state budget pressures, these studies (championed by key Members of Congress on both sides of the aisle) led to broad support and passage in just four years of the first-of-its-kind legislation authorizing federal grants to government agencies and nonprofit organizations to provide employment assistance, substance abuse treatment, housing, family programming, mentoring, victims support, and other services that can help reduce recidivism of convicted offenders who have completed their prison terms. Appropriations for the legislation continue, despite pressures to reduce spending. The omnibus federal spending package Congress passed on January 16, 2014, included \$67.7 million in funding for the Second Chance Act.

Conclusion

Hesitations and concerns about advocacy and lobbying activities by charities and foundations are real and must be answered. There is much to be gained through the execution of skilled advocacy strategies and much to lose if such strategies are ignored. Our primary obligations are creating impact and achieving outcomes that fulfill our respective missions.

“Creating High-Impact Nonprofits,” a landmark study of a dozen high-impact charitable organizations published in the *Stanford Social Innovation Review* in 2007, found that their success was “not just about building a great organization and then expanding it to reach more people.” Rather, high-impact charitable nonprofits worked with and through other organizations to generate more impact than they could begin to achieve through their actions alone. As the study concluded, high-impact nonprofits “build social movements and fields; they transform business, government, other nonprofits, and individuals, and they change the world around them.”

Elements described here that are relevant to achieving sustained success in the public policy arena include:

- Understanding the laws and regulations governing advocacy, lobbying, and electioneering via online resources cited above
- Distinguishing and prioritizing the activities needed to ensure that the organization’s relationships, reputation, and expertise accumulate over time and the organization is ready when an opportunity arises, and
- Learning from those who have consistently achieved their policy goals.

As in America’s earliest days, carefully thought through advocacy is one of the essential elements available to charitable and philanthropic organizations to help address pressing public policy concerns. To maximize advocacy’s true potential, our field must understand the right, best ways to go about it and skillfully embrace these paths of promise.

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David Beckwith has worked as a community organizer, trainer, and consultant to community groups since 1971. He has led a national foundation, acted as a consultant for the Center for Community Change, and served as a field coordinator for President Carter's National Commission on Neighborhoods. Beckwith's current work at the Great Lakes Institute in partnership with social justice nonprofits and philanthropy focuses on organizational development, strategic planning, and community organizing. In recent years, he has consulted with the European Community Organizing Network and done training, coaching, and leadership development work in The Republic of Moldova, Hungary, and Romania. In the United States, he has provided support to the Winthrop Rockefeller Foundation and many of their grantee groups in Little Rock, Arkansas, and to the National Committee for Responsive Philanthropy.

Seeing the Whole Field: The Story of Money and How We Can Build Respect Between Funders and Grantees

Late in 1992, in a very messy temporary office in a building in downtown Little Rock, I helped to organize a Neighborhood Roundtable to advise the incoming Clinton Administration. That was a heady time. A generational changing of the guard was about to happen. The new administration's transition team had signaled their openness to the field of community organizing. The fifty folks who came to Little Rock for the roundtable hammered out three simple recommendations for President-elect William Jefferson Clinton:

- **Articulate a vision of America as Community.** This vision must recognize the urgent need to come together to rebuild our communities where they are threatened: in the inner-city neighborhoods; poor rural communities; the barrios; reservations; public housing projects; and ethnic and minority neighborhoods.
- **Adopt a comprehensive community-based strategy to revitalize America from the bottom up.**
- **Recognize the key role of community-based organizations in carrying out that strategy.**

Each recommendation was backed by a brief paper citing the conceptual framework, listing high-priority implementation steps, and offering additional strategies.

The vision articulated by that roundtable is still alive today, and the challenge is still real. Addressing that challenge is what we call community philanthropy.

Why Do We Give?

Community philanthropy is signified by giving on behalf of the common good. Giving may mean contributing time to a PTA or a church group; it may mean giving a monthly pledge to your local public television station. The love of our fellow men and women means giving of ourselves. What are the factors that make the giving mechanism work? What are the obstacles to giving? What factors make it easier for someone to give their

Special thanks to Dr. Charlotte Lewellen-Williams, Director of the Center on Community Philanthropy at the Clinton School for Public Service, and to Sierra Fowler, Abby Olivier, and Robert Pruitt for their support, encouragement, and hard work in preparing this paper.

time, their money, and their attention? In this paper, we focus on these questions and their answers for community-based organizations, as well as for their foundation and individual donors.

The classic relationship between institutional funders and groups that seek their funds is inherently unequal. This inequality diminishes both parties; restoring a balance can help restore that relationship and advance the work that both value.

One critical factor is the narrative into which the giving fits. Is the narrative one of need, with a grantseeker saying, “Things are really bad. We need your help!”? Or is the narrative one of possibility, of opportunity, with the grantseeker engaging the funder by saying, “We can do it! With your help, we can really succeed in achieving our mission!”

Community philanthropy is signified by giving on behalf of the common good. Giving may mean contributing time to a PTA or a church group; it may mean giving a monthly pledge to your local public television station.

When we’re talking about big questions—questions of social change, of public policy—do the askers (recruiters, organizers, and fundraisers) have the tools they need to tell the story of strength, opportunity, and potential? The proposal form rarely gives the opportunity to tell the story of the larger context. Instead of considering one isolated campaign or project, instead of funding one isolated group or effort, the most powerful change makers see the whole field. They consider how the campaign fits the group, and how the group fits the campaign. Powerful, effective change makers consider how this effort meshes with another, and how the network in which the particular project or group is embedded interacts with the whole field of networks.

The Story of Money

The biggest differential in power between grantseekers and grantmakers is in the area of money. Givers have a lot. Seekers have little. This imbalance of power casts a shadow over every conversation. If we look at the larger picture, the Whole Field, we could see a different picture. Focusing specifically on advocacy and organizing groups in the progressive arena, can we change how we tell the story of money in these groups? Three clarifying questions may help us do so:

- Where does the money come from?
- How much do various entities contribute?
- What is the size or scope of the grantmakers versus that of the grantseekers?

Then, can we extend this deeper understanding of the Story of Money into a framework for describing the field of community philanthropy that will be useful for both grantmakers and grantseekers?

A New Approach

Instead of looking at projects in isolation, what if we adopted an approach that describes our work in the context of its relevant field? We could even develop a universally

understood and utilized field map that tells a more accurate story of what is at stake when grantseekers and funders come together.

I propose a simple typology. Organizations—the presenting group, whether a local chapter of a larger organization or an independent nonprofit—can convey context using these concentric circles:

- **Us.** The applying or presenting organization, group, or effort.
- **Our Network.** The system of support, training, information, consultation, and common work on issues in which the first circle is embedded. There should be some formal, written, and probably financial/legal relationship.
- **Our Closest Allies.** Networks, campaigns, and the people and efforts with which the group regularly interacts in important ways.

For each of these circles, the applying group should describe simply the scope and weight that the relationship represents. (The larger networks and allies could agree on the answers to these questions, so that their affiliates and allies can answer accurately.)

Here's what I mean. For the local group or grantseeker, they should describe the project clearly, of course—what is the thing we're doing; what is our hoped-for result. They should describe the organization that the project is embedded in, the whole organization and all its programs and aspects, to give context to the project. They should add a section describing their network, the formal connections, project partners, program supports, affiliations, and collaborations they rely on and participate in. Finally, they should describe their closest allies, those with whom they think and strategize and from whom they draw inspiration and encouragement.

For the grantmaker, in addition to listing the individual project grants they make and totaling the amounts given, they should aggregate the full organizational budgets of these grantee groups. This provides an accurate measure of the field into which their funding is sent. They could aggregate other factors about these groups as well:

- The total dollars raised within their communities
- The number of cities, states, or localities they cover, and
- The number of members, leaders, and activists they engage.

Simply showing the whole field of grantees—instead of isolated projects—provides a more accurate picture of the funder's reach.

Case Study: The Gamaliel Network

Now we can look at some concrete examples. With permission, I will tell the story of the Gamaliel Network. Viewed in isolation, the Network is a series of independent local groups affiliated loosely with a national training and consulting group, which coordinates joint campaigns. These local entities vary in size, from an organization with a total annual budget of \$83,000 to one with a total annual budget of \$767,000. The national entities include the core network and the Transportation Equity Network, which have combined budgets of \$2,050,000. If we view one affiliate in isolation, we see, for example, the Pennsylvania Interfaith Impact Network (PIIN). Based in Pittsburgh, this group has a budget of \$477,650 (2012).

Viewed another way, the network comprises a capacity, measured by annual budget, of more than \$5,399,900. The Pennsylvania group is supported by a series of sister groups and a central network capacity that extends their reach. The thinking and acting ability of that one group is not really described accurately unless it is described in the larger context. As a network, as a field, PIIN and Gamaliel raise \$2,375,956 from internal sources, including dues and local fundraisers.

The conversation between any one of these entities, local or national, and a prospective donor, individual or institutional, is substantively different in these two views. No single institutional donor will ever have more than \$2 million at stake in any given year. The network can enter into relationship with even the largest funder as an equal partner, rather than as a supplicant. The field view may even be valuable in recruiting additional resources. A prospective donor or volunteer is certainly excited to hear that there are others paying their dues and giving gifts of their time, talent, and treasure. It feels great to be part of something so big and powerful!

When we're talking about big questions—questions of social change, of public policy—do the askers (recruiters, organizers, and fundraisers) have the tools they need to tell the story of strength, opportunity, and potential?

Case Study: The Needmor Fund

In another example, we look at one grantmaking organization. With their permission, we have analyzed the docket of the Needmor Fund, a family foundation based in Toledo, Ohio, which funds community organizing across the United States. (Note: The author served as Executive Director of the Needmor Fund from 2003 to 2013.) Their funded groups for 2013 included 44 organizations, which received grants ranging from \$25,000 to \$40,000. The average grantee received \$33,500. Each grant represented a modest, but key, proportion of that group's annual budget, because Needmor funds operating support for local and statewide community organizations.

Viewed another way, Needmor's total grantmaking for 2013 of \$1.475 million represents an investment in a field of grantees whose total operating budgets equal \$26.8 million. Even more important, when we look at Needmor's field, we see that their grantees have mobilized \$8.1 million from their own members and local donors. Grassroots funding represents far more than the amount offered by any one institutional donor. Needmor can be proud that they are contributing *along with* local folks who are seeking change in their communities. Since the grantseekers can represent themselves to funders as receiving substantial money from their own local resources, the conversation between funder and grantseeker becomes more equal.

Grantmaking for Community Impact

One set of tools for presenting and considering projects in context, rather than in isolation, has already been developed as it applies to the approach called advocacy and organizing.

The National Committee for Responsive Philanthropy (NCRP) recently completed a study series called Grantmaking for Community Impact. They looked at the approach

Seeing the whole field, telling the story of strength, of power, and of possibility, is attractive to the communities we are trying to reach.

of advocacy as a whole, rather than as atomized bits. Each organization certainly has its own story of need and of plans and prospects. Each organization can tell of past successes and failures and project the difference they could make in the future. NCRP's genius was to tell the story of the grantmaking approach as a whole, rather than focusing solely on any one group or particular grant. In the process, they derived a number measuring the grant's efficacy—the Return

on Investment. Viewing advocacy through this lens made room for a new narrative of philanthropy, one that tells the story of power, of success, of the effective application of philanthropic resources to a societal problem.

Fundseekers can say, “When you’ve invested in this approach in the past, your investment of \$1 has yielded \$115 in return, in cold, hard, measurable benefit to individuals, families, and communities. Let’s do that again!” This Return on Investment methodology has become an accepted method of measuring success in social justice philanthropy.

To create a clearer understanding of the benefits of grantmaking, the tools for calculating the Return on Investment described in these studies should be paired with simple, widely accepted tools for describing the organizations, the networks, and the allies that projects reflect. Telling a better story, bolstered by data, can only serve to increase the impact grantmakers have and attract more funding from all sources.

Conclusion

Seeing the whole field, telling the story of strength, of power, and of possibility, is attractive to the communities we are trying to reach. People will join a movement if they believe they can actually accomplish something. People will give to an organization if they believe their gift will make a difference. Community organizations can tell both donors and allies a story of strength, if we can help them to see the whole field. Then we can fully enlist the talent, time, and treasure that the moment requires. Together, as a whole field, we can meet the challenges raised up in 1992 and still compelling today: articulate a vision of America as community; adopt a strategy for rebuilding from the bottom up; and recognize the key role of community-based organizations in achieving the America we can be.

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History and Vision of the Center on Community Philanthropy

From the time of the development of the Clinton School of Public Service, which was established in 2004, a focus on “philanthropy” was intended as a unique and specialized aspect of global public service. If, indeed, giving/dedicating one’s career and life energies to serving humankind is the generic goal of public service, the giving to others of one’s time, resources, and wealth takes that notion to another level. Given the fact that Arkansas, Mississippi, Louisiana, and Alabama commonly are listed as the most impoverished states in the nation, yet always are ranked by the Internal Revenue Service at or near the top in per capita charitable giving, it seemed the word “philanthropy” needed a modifying adjective to avoid the common notion that it’s just rich people giving to poor people. Such grassroots or “community philanthropy” (a term used by the W.K. Kellogg Foundation and the Ford Foundation) thus connotes that giving is a common and natural component of communal life and civic engagement, and that it is a vital, though poorly understood, aspect of public service.

It seemed from the outset that the creation of a special Center to carry out research, education, and service in community philanthropy should be a Clinton School priority. The creation of the Center on Community Philanthropy is unique—there is not another like it, either in philanthropy or in academia. While more than forty “philanthropy centers” have been created at colleges and universities across the United States in the past twenty-five years, what exists at the Clinton School is far different. There is no other center on philanthropy that is grounded in and committed to building on the strengths, gifts, and talents of the American South. More importantly, the Center is both domestic and international in its targeted constituencies, moving theory into practice from an informed experiential basis where research by students and scholars shapes on-the-ground experience. It is at this intersection between issues and ideas where the greatest potential exists for new thinking.

Learn more about the Center at
<http://clintonschool.uasys.edu/community-philanthropy>.

Learn more about the Clinton School of Public Service at
<http://clintonschool.uasys.edu>.

Emmett D. Carson

Chief Executive Officer, Silicon Valley Community Foundation



Emmett D. Carson, Ph. D., is an international thought leader in the field of philanthropy. As founding CEO of Silicon Valley Community Foundation (SVCF) in 2006, he led the unprecedented merger of two of the largest community foundations in the world. Today, with over \$7 billion under management, he oversees the community foundation's work with donors and corporations whose giving is responsible for SVCF being both the largest grantmaker to Bay Area nonprofit organizations and the largest international grantmaker among community foundations in the United States. Before this, Carson had a distinguished 12-year career as CEO of The Minneapolis Foundation. Prior to that, he oversaw the Ford Foundation's U.S. and global grantmaking program on philanthropy and the nonprofit sector. He has published more than 100 works on philanthropy and is an authority on issues of social justice, public accountability, and African American giving. In 2014, Emmett Carson was selected as the first person to serve as the Charles Stewart Mott Foundation Chair on Community Foundations at the Indiana University Lilly Family School of Philanthropy. He is consistently recognized as one of the most influential nonprofit leaders in the United States and has honorary degrees from Indiana University, Morehouse College, and The National Hispanic University. Carson received both his master's and Ph.D. degrees in public and international affairs from Princeton University and his bachelor's degree in economics, Phi Beta Kappa, from Morehouse College.

Foundations and the Fallacy of a Post-Racial America: African American Men and Civic Engagement

Introduction

“Of all the questions of discrimination and prejudice that still exist in our society, the most perplexing one is the oldest, and in some ways today, the newest: the problem of race. Can we fulfill the promise of America by embracing all our citizens of all races.... In short, can we become one America in the 21st century?”

President William Jefferson Clinton announced his intention to lead the American people in “a great and unprecedented conversation about race” with these words in his University of California, San Diego commencement address in 1997. His hope was to create One America, in which every citizen—regardless of race—recognizes their shared dreams and has access to equal opportunity. Shared dreams and equal opportunity are the avenues through which citizens become engaged in the civic life of their communities, allowing strangers to become neighbors, and strengthening the social fabric of America's civil society. Without question, the most visible example of the nation's progress on race relations is the two-term election of President Barack Obama.

Unfortunately, President Obama's election did not usher in a new dialogue on race relations as many had hoped it would. Paradoxically, it reinforced the false ideas that racial equality in America has been achieved and a dialogue on race relations is unnecessary. In this so-called post-racial America, it is presumed that an individual's success is largely based on one's own talents, aspirations, and fate. Therefore, a person's race or ethnicity is largely irrelevant in determining his or her future socio-economic success. Some proponents of this view go even further, suggesting that efforts to address disparities by focusing on a specific race amounts to reverse discrimination by giving a particular group an unfair advantage.

The seemingly widespread acceptance of a post-racial society is at odds with the divisive national debates that ensued along racial lines following the tragic shooting deaths of Trayvon Martin and Oscar Grant, among others. These horrifying incidents show how questions of race, especially when it involves African American men, continue to

divide America. The misguided belief in a post-racial society has had several unfortunate consequences, including preventing foundations from taking leadership roles to research and document racial disparities, determine their cause, encourage dialogue around the findings, and support solutions.

We can look to African American men and boys—who without question have been subjected to harsh treatment throughout American history—to help us determine the veracity of the claim of a post-racial society. According to a 2012 study by the Open Society Foundations and the Foundation Center, foundations contributed \$29 million to programs exclusively focused on African American men and boys in 2010, a modest increase over previous years. While this amount may appear significant, it is actually less than one-tenth of 1 percent of the \$45.7 billion awarded by America's 76,000 grantmaking institutions in 2010, as reported by the Foundation Center. Such a small amount is only justified if one believes that African American men and boys face no systemic issues of racial discrimination or that their dismal socio-economic status has not reached a level of dysfunction that affects the larger society.

This essay begins with a short primer on African American history. Culture and history matter. They provide the necessary context for understanding the how and why of where groups find themselves. The next three sections provide rationales for why foundations should engage in specific programs aimed at supporting African American males: the mythology of a post-racial society, saving an endangered species, and ensuring global competitiveness. While this essay focuses on African American males, these positions can form the philosophical basis for supporting programs directed to assist any segment of Americans; for example, Native Americans, whites in Appalachia, and women.

Before continuing, I must address the inevitable questions that will arise about perceptions of my own bias. For the record, I am an African American male who is CEO of a major foundation. Unfortunately, when people of color or women raise an issue of concern with regard to their own group, their points of view are often dismissed as being biased. This same potential bias by a group member may also bring perspective and insight that would otherwise be missed by others. It is my hope that this essay promotes discussion based on its analysis and not the race of its author.

A Primer on African American History

To say that America has had a complex and difficult relationship with people of African descent is a gross understatement. America was built using slave labor—Africans and their American-born children were abused, humiliated, and treated worse than domesticated animals. The Civil War to resolve the slavery question resulted in the deaths of over 700,000 Americans and created a political split in the country that remains to this day. Under Jim Crow, African Americans lived a separate and unequal existence: They could fight and die for America's freedoms in World War II and Vietnam, but could not enjoy the full citizenship rights of white Americans to go to school where they were capable, walk through the front door of any store, live where they wanted, or vote without fear of intimidation.

The Civil Rights Movement was fought and won by African Americans and their supporters, who were targeted for assassination, beaten, and economically punished by people acting individually and on behalf of government. With the Supreme Court's

historic 1954 *Brown v. Board of Education* decision that found segregation to be inherently unequal, and with passage of the 1965 Voting Rights Act, the doors to equal opportunity for all were pried open. For many, the election of President Barack Obama in 2008 and his re-election in 2012 served as definitive evidence that America had entered a post-racial society in which opportunity for African Americans was no longer limited by race.

While the abhorrent practice of slavery and the injustices of Jim Crow have long since ended, America's cultural legacy of dehumanizing African Americans remains deeply embedded within its culture, to the detriment of all concerned. It is not accidental or happenstance that time and time again, African American males are the targets of violence that re-opens the national wound around race relations. An unbroken line stretches from Emmett Till to Trayvon Martin, reminding every generation of African American men that they are potential targets of violence. The stark evidence of this is that we neither see the same recurring acts of violence against males of other races and ethnicities, nor do we see national discussions ensue along racial lines when such rare events occur.

The reasons for the acceptance of violence involving African American men are complex and rooted in America's history of slavery. Slave owners understood that for slavery to be accepted and perpetuated, African Americans had to be dehumanized within American culture. To justify the brutality of slavery, it was essential that African Americans be seen as property akin to beasts of burden, devoid of either intelligence or morality. President Clinton hoped to address this legacy of prejudice and distrust in a national discussion about race. Notwithstanding President Obama's election victories, moving beyond that shameful legacy remains unfinished business.

This is an admittedly abbreviated and incomplete summary of the history of African Americans. Yet it underscores the fact that public policy discussions about African Americans have to be different because their history in America demands it. The histories of other racial and ethnic groups are equally unique and must be similarly considered and understood. As Michelle Alexander and Douglas Blackmon have addressed, to discuss the disproportionate incarceration rates of African American men and not understand the historical and contemporary uses of the criminal justice system to provide free labor and quell African American dissent is simply choosing to ignore well-documented facts. Because all racial groups do not begin with the same histories, it is simply not rational to believe that those histories magically become irrelevant because America is considered a post-racial society by some observers.

The Mythology of a Post-Racial Society

At the heart of our nation's and foundations' inability to engage in a meaningful discussion on race is the belief that America has entered a post-racial era, thereby making any consideration of race discriminatory and evidence of reverse racism. By exclusively focusing on individual examples of success, proponents of a post-racial society conveniently ignore asking about the status of the entire group. In fact, individual success is taken as evidence that the group's success is only limited by individual effort and not by systemic barriers. If at least one member of the group can achieve, the thinking goes, why can't all members follow suit? Therefore, if someone can't achieve, then it must be due to his or her personal shortcomings and unrelated to intentional or unintentional institutional discrimination.

The idea of a post-racial America poses at least two conceptual problems. First, assume that despite the persistent claims, America really has not entered a post-racial era. If so, then our unwillingness to even consider whether racial disparities exist means that we are consigning our fellow Americans to be subjected to discrimination. We can only determine if racial disparities exist by collecting and analyzing data, a practice that is discouraged by the presumption that America has entered a post-racial era. Second, let's assume that research data supports that America is now a post-racial society. If we find that a particular racial or ethnic group is consistently failing to realize the American dream, it is not in the country's self-interest to allow that group to be in perpetual crisis. The country as a whole, and foundations in particular, have a moral imperative to determine the cause of the disparity and correct it to ensure that both the group and the nation prosper. The irrational situation today is that the unquestioning belief in the existence of a post-racial society prevents us from knowing whether racial disparities exist and, if they do exist, prevents us from acting because to act on the basis of race would be discriminatory.

At the heart of our nation's and foundations' inability to engage in a meaningful discussion on race is the belief that America has entered a post-racial era, thereby making any consideration of race discriminatory and evidence of reverse racism.

Let's examine how this plays out for African American men. Why have African Americans as a whole been unable to make significant progress with regard to mortality rates, incarceration, housing, and education? Who is responsible? Who should be held accountable? Through the lens of a post-racial society, the only explanation is the personal failings of individuals to make full use of the opportunities that are available to them. By definition, there can be no institutional racism, and any effort to improve the socio-economic status of African American men amounts to reverse discrimination against other groups.

Such circular reasoning should be anathema to foundations, whose mission is the love of humankind. To allow any group to live a perpetually lower quality of life, whatever the reason, without trying to determine and correct the cause, is acting contrary to their mission. Allowing this injustice to continue makes it virtually impossible for members of the group to participate in civil society for their own benefit and for the benefit of the nation. An extreme example illustrates this point. If a foundation concludes that the primary reason so many African American men are unable to succeed is due to their collective lack of personal responsibility, then the appropriate response, consistent with its mission, would be to support efforts to change that behavior. Upon learning that a particular racial group faces ongoing socio-economic challenges, a foundation cannot simply choose to ignore it.

Saving an Endangered Species

The term "endangered species" is used to describe a species that—in full, or in part—is at risk of becoming extinct. In many ways, a significant segment of African Americans, especially men and boys, come close to meeting this definition with regard to life expectancy, health, and economic survival. As with most endangered species, the warning

signs have existed for a long time. In describing the socio-economic conditions facing African Americans at the height of the Civil Rights Movement, Dr. Martin Luther King, Jr., wrote:

Of the good things in life, the Negro has approximately one half those of whites. Of the bad things of life, he has twice those of whites. Thus half of all Negroes live in substandard housing. And Negroes have half the income of whites. ... There are twice as many unemployed. The rate of infant mortality among Negroes is double that of whites.

Since Dr. King made this observation, individual African Americans have had many successes: the first African American President and other elected officials, CEOs of Fortune 500 companies, entertainment and sport figures, and even university and foundation presidents. And yet, despite these impressive individual achievements, when viewing the collective socio-economic advancement of African Americans, Dr. King's axiom that African Americans get half of the good things and double the bad things of whites continues to ring true. Consider these statistics:

- African American infants are twice as likely as white infants to die before their first birthday.
- Diabetes is the fourth leading cause of death among African Americans.
- Today, nearly half—48 percent—of all African American boys drop out of high school and 42 percent of all black boys have failed an entire grade at least once (Schott Foundation for Public Education).
- According to the National Education Association, African American boys are three times more likely than white boys to be suspended or expelled from school and with Latino boys represent nearly 80 percent of youth in special education. African American boys also comprise 20 percent of students classified as developmentally disabled, while comprising only 9 percent of the student population.
- In 2010, African American men accounted for 70 percent of all new HIV infections among adults and adolescents, which is seven times the rate of white men. The Centers for Disease Control estimates that in their lifetimes, a total of 1 in 16 African American men and 1 in 32 African American women will be infected with HIV. By the end of 2009, over a quarter of a million African Americans had died from HIV.
- The NAACP estimates that 1 in 6 African American men have been incarcerated and 1 in 100 African American women are in prison. Nearly half of the total prison population consists of African Americans. Prison, which some consider the new slavery, has become the unspoken economic development engine for rural America.
- According to the U.S. Department of Justice, African Americans account for nearly 49 percent of all homicide victims in the United States. They are usually men and boys, and 93 percent of them were killed by another African American male.
- The Economic Policy Institute found that the poverty rate of African Americans is 27 percent, compared to 9.8 percent for white Americans. The median household income of African Americans is 61 percent of that of white Americans, roughly \$32,229 compared to \$55,412.

The litany of statistics detailing current racial disparities by health, employment, income, and wealth goes on and on and on. These sobering statistics, which have existed for decades, have sparked no substantive national debate and only limited efforts by foundations or elected officials to determine their cause. No significant expenditure of public or private resources has been suggested to search for solutions. The deafening silence of national indifference to these conditions is itself evidence of the need for a dialogue on race.

A community in such dire distress simply cannot and should not be ignored by foundations that are afraid to act because they fear being called discriminatory in a post-racial society or because they lack the courage of their convictions to pursue politically incorrect solutions. Whether a foundation is driven by progressive or conservative values, it has an obligation to advance programs that its leaders believe will change the catastrophic conditions faced by African American men and boys. Any group struggling for its daily survival will have neither the time, nor the energy, nor the emotional capacity to adequately participate in the democratic process of civil society. When such groups cannot participate, they are only further marginalized within the larger society, posing a danger to themselves and others.

Foundations focused on providing quality education cannot be true to their missions and still ignore racial disparities in educational achievement. Foundations committed to improving healthcare cannot ignore the impact of diabetes, heart disease, and AIDS that are disproportionately impacting the African American community. And foundations committed to social justice cannot ignore the disproportionate violence that permeates and is perpetrated on the African American community, nor the ongoing use of the criminal justice system as a way of controlling African American men. Moreover, it is not sufficient for a foundation engaged in education, for example, to say that the educational gap will be addressed by focusing on low-income people, a disproportionate number of whom are African American males. Foundations must be prepared to tailor programs to respond to the challenges of culture and to the context of specific racial and ethnic groups.

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Ensuring Global Competitiveness

Today we live in a world where the Internet allows almost everyone, living anywhere, to sell anything, buy anything, learn about anything, and have an opinion on everything. When half of African American boys are unable to graduate from high school, it is a certainty that they will be unable to compete for the best jobs at home or in the global marketplace. In such a world, unless something is done, a significant number of African American men will increasingly and disproportionately find themselves living at the margins of society. The choice is whether it is better to cultivate and develop the potential talent of these men and boys to lead productive lives or to allow their potential to be squandered as they are disproportionately killed and jailed and therefore, make the country less globally competitive.

For America to remain competitive, we must ensure that every American is able to fulfill his or her potential. This recognition led billionaire businessman George Soros to invest in the future of African American males and America's future. In the afterword to *Where Do We Go From Here? Philanthropic Support for Black Men and Boys*, Soros states:

Through the Open Society Foundations, I have worked for many years to address the systemic injustices that prevent so many African American men from achieving their full potential. In New York City alone, for example, about 50 percent of African American men do not finish high school. The poverty rate for African American and Latino young men is 50 percent higher and their unemployment rate 60 percent higher than for their Caucasian and Asian counterparts. African American men are seven times more likely to have an incarcerated parent. More than 30 percent of all African American men become caught up in the criminal justice system. This squandering of human capital is a disgrace.

America can never reach its full potential in a global economy as long as African American men and boys fail to reach their full potential. Foundations concerned about America's future economic prosperity cannot sit on the sidelines while a major talent pool is wasted and simultaneously drains scarce human and financial resources that could be put to more productive uses.

Conclusion

In his call for One America, President Clinton astutely observed that the historic divisions between white and African Americans had grown to include divisions across various racial and ethnic groups.

More than 30 years ago, at high tide of the civil rights movement, the Kerner Commission said we were becoming two Americas, one white, one black, separate and unequal. Today, we face a different choice: will we become not two, but many Americas, separate, unequal and isolated? ... That is the unfinished work of our time, to lift the burden of race and redeem the promise of America.

To break down the isolation that exists between different racial and ethnic communities requires the recognition that there are, indeed, different racial and ethnic communities. Engaging all Americans in the civic discourse that distinguishes American democracy requires a celebration and respect for diversity, not the belief in a false and circular ideology of a post-racial America in which everyone is presumed to have achieved colorlessness. To lift the burden of race, we must be able to talk about it. The problem with the mythology of a post-racial society is that it has short-circuited any discussion on race by assuming a reality that has yet to be proven. The prevailing mythology discourages any action by foundations or others if racial disparities are found to exist by suggesting that such action would be reverse discrimination.

Ample evidence demonstrates that African American boys and men, have experienced—and continue to experience—significant socio-economic challenges that also have negative spillover effects for the larger society. This should compel foundations to act

consistently with their values and mission statements to develop race-specific approaches to ameliorate these conditions. Foundations have a responsibility to address problems where they find them, in the ways that they think will benefit both the group in question as well as the larger community. Undeniably, this will be difficult and challenging work, and foundations will face intense criticism by those who value the myth of colorlessness over acknowledging the reality of racial disparities. However, foundations have an obligation to fulfill their missions for a higher good. If their current leadership cannot summon the courage to tackle these issues, then they should recruit board members, CEOs, and staff who can do so.

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America can never reach its full potential in a global economy as long as African American men and boys fail to reach their full potential. Foundations concerned about America’s future economic prosperity cannot sit on the sidelines while a major talent pool is wasted and simultaneously drains scarce human and financial resources that could be put to more productive uses.

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Postscript

Since writing this essay, there have been two independent developments that together hold the promise of creating the national conversation that President Clinton hoped for in 1997. First, on February 27, 2014, President Obama announced the My Brother's Keeper Initiative (MBK). Focusing on boys and men of color, MBK seeks to recognize the unequal circumstances of this group and the need to engage them in the opportunity of an American society.

In announcing the Initiative, President Obama stated:

But the plain fact is there are some Americans who, in the aggregate, are consistently doing worse in our society—groups that have had the odds stacked against them in unique ways that require unique solutions; groups who've seen fewer opportunities that have spanned generations. And by almost every measure, the group that is facing some of the most severe challenges in the 21st century in this country are boys and young men of color... After all, these boys are a growing segment of our population. They are our future workforce. When, generation after generation, they lag behind, our economy suffers. Our family structure suffers. Our civic life suffers. Cycles of hopelessness breed violence and mistrust. And our country is a little less than what we know it can be. So we need to change the statistics—not just for the sake of the young men and boys, but for the sake of America's future (www.whitehouse.gov/the-press-office/2014/02/27/remarks-president-my-brothers-keeper-initiative).

The White House MBK initiative also has spurred numerous national, state, and city efforts to address issues facing boys and men of color, including the Campaign for Black Male Achievement and BMe Community.

The second effort that has helped spur the national consciousness is the Black Lives Matter movement. This movement has focused on the disproportionate acts of police violence directed at boys and men of color. The tragic events surrounding the deaths of Michael Brown in Ferguson, Missouri (2014); Eric Garner in New York City (2014); Tamir Rice in Cleveland, Ohio (2014); Walter Scott in North Charleston, South Carolina (2015); Freddie Gray in Baltimore, Maryland (2015); and the 2015 release of the video of the death of Laquan McDonald in Chicago, Illinois (2014), among many other incidents, have brought much needed national attention to this issue. The multi-racial Black Lives Matter movement, coupled with the ubiquitous nature of smartphone camera videos, have provided compelling visual evidence in the court of public opinion that our justice system is far from colorblind.

Hopefully, these grassroots and grassroots efforts will be successful at bringing long needed attention to the systemic injustices facing people of color, and, simultaneously, ensuring that our democracy and our economy remain strong for all Americans.

Celeste A. Clark

Principal, Abraham Clark Consulting, LLC, and Trustee, W.K. Kellogg Foundation



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Connecting For-Profit and Nonprofit Philanthropy to Build and Strengthen Communities

Ralph Waldo Emerson once said: "It is one of the most beautiful compensations of this life that no man can sincerely try to help another without helping himself....serve and thou shall be served." Put simply, and in the words of a spiritual hymn: "Give and it shall be given back to you."

This service to humankind, I believe, is the essence of philanthropy. The goal is to maximize the number of people served, which can best be achieved through collaborating and partnering across all sectors—philanthropic organizations, government, non-governmental organizations, the business community, faith-based entities, and citizens. There are countless examples of the great works done by these groups, but for the purposes of further discussion, I will focus on for-profit (referred to hereafter as corporate philanthropy) and nonprofit philanthropy (referred to hereafter as community philanthropy).

The Role of Corporate Philanthropy

Corporate philanthropy is defined, broadly speaking, as profit-making corporations that utilize their investments and skills to give back to society to address a specific concern or need. This work is often referred to as corporate social responsibility; it may be characterized as altruism with very pure intent. Sometimes, this philanthropy evolves to cause-related initiatives that align with the corporation's ethos and business objectives. Cone, Inc., who conducts research in this area, notes that corporate social responsibility programs are "strategic investments that can successfully communicate what a brand stands for, help drive positive societal impact, and achieve a range of business objectives." These objectives can include building and improving brand reputation, retaining and recruiting employees, and influencing consumer preferences and purchasing behavior. Examples of companies with philanthropic initiatives include:

- Environment: Levi Strauss
- Eye Apparel: Warby Parker
- Shoes: TOMS
- Medical Apparel: FIGS, and
- Literacy: Dollar General.

The Role of Community Philanthropy

On the other hand, community philanthropy is defined by the European Foundation Centre as individual citizens and institutions contributing money, time, and skills to promote the well-being of others, and the betterment of communities in which they live and work. Sometimes this work includes developing expertise using a think-tank approach to help solve or alleviate a problem that can be either localized in a community, and/or more pervasive, affecting society at large. Community philanthropy has historically been employed, often through the services of grantees, to bring about positive change in structural and systemic issues that exist in local communities.

While community philanthropy may begin with the grantmaking process, there is much greater collaboration across multiple sectors today in order to best leverage resources and achieve desired outcomes. An example of this type of effort is the Foundation for Detroit's Future, a collaborative that will contribute over \$366 million to meet the government's obligation to pensioners following the city entering bankruptcy in 2013. The Foundation's Working Group includes the Community Foundation for Southeast Michigan, William Davidson Foundation, Fred A. and Barbara M. Erb Family Foundation, the Max M. & Marjorie S. Fisher Foundation, Ford Foundation, Hudson-Webber Foundation, Kresge Foundation, John S. and James L. Knight Foundation, McGregor Fund, W.K. Kellogg Foundation, Charles Stewart Mott Foundation, and the A. Paul and Carol C. Schaap Foundation.

The goal is to maximize the number of people served, which can best be achieved through collaborating and partnering across all sectors—philanthropic organizations, government, non-governmental organizations, the business community, faith-based entities, and citizens.

A Case Study: Kellogg Company and W.K. Kellogg Foundation

Both of these approaches to philanthropy—corporate and community—represent great work. An interesting parallel is Kellogg Company and the W.K. Kellogg Foundation on their food initiatives. While they are separate and distinct entities, Will Keith Kellogg set the stage for “greatest good for the greatest number” to occur at both the company he founded in 1906 and the foundation he established in 1930.

Will Keith Kellogg founded Kellogg Company, and launched cereal commercially in Battle Creek, where he and his brother, Dr. John Harvey Kellogg, started producing cereal as a healthy alternative to the heavy fat-laden meals that were common in the late 1800s. Today, the vision and purpose of the company's corporate philanthropy are very much aligned with the founding philosophy—“to nourish and delight families through foods that matter.” While the company has engaged in several corporate social responsibility initiatives, it was not until the mid-1990s that the company officially formalized its charitable giving through the Kellogg Corporate Citizenship Fund. The fund was so named as Mr. Kellogg had already established the W.K. Kellogg Foundation.

The company continues to honor its founder's legacy by aligning its charitable investments with its business interests and is very focused on global hunger relief, with an emphasis on the power of breakfast. Hunger relief involves providing food for people who do not have enough to eat, whether by delivering the food directly to them or aggregating it in a place that is accessible to them, all at little or no cost to the recipient. Although some of the largest hunger relief programs are orchestrated at the national or international levels, many are community-based, such as food banks, which enable community members to help their neighbors and often provide local employment opportunities as well. Most national and international programs tie in with local efforts, since the critical last link of reaching people must take place on the ground, in the context of community. By its nature, a hunger relief program does not address underlying conditions; rather, it ameliorates the circumstances arising from them. Kellogg Company is focused on making this happen in communities and is using the theme, Better Breakfasts for Better Days. This philanthropic work centers on children and families and their health—true to the company's founder. Their goal is to distribute 1 billion servings of cereal and snacks by 2016 via expanded breakfast club programs, food bank donations, and advocacy and outreach on the importance of breakfast.

The W.K. Kellogg Foundation, which was established in 1930 during a very difficult time in U.S. history, has a rich legacy of community philanthropy. This is especially true with building community food systems, one of the many programmatic efforts under way at the Kellogg Foundation. A food system involves all of the stages, networks, and relationships that exist between food at its source and food where it is consumed. Building a community-based food system is thus very complex and comprehensive. The work supports institutions, organizations, and residents—particularly in vulnerable communities—to grow, produce, and sell their own food, and to rethink and retool food production and distribution. It also provides education and training on sourcing food locally and regionally, and engages community members in the “food value chain” from farm to fork.

At the systems level, this work involves a grassroots approach and a longer time frame than working at the level of direct aid, but it also holds the promise of greater resilience and sustainability. Fundamentally, the belief is that transforming the food system can be a driver for health equity, culture, education, job creation, local economic development, and neighborhood revitalization. For the Kellogg Foundation, supporting the creation of community food systems comes down to “helping people help themselves.” Some examples of this work include:

- The Northeast Iowa Food & Fitness Initiative, where residents in seven counties came together to make their region a place where all people had access to healthy, locally grown foods
- Detroit Black Community Food Security Network, a community-led movement where a tapestry of institutions, organizations, and individuals from communities of color engage in improving access to healthy food and building an equitable food system in the city of Detroit
- Corbin Hill Food Project, a collaborative of farmers and community leaders from upstate New York that delivers fresh, local fruits and vegetables to Harlem and the Bronx, and
- Good Natured Family Farm's “Farm-to-School Program,” which provides meals made from scratch to seven YMCA Head Start preschools.

In an effort to further expand this vital work, in 2007, the foundation renewed its commitment to Will Keith Kellogg's original intent and adopted its current mission statement: "The W.K. Kellogg Foundation supports children, families, and communities as they strengthen and create conditions that propel vulnerable children to achieve success as individuals and as contributors to the larger community and society." The foundation continues to focus on children, specifically early childhood, within the context of families and communities, and takes a place-based approach, concentrating more than 50 percent of its grantmaking in finite and very specific locations where the aim is to achieve maximum impact.

Today, the W.K. Kellogg Foundation investments are focused in three areas: Educated Kids, Healthy Kids (including food systems), and Secure Families. Woven through these areas are commitments to community engagement and racial equity—because both are essential to create the conditions under which all children can thrive. Some grantee examples illustrating how the Kellogg Foundation applies these commitments are:

While community philanthropy may begin with the grantmaking process, there is much greater collaboration across multiple sectors today in order to best leverage resources and achieve desired outcomes.

- Baltimore's *Youth Resiliency Institute (YRI)* is encouraging families to take pride in their community and see themselves as the most effective advocates for their children, rather than being seen as barriers to their children's success. YRI's The Journey Project aims to build the leadership capacity of families, schools, and communities to work together to promote opportunities for success in some of Baltimore's most marginalized and disenfranchised communities.
- In Oakland, California, the Bay Area *Parent Leadership Action Network (PLAN)* seeks to ensure that all families, regardless of their backgrounds, can become leaders and advocates for educational equity. PLAN also works to ensure that families, educators, and community leaders are all equal partners and have a shared responsibility and voice in student learning. Bay Area PLAN and YRI were highlighted at the July 2014 White House Symposium on Transformative Family Engagement.
- *The Harvard Family Research Project* is an innovative approach to family engagement—as a shared responsibility of families, schools, and communities to help students succeed in education. Family engagement is embraced as a continuous process from birth to third grade and beyond, which occurs across multiple settings where children learn.
- *The Alabama Department of Human Resources* grant initiative seeks to strengthen the Alabama Quality STARS childcare quality rating and improvement program by focusing on professional development, infant-toddler workforce initiatives, and a statewide community awareness campaign. The program aims to create or improve the critical elements of a quality rating improvement system (QRIS) by increasing the number of programs participating in the quality rating improvement system, improving teacher quality, increasing the number of professional credentials, improving community awareness, and increasing visibility of the overall system.

- *Child Care Resource Center* is working to establish a family resource center that will assist families in accessing seamless services, education, and awareness. This project helps low-income families in Alabama’s Lee County access social services to strengthen families and improve school readiness. It is connecting families to schools, healthcare agencies, churches, nonprofits, and local employers who are committed to families and children. Through a partnership with local transportation services and the creation of a mobile resource unit, families in rural areas gain access to services. Every family receives case management: information, goal setting, referrals to and from other agencies, and follow-up with agencies. Support may include emergency services, literacy, early care/ education, afterschool programs, tutoring, and mentoring.

In summary, both Kellogg Company and the W.K. Kellogg Foundation are focused on improving the lives of children and their families: Kellogg Company is focused on global hunger relief, whereas the W.K. Kellogg Foundation is working with communities collaboratively to address systemic changes in both the access to and quality of foods that can lead to improved health conditions.

Looking to the Future

Going forward, it is very likely that Kellogg Company will continue its brand-building efforts and leverage its expertise and resources around breakfast and hunger relief. Given the interest of its consumers, these efforts could potentially evolve to become more

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community-led and company-supported in the future. This shift has already begun to happen in some philanthropic efforts. Kellogg Company has been historically involved in giving back to community through a wide range of programs, and these types of community partnerships are likely to continue to further develop and expand. Similarly, the W.K. Kellogg Foundation has already extended its work via a new model, known as “mission-driven investment,” that bridges both corporate philanthropy and philanthropic giving. This is a unique model in the philanthropic field, because it supports private sector, for-profit entities working for social change.

The key to defining success for both corporate and community philanthropy will continue to be dependent upon the results achieved. Evaluative models will need to be in place to track and measure outcomes to ensure ongoing investment and sustainability within a community. There are tremendous societal needs on many fronts, particularly with the decline in government funding. Philanthropy will be called upon to play an even greater role in the future to help address these needs. Hence, leaders who are visionary, innovative, and willing to take risks will best find solutions to societal issues through the intersection of corporate and community philanthropy. This type of influence and power, put into collaborative action, can create transformative shifts in society and lead to achieving Will Keith Kellogg’s pursuit of “the greatest good for the greatest number.”

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Antonia Hernández

President and Chief Executive Officer, California Community Foundation



Nationally recognized for her commitment toward the betterment of underserved communities in Los Angeles and beyond, Antonia Hernández joined the California Community Foundation as president and chief executive officer in 2004. Previously, Hernández was president and general counsel of the Mexican American Legal Defense and Educational Fund (MALDEF), a national nonprofit litigation and advocacy organization dedicated to protecting the civil rights of the nation's Latinos through the legal system, community education, and research and policy initiatives. An expert in philanthropy, civil rights, and immigration issues, she began her legal career as a staff attorney with the Los Angeles Center for Law and Justice and worked as counsel to the United States Senate Committee on the Judiciary before joining MALDEF in 1981 as regional counsel in Washington, D.C. Hernández is a member of the boards of directors of the national American Automobile Association, the Automobile Club of Southern California, Council on Foundations, Center on Budget and Policy Priorities, and Grameen America. She currently serves on the Commission on Presidential Debates, the JFK Library Foundation Profile in Courage Award Committee, and the UCLA Board of Advisors, among others. She is a frequent public speaker and has been awarded a number of honorary degrees and awards. Hernández is a member of the State Bar of California, District of Columbia Bar, American Bar Association, and the Mexican American Bar Association of Los Angeles and is a fellow of the American Law Institute. Antonia Hernández earned her B.A. in history at UCLA in 1970 and J.D. at the UCLA School of Law in 1974.

Community Foundations As Catalysts for Change

Philanthropy is uniquely American and community foundations are the local embodiment of Americans' desire to engage, share, give, and find common ground. Almost every community has a community foundation. Community foundations serve as vehicles for individuals' charitable giving for the objective of improving the quality of life in their communities and are essential for civic and community betterment. They are the repository for individuals who leave their wealth for the good of others. They serve as the back office for individual philanthropists and financially support nonprofits in the local communities. A community foundation's value is its extensive knowledge of the community it serves. It serves as a neutral table, as a convener that brings together diverse interests to find common ground.

Therefore, an effective community foundation is a change agent and a catalyst for collectively moving a community forward.

The purpose of this article is to demystify philanthropy and provide a road map for bringing about social change as seen by my experience as the President and CEO of the California Community Foundation in Los Angeles since 2004.

As a civil rights lawyer, I never thought that I would be leading a community foundation. As the former longtime president and general counsel of MALDEF, the Mexican American Legal Defense and Educational Fund, I devoted my efforts to bringing about systemic change at the national, state, and local levels. I was very familiar with the foundation world, as most of the funds that came to MALDEF came from foundations. Although very appreciative of the foundations' support, I saw philanthropy as risk-averse, too academic, and very much into theory. To be honest, I viewed foundations as having fairly limited knowledge of how the real world worked. When the opportunity to lead a community foundation dedicated to serving the place I love, Los Angeles, presented itself, I accepted the challenge. The possibility of strengthening the foundation's ability to impact the root causes of our community's most pressing challenges and give voice to the voiceless was too great to pass up.

To be an effective agent for change, one must be attuned to the shifts that are taking place in the larger society. The significance and roles of institutions and sectors change and their value and importance sway as the needs of society change. The last 30 years has brought a great deal of change to the role of government and the corporate community. For instance, as the corporate sector became more global, their ties to local organizations diminished. As a consequence, their involvement, leadership, and financial support to the nonprofit sector decreased. Governments have played a major role in alleviating poverty, but this function has declined and the safety net has eroded for too many. This realignment created an open space for nonprofits and the philanthropic sector to fill the void and take on a leadership role.

Philanthropy Advancing Social Justice

In my more than 40 years working on behalf of the Latino and underserved communities, I have become familiar with the evolution and importance of the roles that nonprofits play in advancing social justice issues. As a lawyer, I have used the law as an effective tool to break down barriers. Philanthropy was an important partner, the enabler that provided the funds. Thus, I view philanthropy as another vehicle for advancing systemic social change. I saw an opportunity for philanthropy and nonprofits to join forces to fill a leadership void. I believe that these institutions can—and should—provide the glue that helps hold communities together.

This role is not a new role for philanthropy. It began with Carnegie, Rockefeller, and Ford, the founders of mainstream philanthropy. Those visionaries saw philanthropy as a means for solving large societal issues. Andrew Carnegie invested significant resources in building public libraries that benefited communities throughout the United States. John D. Rockefeller was concerned with feeding the poor and improving health for people throughout the world. For example, his foundation-funded scientists found ways to increase food production and helped launch the green revolution. The Ford Foundation has been a leader in advancing equity and equal opportunity for the disenfranchised in the United States and the world over. In fact, in June 2015, Ford further refined its approach to philanthropy to address and respond to key drivers of global inequality, in part through grants for operating support.

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As we celebrate more than 100 years of large-scale organized philanthropy, I admire these three pioneers of philanthropy who were instrumental in effecting systematic change, and whose foundations continue to do so. I see them as social venture capitalists who used their resources to improve the world's conditions. Philanthropy, at its best, continues to provide venture capital to address society's most critical problems.

In 2015, as I entered into my 12th year as the president of the California Community Foundation (CCF) and celebrated CCF's 100th anniversary, I reflected on my own

journey and the lessons learned. I came to CCF with my own specific vision of how to strengthen an already important and valued organization. I sought to realign this wonderful institution to better respond to and reflect the uniqueness of the place called Los Angeles.

I had certain goals in mind:

- Engage in systemic change
- Be a trusted steward of philanthropic passions
- Inform and connect charitable individuals and institutions with the needs of Los Angeles, and
- Be a steadfast advocate for the poor and vulnerable.

Many in the field lauded my intentions, and yet, some questioned whether a community foundation was the right vehicle to accomplish these objectives. I believe that I have made a difference in my pursuit of these ends. I am pleased that today many community foundations are following suit in reassessing their roles and finding that community engagement, investing in systemic change, and philanthropy go hand in hand. After all, for many, improving the well-being of the place we call home is the reason for giving.

To be successful in confronting the many challenges of poor communities, we must have a strong and viable nonprofit sector that is capable of carrying out its work.

But my journey has not been easy. Initially, I had to grapple with the fact that for most of its nearly 100-year history, CCF did not engage in advocacy and public policy. We were known as the “typewriter foundation,” founded in the trust department of a traditional bank that wrote checks payable to

nonprofits. We were long accustomed to giving small grants that enabled organizations to do their good work. Luck was on my side in making a paradigm shift, though.

Shortly after my arrival to CCF, a circumstance arose that provided a wonderful opportunity for informing the board about the value of supporting advocacy and public policy. The City of Los Angeles had received notice that it was not in compliance with Section 8 federal housing program guidelines. As a consequence, Los Angeles stood to lose federal funds amounting to \$100 million. Those concerned with the issue of homelessness and the city acknowledged that there was no institution or sector—private, public, or philanthropy—that could fill the resulting gap. CCF convened a consortium of organizations, including the city, to develop a plan to deal with the concerns of the federal Department of Housing and Urban Development. This plan not only included the convening of key figures but also included travel to Washington to advocate for the reinstatement of the funds. Housing advocates came to CCF to request a grant of \$50,000 to fund the effort.

I approached the board of directors and explained that this advocacy approach was needed to support our efforts, especially to maximize our investment in maintaining access to low-income housing—one of the foundation’s priorities. Our \$3 million fund for this program would be insignificant in filling the enormous gap. Ultimately, the effort was funded and the federal government reinstated the Section 8 funds. Another positive

consequence of creating the consortium was that we strengthened the collaboration between city housing staff and nonprofit leaders. Within a year, CCF had developed a new policy guiding our advocacy work. As a result, we now allocate about 20 percent of our grant money to advocacy and public policy issues.

Developing Long-Term Vision

Long-term systemic change takes time. One must have a clear vision, be patient, and appreciate a long-term horizon. Within philanthropy, there is a widespread practice of developing and implementing five-year plans. In the current business world, though, even five-year plans seem too long, because things change so fast. This practice of not planning too far ahead might be appropriate in other settings, but not in philanthropy. We in philanthropy have the luxury of thinking long-term.

In fact, we have an obligation to think long-term. In general, the issues of poverty and inequality with which we deal have been perennial for humanity. These societal challenges require strategic investment. We need to be practical, realistic, and able to implement our plans. We also must be capable of connecting the dots between theory and practice and of quantifying results. Feeling good about what we do is not enough. We must show that we impacted and improved the lives of others. This deliberate approach takes time and patience.

In my first year at CCF, I worked with the board and staff to create a 10-year strategic plan. We had four simple and clear goals. First, we needed to increase the corpus. We could not engage in significant change if we did not have the funds to implement our programs. When I began at CCF, our corpus was about \$580 million. Luckily, two years into my tenure, CCF received the largest individual gift ever given to a community foundation at that time. Philanthropist Joan Palevsky's extraordinary gift of over \$257 million had no restrictions, other than to respect the donor's passions. This suited me well, since she was a woman whom I had known and whose values I shared. Joan Palevsky was a feminist who cared deeply about alleviating poverty and empowering those who pursued a progressive agenda.

This astonishing single gift changed the trajectory of CCF: Today, our corpus is over \$1.4 billion in assets. Within this goal of increasing the corpus, I also wanted to focus on increasing discretionary funds and bringing in funds that would be invested in the community. Our local annual grantmaking increased from \$8 million to more than \$30 million, which does not include the funds our donors give to local Los Angeles nonprofits. On average, CCF grants about \$150 million annually. Community foundations play many roles. We are place-based foundations with discretionary funds specifically devoted to the communities we serve. We are also the back office for many individual donors, assisting them in their grantmaking. Many donors look to us to provide expertise on the local community when determining their local grantmaking. To increase our impact in Los Angeles, we needed to connect more of our donors to the pressing local needs and leverage some of their giving. As with all change, this is a work in progress. As we complete the final year of our 10-year strategic plan, CCF has reaffirmed its commitment to increase both the number of donors we serve and the amount our donors give to better meet the needs of our local community.

Strengthening Nonprofits

Our second goal was to strengthen the Los Angeles nonprofit sector. In order for philanthropy to be effective, the nonprofit sector must be diverse and financially strong. Like many communities, the state of our nonprofit sector is weak. CCF's jurisdiction includes Los Angeles County, with 10 million residents and 88 cities spread across a vast territory. Many of the local communities that we seek to serve do not have a strong cadre of community-based organizations. In addition, most of the local community-based organizations function on a shoestring budget; they devote the majority of their scarce resources to providing services and thus neglect investments that build their infrastructure. This creates significant, ongoing challenges—not only for CCF, but also for other foundations.

To be successful in confronting the many challenges of poor communities, we must have a strong and viable nonprofit sector that is capable of carrying out its work. These organizations are the doers. Philanthropy serves as the investors who enable the doers to roll up their sleeves and focus on serving community needs. So our objective necessarily became the imperative of strengthening the financial capacity of the Los Angeles County nonprofit sector.

To implement this goal, we set about changing the manner in which we used our funds. While grantmaking is an important tool, it is not the only one we can deploy. We increased the use of program-related loans to childcare centers, community clinics, charter schools, and food banks in an effort to expand and improve their infrastructures. This approach included upgrading information technology and investing in their employees. I knew from my past experience that nonprofits commonly cited the cliché that “foundations love to give to programs but few give to build the infrastructure that supports programs.” Therefore, we increased our use of general operating grants and loans and remain one of the few Los Angeles foundations offering loans to nonprofits.

Increasing Collaboration

To make progress in meeting our goals, we need to have partners. Collaboration is one of our strongest values; we realized that we could not do it alone. As with most of our initiatives and program priorities, we seek funding partners to leverage our investments and, when appropriate, we pool our funds. Our belief is that no single organization or sector can tackle all of society's challenges. It takes partners in the private and public sectors, together with nonprofits and philanthropy, to address society's serious problems.

The recession that began in 2008 hit the nonprofit community particularly hard. Funds from government and the business community decreased drastically. At the same time, foundations lost a large part of their investment portfolios. Most foundations fund their operations and programs from the return on their investments. Due to the decrease in the value of their portfolios, many foundations also reduced their funding to nonprofit organizations. One of the great ironies of philanthropy is that foundations often are forced to reduce their funding when the needs of the community are the greatest.

To combat the effects of the recession, the CCF staff and board of directors came together and determined that we would not reduce our giving during those hard times.

After consulting with our grantee partners, we shifted from program-specific grants to making general operating grants. Our short-term objective was to provide funds so that nonprofits would survive. Most of our grants now are multi-year general operating grants. To spread the word and expand our giving, we hosted “How to Apply” seminars in communities that previously had not been represented in our grantee portfolio. Our experience told us that the needs in those communities were significant. We streamlined our application process and we worked with each organization’s staff to tailor proposals that we could fund. Our goal was to minimize the time and effort that organizations spent fundraising. As a former head of a nonprofit myself, I know firsthand how much time and resources organizations spend raising funds. I also appreciate how time-consuming and frustrating fundraising can be, especially since you do not know whether or not you will be funded. Our direct approach was aimed at lending stability to the fundraising process and to the organizations themselves.

Our goal of seeking greater collaboration was not limited to our funding partners. We also sought to engender greater collaboration among our grantees. The great population size and vastness of Los Angeles County make it hard for nonprofits to know which organizations are working on the same issues at the same time. For example, a small literacy project in Pomona, one of the 88 cities in the county, might not know that a similar program exists in Long Beach, a city that might seem to be a world away. Most nonprofits are small organizations that function primarily with volunteers and have budgets of under \$100,000. Their time and energy is focused on staying above water, and they lack the time and resources to investigate other programs. Thus, bringing like-minded organizations together becomes almost as important, in some instances, as providing grants to each and every one. Through collaboration, organizations and people can learn across distances and fields, sharing best practices and resources. In fact, many organizations have told us that our convening is just as important as the grants they may be receiving.

Systemic change takes time and requires individuals who are well-versed in navigating government, legislative bodies, and private industry. To pursue a social justice agenda, one must have intelligent, passionate communicators who understand and can effectively convey a message.

Another service that community foundations can provide is to serve as a neutral table where individuals can come together to discuss issues and find common ground. Providing places to meet and facilitate discussion became a challenge, particularly because accessible meeting space in downtown Los Angeles is in short supply. We had this much in mind when we decided to move our office location. When the opportunity came to renew our lease, we decided to move to a new place that would allow us to provide a large convening space. We now annually host hundreds of gatherings for nonprofits in our busy Joan Palevsky Convening Center, which lends a whole new dynamic to what we can offer to nonprofits.

Providing meeting space is important, but it’s not enough. We also reorganized our staff and assigned dedicated staff members to manage and maintain the center. We acknowledged that convening was a program in itself and that bringing people

together required staff and resources. At any given time, we are managing a dozen collaboratives or task forces. CCF has become one of the central hubs for gathering civic-minded individuals. Thus, collaboration has become one of our key initiatives.

Working With Government

A public misconception is that the nonprofit sector receives most of its funding from philanthropy. In fact, the majority of financial support comes from government sources. Most community organizations providing human services, community clinics, afterschool programs, early childhood, or Head Start programs obtain their funds from government. Foundations are an important source of funding, but our limited funds are often used to augment government grants.

Foundations do have a role—together with government—in funding research and data analysis. In partnership with universities, foundations have been the creators and repositories of studies and indicators. To better understand such needs and the challenges and opportunities in Los Angeles County, CCF commissioned a series of studies to better inform our actions. One of the findings was that Los Angeles was not receiving its fair share of public funds. We pay more in taxes than is returned to us and this is true across the board.

Government funds are allocated through a competitive process. Through the leadership of the Annenberg Foundation, we partnered on an initiative to better prepare nonprofits in Los Angeles to compete for funds. This initiative is broad-based and also involves local government and the private sector. It provides technical assistance and proposal writing services. In a collaborative process, decisions are made regarding which organization or entity has the best chance of obtaining a grant. This is an important, nontraditional role that philanthropy can—and should—play in fact-gathering and bringing parties together to map mutually beneficial strategies and action.

Another finding from various studies that we have initiated validated our own experience—a lack of local management services available to assist nonprofits in improving their internal organizational structures and policies. Whether through learning and sharing best practices or simply providing educational opportunities to newcomers to the sector, there is always room for improvement. The fragile financial condition of the management organizations established to assist the nonprofits made matters worse. To improve the services of nonprofits, we needed to improve and increase the capacity of the management service organizations. CCF partnered with the Weingart, Annenberg, and Parsons foundations to confront this issue. A lesson that we take to heart: It is not always necessary to lead, so long as joining efforts results in determining the most effective way to proceed. The measurable results of these efforts have been significant, although we have a way to go.

Meeting Our Own Challenges

Our third goal was to contribute to positive social change in Los Angeles County through focused community leadership, convening, and collaboration. We wanted to improve the well-being of Angelenos by engaging with them and spurring them to action. Most individuals see philanthropy as a source of funding. Philanthropy should be

more than that, however. Grantmaking is an important tool, but we can do much more. We must use a variety of tools, such as investing in businesses that bring services and goods to poor communities, providing loans, convening, and much more. We must work with organizations to encourage civic engagement and support public policy and advocacy organizations that seek systemic change. Foundations have multiple tools for mobilizing a community to action. In sum, social change requires that we be creative, flexible, and proactive.

The fourth goal was to fine-tune our internal structure. It is imperative that we be an effective and efficient organization. Oftentimes we do not pay enough attention to organizational best practices, including tight internal controls, and improving the skills and capabilities of the staff, from the front desk to the back office. To be an effective leader, one also must be an effective manager.

To accomplish this objective, we reorganized our entire internal structure. We restructured our various functions to send a message that we are employing a variety of strategies. We strengthened our program grantmaking staff, enhanced our economic/housing/lending staff, and created a new department focused on developing programs that center on civic engagement and public policy. We also focused on improving customer service and our interactions with the community. One of the mandatory requirements for all staff is that they must be in the community in some capacity. My mantra is, “Each person associated with the organization serves as CCF’s eyes and ears by being directly involved in the community.” To properly staff these functions, we have re-evaluated what types of employees are necessary to successfully accomplish our goals.

Diversity is not a feel-good effort; it is the basis of an effective organization. We all bring different perspectives and see the world through different lenses. Diversity is vital to get buy-in from and to build trust with the various communities served by a community foundation.

Human capital is the most important resource of any organization. One must hire the right person with the right skills. Traditionally, foundations frequently have hired individuals from academia, usually with outstanding credentials, but sometimes lacking real on-the-ground experience. We are a community foundation. So I went about hiring, among others, community organizers and persons who had worked in nonprofit organizations. These people had an understanding of our grantees and the individuals that those organizations ultimately served. I not only wanted smart people with subject matter expertise, but I also sought individuals who had street smarts and were comfortable connecting with the communities that we served. Certainly, I also needed individuals with public policy knowledge who were seasoned advocates.

Systemic change takes time and requires individuals who are well-versed in navigating government, legislative bodies, and private industry. To pursue a social justice agenda, one must have intelligent, passionate communicators who understand and can effectively convey a message. Simply stated, improving the social condition of humanity demands the best and the brightest. Poor and disadvantaged people do not need those who proclaim that they “can feel your pain.” They need committed advocates who are practical and deliver results.

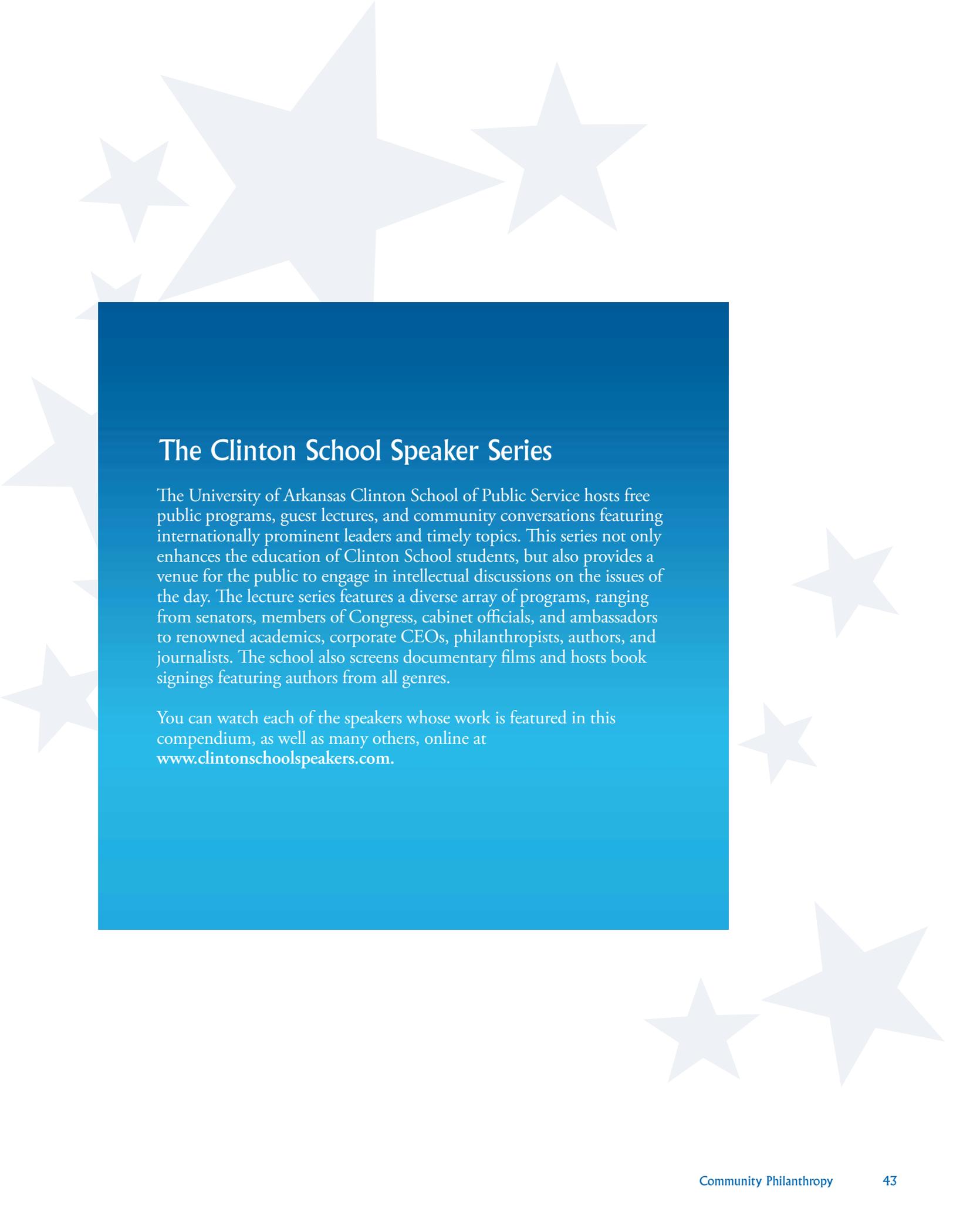
Most importantly, having a diverse staff is critical to success. Unfortunately, some people do not understand the essential role that a diverse staff plays in the delivery of a successful program. Diversity is not a feel-good effort; it is the basis of an effective organization. We all bring different perspectives and see the world through different lenses. Diversity is vital to get buy-in from and to build trust with the various communities served by a community foundation.

Diversity is just as important at the board level. The role of the board is often neglected. Directors often make the mistake of not spending the time to build the capacity and understanding of the board. To be successful, all sectors of the community must be engaged. Board members are well-meaning volunteers who want to advance the mission of the organization. To do this, the board members must understand both the mission of the organization and their role in achieving success. Failure to bring the board along often results in dysfunction and disappointment between the CEO and the Board of Directors—a situation that can only diminish the effectiveness of the organization. Understanding the role and value of a diverse board, hailing from all segments of the community, is a central factor for success.

Moreover, the board, CEO, and staff must be in sync. Each person must understand his or her distinctly different role and not allow those distinctions to become blurred. The CEO and the members of the board must articulate the vision and the mission with equal clarity and conviction. In turn, the CEO must communicate the board's role to the staff. Without everyone on the same page, the effectiveness of the organization diminishes.

Conclusion

In my 40 years working in the trenches in legal services, the United States Senate, MALDEF, and now at the California Community Foundation, I have been driven by a positive belief that we can improve the condition of humanity. Foundations—and specifically community foundations—are excellent vehicles to accomplish this objective. We have been entrusted with legacies given by those who believed that the community matters. As public trusts, community foundations have a responsibility to embrace our role as leaders for the common good, use our position to challenge the status quo for the betterment of our communities, advance a vision for change that is inclusive, provide equal opportunity, and invest in developing talent and skills for every person in the communities that we serve.



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Ramón Murguía

Trustee, W.K. Kellogg Foundation, and Owner, Murguía Law Firm



Ramón Murguía is a trustee of the W.K. Kellogg Foundation and owner of Murguía Law Firm. Murguía has served locally on the boards of the Francis Families Foundation, the Jacob L. Loose Foundation, and the Greater Kansas City Community Foundation. He also has served for many years as a member of the Board and as Chairman of the Greater Kansas City Hispanic Development Fund, which is a foundation established in 1983 to improve the quality of life of the Latino community in Greater Kansas City. On the national level, he served on the Board of Directors of the National Council of La Raza, a Washington, D.C.-based Latino civil rights organization and as its Chairman of the Board. Murguía has committed his career to excellence, both professionally and through his highly committed sense of community service. Following his 1981 graduation from the University of Kansas with a bachelor's degree in business administration and accounting, he obtained his juris doctorate degree from Harvard University in 1984. He then began his career as an associate with a greater Kansas City law firm, offering counsel to corporate clients on a variety of legal matters, including commercial loan transactions. In 1991, he founded his own practice, continuing to serve a broad range of small and mid-sized corporate clients in general commercial transactions. He also works in the area of estate administration and general civil litigation. He comes from a family of lawyers and is proud to call Kansas City, Kansas, his home. He lives in the Argentine community in the same neighborhood where he grew up.

Kansas City Hispanic Development Fund, A Model of Philanthropic Impact

Introduction

Over the last 32 years, Kansas City's Latino community has built an impressive philanthropic fund for itself, starting from no endowment and reaching a current endowment of approximately \$4 million. This represents one of the largest endowments of any Latino community in the United States. This accomplishment in Kansas City is a tribute to the efforts of many. It has set the bar for what a small ethnic community can accomplish in the field of community philanthropy when the right players come together with a specific goal, a common bond with local neighborhoods, and a commitment to long-term impact. The model developed in Kansas City has not only served to expand philanthropic giving, but has also served as a method to engage the community in civic efforts and to provide a fertile environment for developing community leaders.

Latino Demographics – United States and Kansas City Metropolitan Area

It might be helpful to begin with a general understanding of the demographics of the Latino community in the United States and in the Kansas City metropolitan area then (1983) and now (2015). The large and fast growth of this community is noteworthy. Note that I will use the terms “Latino” and “Hispanic” interchangeably, as these terms are collective cultural references to describe people in the United States of America primarily from Mexico, Puerto Rico, Central America, and South America, as well as former Spanish or Mexican territories, such as Texas or New Mexico. For reference, Kansas City's metropolitan area comprises the counties of Clay, Platte, and Jackson in Missouri and the counties of Johnson and Wyandotte in Kansas.

The Latino population in the United States has grown rapidly since 1983. In that year, Hispanics represented approximately 6.4 percent of the U.S. population, a total of 14.6 million people. Due to immigration from Mexico and other Central American countries, as well as birth trends, the Latino population has grown to 55 million—representing

17 percent of the population. Much of that growth has occurred in four states, California, Texas, Florida, and New York. Yet one of the interesting aspects of this growth has been the rapid expansion of the Latino population in Midwestern and Southeastern states.

In 1983, when community leaders began their efforts to start a fund for the local Latino community, the Mid-America Regional Council noted there were approximately 25,000 Hispanics living in the Kansas City metropolitan area, mostly families from Mexico. According to the U.S. Census, this figure represented a mere 2 percent of the population. Mexican immigrants have been coming to the Kansas City area in large numbers since the early 1900s, principally to take jobs in the railroad industry and packing houses. Those Latinos lived in concentrated, well-defined neighborhoods on both sides of the state line.

In keeping with national trends, the Latino population in Kansas City has grown substantially in the last 35 years. Latinos now represent about 10 percent of the population in the Kansas City metropolitan area, some 170,000 individuals. According to Policy Link's *An Equity Profile of the Kansas City Region*, "In 1980, Kansas City did not have a single county that was majority people of color. Now (2013), Wyandotte County is majority people of color." The 2012 Census showed that Latinos comprised the largest segment of the Wyandotte County population of color. Latinos represented 27 percent of Wyandotte County, Kansas, residents in 2014—the second-largest segment of the County's population. In addition, as Policy Link noted, "The [Kansas City] region's communities of color are much more youthful than its white population. The median age of Latinos, for example, is 13 years younger than the median age of whites."

This growth has intensified the need for more philanthropic resources to address the needs of this mostly low-income and youthful population.

Philanthropy in the United States

Giving Trends

Many believe that philanthropy is the exclusive enclave of large institutions. While there is no doubt that large high-profile gifts to charity are made by foundations and corporations, the statistics of giving in the United States paint a different picture. According to *Giving USA 2015*, 72 percent of the total giving in the United States in 2014 was from individuals, not organizations. That represents a total of approximately \$258 billion. Because of the growth of giving by individuals through family foundations and through bequests, Patrick M. Rooney, Ph.D., Associate Dean of the Lilly Family School of Philanthropy at Indiana University, estimates that giving by individuals actually amounts to 87 percent of total giving, or \$312 billion.

Another common myth is that only high net worth individuals give to charitable causes. Again, the statistics show that this theory is a mistaken belief. According to the *Philanthropy Panel Study* conducted in conjunction with the University of Michigan's *Panel Study of Income Dynamics* in 2011, the 86 percent of U.S. households that earn less than \$100,000 per year represent almost 41 percent of itemized gifts. At a *Giving USA* presentation in 2015, Patrick Rooney rightly pointed out that "more people give charitable contributions than vote." However, it is true that wealth matters a little

when determining who gives in the United States, as Rooney outlined in “COPPS and Individual Giving.” As would be expected, wealthy individuals (households earning between \$100,000 and \$1 million) are responsible for the largest number of individual gifts, totaling 43 percent of itemized gifts.

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When it comes to a review of giving by ethnicity, the numbers are not as easily available. People assume that Latinos do not participate in charitable giving at the same rates as non-Hispanics because of the lack of strong organized philanthropic traditions in their countries of origin. Actually, in “New Pools of Latino Wealth,” Ana Gloria Rivas-Vázquez established that Latinos are predicted to be just as generous as the general U.S. population. Most Latinos are very charitable, but express this through direct support for other individuals. Regardless of their economic situation, Latinos also give to their churches, primarily the Catholic Church. While Latinos may lack experience with organized philanthropic traditions, like endowments or foundations, they have no lack of commitment to others in need.

Foundation Roots in the United States

In order to provide some context for a discussion about the power of organized giving, it is helpful to consider the history of these entities in the United States. Foundations began to have widespread acceptability in the early part of the 20th century. According to *American Foundations: An Investigative History*, before 1910, there were only approximately 18 foundations and only one had assets of more than \$10 million. While charitable entities are not an American invention, large foundations with assets of over \$10 million did arise in American culture. At the beginning of the 20th century, some wealthy American industrialists wanted to find a way of avoiding taxes and putting their accumulated wealth to better use and they organized the early foundations. The impetus for the burgeoning field was an 1889 essay written by Andrew Carnegie entitled “The Gospel of Wealth.” Carnegie had just sold his steel business to J.P. Morgan for some \$480 million, making him the richest man in the world. In this essay, he posited that the wealthy should use their wealth to seek systematic change through organized philanthropy to change the plight of the poor. Business titans like John D. Rockefeller and Andrew Carnegie had the personal wealth to establish private foundations to invest in their personal charitable priorities. Thus, in the United States, private foundations came to be viewed by many as the sole enclave of the very wealthy.

History and Growth of Community Foundations

In 1914, however, a new model came into existence that had a different impetus—the community foundation. The first one was founded by a local Cleveland banker and lawyer by the name of Fredrick H. Goss; it is now known as the Cleveland Foundation. As the foundation’s website shares, “His vision was to pool the charitable resources of Cleveland’s philanthropists, living and dead, into a single, great, and permanent

endowment for the betterment of the city.” Goss called this new entity a community trust and intended that it would exist indefinitely to meet the future needs of the community. Because of the power of the model, the Chicago Community Trust was established soon afterward. These innovations allowed Americans to move away from the misconception that only the very wealthy could participate in contributing resources for the betterment of their cities or regions.

Just over a century later, there are over 750 community foundations across the country, with combined assets of approximately \$70 billion, according to the Foundation Center and the Council on Foundations. One of the most important strengths of the community foundation model is local involvement. The community foundation model allows local communities to pool resources to fund local priorities for charitable initiatives.

Large national foundations have also assisted communities with developing their own charitable institutions. For example, from 1982 through 1995, the Ford Foundation’s Leadership Program for Community Foundations seeded community foundations across the country. During this program, Ford worked with 27 community foundations to help them grow unrestricted funds for their endowments. Ford dedicated approximately \$40 million to this effort, with much of the funding being used to pay for technical assistance and learning activities to support their efforts at growing local support.

Kansas City Hispanic Development Fund Model of Giving

History of the Hispanic Development Fund

In 1983, the Hall Family Foundation approached leaders in Kansas City’s Hispanic community. During a discussion on how best to help Kansas City minority communities, Dr. Clarke Wescoe, a trustee of the Hall Family Foundation, advanced the idea of directly giving those communities philanthropic funds so they could make investments of charitable resources for themselves. This was a novel concept in Kansas City—to give Kansas City Latino leaders the power to decide philanthropic priorities in their own community. The Hall Family Foundation agreed to set up two field of interest funds at the Greater Kansas City Community Foundation, one for the Latino community (named the Hispanic Development Fund) and one for the African American community (named the Black Community Fund). The foundation committed to organize a group of leaders in each community and provide each fund with \$75,000 annually for three years to manage a targeted grantmaking process for their respective communities. Through the leadership of Tony Salazar and others, the Latino community itself established priorities and methods for awarding grants to nonprofit organizations that could best serve the needs of the Kansas City Hispanic community. This group of dedicated individuals rose to the challenge of making grants in a way that impressed the board of the Hall Family Foundation. The foundation decided to permanently endow the two groups, so that they could continue this work for their communities into the future.

In the case of the Hispanic community, the Hall Family Foundation selected a local real estate developer who is deeply committed to the Latino community in the Kansas City area. Tony Salazar had been President of the Guadalupe Center, the largest Hispanic-serving nonprofit in the area. The Latino community on both sides of the state line trusted him completely. He had also established tremendous credibility with leaders in

the business and philanthropic communities in Kansas City, because of his integrity and commitment in running a neighborhood development organization. Salazar had relationships with both the formal and informal local leaders. He embodied a splendid mix of grassroots confidence and corporate credibility. Bridge builders like Salazar can walk in these two very different worlds with trust and the ability to speak honestly.

The Greater Kansas City Hispanic Development Fund, or HDF, was born. The HDF proved the theory Dr. Wescoe first advanced: A group of individuals from the local minority community were savvy enough to make philanthropic investments and to create solutions for their own community problems. In support of this work by the Hall Family Foundation, the Ford Foundation made a 1986 grant to the Greater Kansas City Community Foundation for the Hispanic community to conduct a regional needs assessment. The Ford Foundation believed the leadership of the HDF would have a better start at grantmaking if they had real evidence of community priorities. A massive effort ensued to determine community priorities of residents and formal community leaders. Volunteers went door to door in Latino neighborhoods and asked families to identify areas that they wanted to see improve. By a large margin, the community chose educational opportunities as its number one concern.

As a result of this work and the success of the grants made by the Latino committee during the three-year trial period, the Hall Family Foundation decided to help the Latino community build an endowment. It made a pledge of \$750,000 to the HDF and agreed to encourage others in the community to support this new endowment. Under Salazar's leadership, the HDF was able to raise an additional \$250,000 from local businesses and foundations.

Salazar and William Hall, the President of the Hall Family Foundation, agreed to keep the endowment at the Greater Kansas City Community Foundation (GKCCF). Hall sought to prevent politics from having too great an influence on the fund and to allow the HDF board to focus primarily on grantmaking without being bogged down by the administrative and legal tasks of maintaining a private foundation. Salazar placed two conditions on the Hall Family Foundation in exchange for agreeing to keep the endowment at the GKCCF. First, the GKCCF would allow the HDF board to control all properly made grant decisions. Second, the existence of this endowment within the GKCCF would not reduce its obligation—or that of the Hall Family Foundation—to make other grants in the Latino community.

A seven-member board made grant decisions as proposals came into the fund. (The initial board of the Greater Kansas City Hispanic Development Fund was Tony Salazar, who served as chair, Maria Mora, Maria Chaurand, Marc Marcano, William Lopez, Bobby Hernandez, and Father Ramón Gaitán. In 1985, Ramón Murguía was invited to join the board when Father Gaitán was reassigned by his Order to another city.) Since the funds were kept at the community foundation, this board was officially an advisory committee to the GKCCF. Salazar assembled the HDF board with an eye to selecting community members who had strong ties to local neighborhoods and families. He also included appropriate representation of diverse interests in the community, from politics to business to arts. Everyone on the HDF board agreed that the fund would use the maximum amount of available funds to go back into the community as grants and to keep their

expenses to a minimum. The volunteer board decided not to hire staff, but instead to serve as the eyes and ears of the fund in the community themselves.

In 1987, Ramón Murguía replaced Tony Salazar as chair of the board of the Hispanic Development Fund when Salazar's employment required that he leave the Kansas City area. As a new lawyer, Murguía was well grounded in the concepts of endowments and the duty to provide stewardship to the funds for the benefit of the local Latino community. Salazar provided enormous mentoring around relationships with community and fundraising. He believed it was important to provide leadership opportunities for younger people in the community to take on issues of this size and complexity. In addition, he knew Murguía had a deep and binding commitment to the Latino community, as he lived in the Hispanic neighborhood in which he had grown up and had already been working on issues at a very grassroots level.

Responding to Community Priorities

Over the years, the Hispanic Development Fund grants in the community have reflected the priorities established with direct input from the community. The HDF board took to heart the priorities established by the Needs Assessment. Moreover, the HDF board members have been involved with groups throughout the city, so they have retained a true sense of emerging issues in real time. For example, when an early education center operated by a local Latino nonprofit organization faced a large reduction in their budget due to emergency federal government cutbacks, an urgent grant request came to the HDF to help them bridge their expenses until they could replace the lost federal funds. The HDF board met within a week of the request and approved a grant within ten days of the request. The early education center was able to keep its doors open without interrupting the children's education because of the close local ties between the fund and the community. A decision from a more traditional grantmaking foundation likely would have taken months to secure.

Another great example of the HDF exerting itself in response to community priorities is the scholarship program it established in 1984. In response to the fund's initial request for grant proposals, a number of local Latino nonprofit organizations requested grants to provide scholarships to deserving individuals in their neighborhoods to assist them with college expenses. The HDF board noted the widespread importance different groups put on college scholarships for local Latino students. The HDF board responded as only a foundation with sufficient resources and the interests of the whole community in mind could respond and organized a community-wide scholarship program. First, the fund obtained the commitment of the various organizations to group their volunteer resources for one combined scholarship effort. Next, the HDF met with local universities, inviting them to join the effort, and obtained matching commitments for any scholarships raised by the HDF. These efforts allowed the HDF to establish a means by which the community could leverage its resources to provide more scholarships and stretch grant dollars. An oversight committee of various organizations and dedicated individuals was established, a nonprofit organization was hired to administer the program, and efforts to raise additional contributions were begun. Instead of three separate organizations giving three scholarships with three methods of selecting a recipient, the HDF was able to establish one community-wide process to award many more scholarships and obtain matching dollars from several universities.

At every opportunity, the Hispanic Development Fund encouraged scholarship recipients to give back to their community and to take up leadership roles once they graduated from college.

In its first year, the HDF scholarship program awarded scholarships to 100 students who received \$100 each (plus an additional matching scholarship of \$100). The total HDF expenditure was \$10,000. The number of young Hispanics in Kansas City who wanted to go on to college exceeded the fund's expectations. The process was refined after that first year to provide more meaningful scholarships to a smaller number of recipients. The HDF board adopted a merit- and need-based method for reviewing applications to ensure the most deserving students received scholarships. The new selection process was more objective and focused

more resources on those students applying from the central core of the city. The HDF also saw this effort as an opportunity to raise philanthropic funds from within its own community to help provide even more scholarships. Latinos in Kansas City, some of whom did not have a robust understanding of endowments, could appreciate giving small amounts of money so that young people could continue their education by going to college. Important to soliciting contributions was the HDF assurance that every dollar raised for the scholarship program would go directly to the students, since the luxury of having funds from an endowment allowed the fund to use other resources to pay for the administrative costs of the scholarship program. The Latino community now had a vehicle for capturing the innate charitable spirit of its residents and for meeting an important need to get more Latino college graduates to return home and give back to their communities.

The resources of the HDF scholarship program were never intended to cover all of the students' college expenses, but they were (and remain) an empowering catalyst. The Needs Assessment conducted by the HDF showed that while Latino families wanted their children to attend college, most were concerned about paying for continuing education. Too few of the families knew that they would qualify for financial aid. The HDF understood that folks in the Latino community often were unfamiliar with the college admission and financial aid process. With the HDF scholarship, however, these same families began to look at college with real hope. Just the existence of this fund was enough to get families to take the risk of having their sons and daughters apply to college.

The HDF board had one other important reason for developing the scholarship program. It accurately predicted that promoting a college-going environment could bring educated leaders back to the community. Board members built on the pervasive sense of duty and loyalty in the Latino culture. At every opportunity, the HDF encouraged scholarship recipients to give back to their community and to take up leadership roles once they graduated from college.

What began as an experiment—with an initial commitment of \$10,000 for scholarships—has grown tremendously. The initial goal of the HDF was to raise and award \$30,000 in college scholarships each year. While they struggled to raise those funds in the early years, the number of small annual contributions from across the Kansas City region showed the HDF board that they had broad community support. Both the goals and success grew step by step over the years. The HDF board has consistently

led efforts to raise money from its own Latino community, as well as other sources. More importantly, it has focused its efforts on the most culturally appropriate strategies. At the 25th anniversary gala in 2009, the Hispanic Development Fund introduced the concept of scholarship donations from local Latino families in honor of parents or treasured ancestors. This concept touched a cultural chord and inspired a number of families to contribute over \$20,000 for scholarships. Those funds were then matched by an additional \$20,000 by a foundation and matched again by the local colleges and universities. In 2014, at its 30th anniversary gala, the HDF raised over \$330,000 for the scholarship program, again based on the concept of engaging local families and taking the message out to the community that everyone could help. All these efforts have culminated in true growth. At the HDF's awards ceremony in June 2015, 327 students received awards, representing \$450,000 in college scholarships. Over the last 31 years, the scholarship program has awarded over 3,600 scholarships totaling almost \$4 million.

Growing the Endowment

Parallel with the scholarship program over the years, the Hispanic Development Fund's leadership contributed hard work and perseverance to add to its endowment as well, especially seeking donations from within the Kansas City Latino community and building relationships in the business community. Along the way, the HDF board learned to hire the right consultants with the right community contacts. In 2000, the Hall Family Foundation again responded to a request to assist the HDF as it embarked on a campaign to raise endowment funds from the Latino community. The Hall Family Foundation provided an initial matching grant of \$100,000. With this matching grant, the HDF announced the campaign and also raised another \$100,000 in one month when ten different Latino families each pledged to give \$10,000 over the subsequent five years. At the end of this two-year campaign, there was a significant boost to the HDF endowment. The HDF was able to convince the Hall Family Foundation to raise their challenge grant to a total of \$250,000 based on its initial success. The HDF met the full challenge to match the Hall Family Foundation grant of \$250,000, which resulted in a \$500,000 increase in the endowment.

Success Through Engagement

One key to the success of the Hispanic Development Fund is its high level of integrity, both in awarding grants and in community engagement. Success is also attributable to the HDF's ability to reach donors of all income levels, especially middle-income Latino families. Their firsthand experience helping each other through extended family relationships resonated with the idea that pooling resources for the Latino community in an endowment at the GKCCF is the best way to fund solutions to their own community challenges.

The success of the HDF model is also reflected in the magnitude of its investment in the community. Since its inception, the fund has provided over 360 grants, totaling over \$2.5 million, in addition to the funds expended on its scholarship program. The largest segment of grants has been in the area of improving educational outcomes for Latinos in Kansas City through programs operated by nonprofits and public school districts. The HDF also has been one of the few foundations in Kansas City consistently supporting arts and cultural activities of the Hispanic community.

While it would be difficult to measure the exact amount of additional funds the HDF has leveraged from other local foundations over the last 30 years, the amount is considerable. Throughout the history of the HDF, other local foundations have sought the opinion of the HDF in making decisions about grants for Latino issues. And the HDF has convinced foundations to give grants to Latino nonprofit organizations on issues that were meaningful to Latinos, but not always so apparent to the foundations. For example, when immigration reform legislation passed Congress in the late 1980s, the HDF advocated for other local foundations to give to Latino organizations so they could build their capacity to help Latino families qualify for lawful status. The mainstream foundations were reluctant to engage on this issue at first. As a result of HDF's own grants and persuasion, however, they were convinced that it was an important effort to fund.

There are two other notable accomplishments of the HDF model in Kansas City. In 2005, HDF, as a result of its growth and success, transitioned from a field of interest fund to a more independently recognized regional affiliate fund of the GKCCF. Then, in 2007, a special fund drive allowed the Hispanic Development Fund to hire its first Executive Director, Mayra Aguirre, a recent graduate of the University of Kansas Law School with a passion for work in the Latino community. With this hire, HDF has been able to professionalize its efforts in the community and improve tracking and evaluating the effectiveness of its grantmaking activities. Aguirre's skill in interacting with the community and at handling grants significantly impressed the community foundation—so greatly that the HDF convinced the GKCCF to hire her as an employee of the foundation and continue as the HDF executive director. It is no coincidence that the HDF's ability to raise money for scholarships has more than doubled since it hired a skilled, culturally sensitive executive director.

Strengths of HDF Model

By virtue of the establishment and successful growth of the Hispanic Development Fund, the goal of increasing funds for Latino community issues in Kansas City has been achieved. The strength of this model, nonetheless, includes other laudable accomplishments beyond just raising money. At the very core of all this work has been the concept that given the opportunity, Latinos will fully participate in community philanthropy. Much as community foundations inspire and capture the spirit of giving in geographic communities, the HDF has inspired hundreds of Latino families to pool resources and give money for scholarships or to its endowment. It has been able to assume the mantle of community leadership in finding and convincing Latino donors—to give.

More importantly, the HDF model has identified a culturally appropriate means of convincing donors to give. When the scholarship program identified the decision-making unit as the family, it touched a central nerve of Latino culture. Through this appeal, the fund inspired more people to give. The emphasis on families honoring parents or other deceased ancestors connected with the giving impulse of Latinos that is seldom used by appeals in mainstream culture in the United States. Also, by focusing on education as a priority, the HDF connected directly with the preeminence Latino families place on this issue.

HDF's successful, culturally appropriate approach brings a positive self-image to the Latino community itself and simultaneously creates credibility and respect for Latinos in the wider culture. Latinos in Kansas City now have an endowed fund that allows them to determine priorities for themselves: This achievement strikes at the heart of the concept of empowerment. No longer must Latinos solely appeal to others for support of charitable funds. Instead, the Kansas City Latino community can set its own agenda. The community no longer sees itself as just a supplicant, as a group of Latinos are grounded in the community and entrusted with the responsibility of deciding how best to achieve its goals. Likewise, the HDF now is a peer of other grantmaking institutions. Many foundations actually seek the fund's input as they make decisions about grants. Having a voice and being able to sit at the same table with other foundations provides insights into philanthropy that did not exist previously. This influence also allows HDF to channel efforts to be supportive of its own grants.

The fund's impact on nurturing community leadership is also noteworthy and multifaceted. The HDF board has served as a training ground for Latinos to gain experience in philanthropy. Those individuals can understand the real-life challenges of balancing limited resources against the enormous needs that exist. They also have the opportunity to develop the skills of long-term goal setting and appreciating the role of managing the investments of an endowment. Many HDF board members have moved on to serve on the boards of prominent mainstream nonprofit organizations and other local and national foundations. Similarly, past recipients of the HDF scholarship program have taken various leadership roles in the community, including on the HDF board. This group of individuals has served as a fertile network for community engagement. The special nature of an endowment has allowed the HDF to approach leadership development over the long term, since its horizon for achieving this goal is measured in decades and allows for more constant attention to development opportunities for these individuals.

The strength of this model, nonetheless, includes other laudable accomplishments beyond just raising money. At the very core of all this work has been the concept that given the opportunity, Latinos will fully participate in community philanthropy.

In addition, the Hispanic Development Fund has used its collective authority in the community to provide leadership for community-based organizations. This leadership has assumed the form of encouraging these organizations to work together and focus on developing efficiencies in programs through shared experiences and collaboration. At various times, the HDF has convened these nonprofit organizations and provided funding incentives for them to operate more cohesively on issues confronting the Latino community. The HDF has also raised funds to respond to larger statewide policy initiatives. Recently, it led a multi-sector effort to refute negative portrayals of Latino immigrants in the media and in political circles. The fund commissioned university research and coordinated a marketing campaign to more accurately convey the reality of the lives of immigrant families in this country.

Other Latino Funds

Latino Fund Models in the United States

Interest in Latino funds garnered much attention in the field during the 1990s. Hispanics in Philanthropy, a national affinity group of Latinos working in philanthropy, commissioned a number of research papers for its conference organized in New Mexico in 1995. One of the papers presented was “Latino Funds in the United States of America: A Review of Models for Philanthropic Resources” by Ramón Murguía.

From this effort to identify and capture the movement of Latino funds, in 1999, Hispanics in Philanthropy published *Nuevos Senderos: Reflections on Hispanics in Philanthropy*, edited by Diana Campoamor, William Diaz, and Henry A.J. Ramos. This book included a wide-ranging chapter written by Gabriel Kasper and Henry A.J. Ramos that contained an extensive discussion on the Latino funds in the community fund movement and their different models. Based on research and categories from Murguía’s paper, Kasper and Ramos categorized the funds into two general groups: the workplace giving fund model and the field of interest fund model. In the workplace giving fund model, similar to the United Way or Combined Federal Campaign, donors in the workplace made contributions directly from their paychecks to the Latino funds. The funds in this category included:

- The Hispanic Community Fund, San Francisco
- The Hispanic Federation, New York, and
- United Latino Fund, Los Angeles.

In the field of interest fund model were those funds associated with community foundations that raised funds directly from donors and had endowments of varying levels at partnering community foundations. Those operating under the field of interest fund model were:

- The Hispanic Development Fund, Kansas City
- Fondo de Nuestra Comunidad, St. Paul, Minnesota, and
- The Hispanic Fund, Lorraine, Ohio.

Under the leadership of Herman Gallegos in San Francisco and Ramón Murguía in Kansas City, the HDF board invited representatives of five other funds to join them at a meeting in Kansas City in 1996. They were:

- The Hispanic Community Fund, San Francisco
- The Hispanic Federation, New York
- United Latino Fund, Los Angeles
- Fondo de Nuestra Comunidad, St. Paul, Minnesota, and
- The Hispanic Fund, Lorraine, Ohio.

The discussions centered on what those funds could learn from one another and how the funds could intentionally share findings, techniques, and data to assist each other with the growth of their respective funds. The groups established a plan to meet on a consistent basis and invite specialists to make presentations and provide

technical assistance. As a result of this effort, the National Latino Funds Alliance formed to serve as a support group and to share information and research.

Since the Kasper and Ramos research, new Latino funds have been established in other major cities. In 2004, the Latino community in Chicago started the *Nuestro Futuro* fund as part of the Chicago Community Trust. This effort began in response to an encouraging speech from Ramón Murguía of the Hispanic Development Fund. A group of committed individuals, with initial support provided by the Chicago Community Trust, embarked on an effort to develop its endowment by focusing on the 1.9 million Hispanics living in the Chicago metropolitan area. The Denver Latino community launched the Latino Community Foundation of Colorado in 2007 as part of the Rose Community Foundation. These two funds joined the National Latino Funds Alliance to assist with their work and provide a broader network for the work of the Alliance. The network has been responsible for encouraging each fund to expand its efforts in community philanthropy. Assistance has been focused on both fundraising and effective grantmaking strategies. Funds at the Arizona Community Foundation, the San Antonio Area Foundation, and the Hispanic Foundation of Silicon Valley subsequently joined the network. Additionally, two organizations not associated with the Alliance have joined the community fund movement and achieved traction in their local communities. They are *Destino*, the Hispanic Legacy Fund that is part of the Ventura County Community Foundation in California, and the Latino Community Fund of Washington State, which is operating independently.

Almost all of the new Latino funds in the United States have chosen to begin with the field of interest fund model. . . . This makes sense, since it is a model that avoids many of the administrative expenses of starting a private foundation and affords the benefit of the community foundation's contacts and networks.

Almost all of the new Latino funds in the United States have chosen to begin with the field of interest fund model. Even the San Francisco-based Hispanic Community Foundation has now aligned itself with the San Francisco Community Foundation. This makes sense, since it is a model that avoids many of the administrative expenses of starting a private foundation and affords the benefit of the community foundation's contacts and networks. The Hispanic Federation has pursued more of an independent fund model. While the Hispanic Federation has not embarked on the development of an endowment, it has raised millions of dollars for grants through very successful special events.

Important Role of Community Connections

One of the best indicators of success for these funds is their ongoing level of engagement with the Latino community. As funds mature, the pressure to draw in more funds presents a temptation to lose focus on the mission—to serve the priorities and needs of the local Latino community. For example, large foundations set funding priorities that may not align with the Latino fund's mission, so chasing misaligned foundation support can lead a Latino fund to put time and energy into programming that does not address community priorities. In contrast, experience shows that those funds that continue to

thrive have a strong component of community engagement that keeps them grounded in their local community. In Kansas City, the Hispanic Development Fund demonstrates that listening to the community and maintaining working relationships keeps the fund true to the community's established objectives, while also successfully increasing the endowment. Since its establishment, the HDF has maintained an emphasis on assuring that the resources all flow back to activities focused on those most in need. Similarly, the San Francisco Latino Community Foundation has translated its commitment to community priorities into expansion of its grantmaking. Women's giving circles represent one particularly effective strategy that San Francisco has used. These circles, recruited and trained by the Latino Community Foundation, allow those closest to the issues to make funding decisions. They have resulted in additional resources for the foundation. Likewise, as a direct result of effective communication with people in Chicago's Latino neighborhoods, Chicago's Nuestro Futuro endowment campaign has prospered and brought in millions of dollars for its endowment.

Community connections are important beyond each metropolitan area as well. Working relationships and an attitude of helping each other are key components to the burgeoning National Latino Funds Alliance.

Future of Hispanic Development Fund

Pass Vision of Fund to Next Generation

As the local Hispanic community has grown, needs have increased. Accordingly, the Hispanic Development Fund continually works to increase its original million-dollar endowment. At the same time, widening success in the Latino community means there is also growing potential to raise more funds to meet the challenges confronting the community. Many organizations remain successful as long as the founder continues to be involved, but they weaken if they fail to bridge to the next generation and have a new group of leaders take over and continue the march of advancement. The HDF seeks to build a philanthropic institution that can continue its work for future generations. The test of its longevity will be in its ability to inspire the next generation to uphold the same passion and commitment to philanthropy for and by the Latino community. To this end, the fund has added several new board members over the years, mentoring their commitment and skills. Only two of the founding board members remain on the board.

Also, the HDF hired a young executive director who can shape the fund's message to resonate with the next generation. Furthermore, the HDF has appointed some of its own scholarship recipients to the board. Coming full circle, those individuals heard the message to give back to the community, graduated from college, and returned to Kansas City to engage with their community and to continue and expand the scholarship program. As direct recipients of the good works of philanthropy, they best understand the value of grounding the work of the HDF in the lives of real people in the community.

Adapt Fund to New Technologies

To assure vibrant futures for funds like the Hispanic Development Fund, leaders must pursue new technological advancements that allow them to raise money from younger

people, who are more comfortable making donor decisions electronically. Many funds have experimented with social media to generate large-scale responses to online appeals for contributions. From crowdfunding sites to blogs informing communities about philanthropic efforts, the field is changing and funds must keep up to position themselves for these new opportunities to engage donors. Social media networks allow funds to maintain contact and to communicate with past donors and beneficiaries. The economics of these new methods of communication make these efforts more cost-effective than past methods, such as mailings and telephone calls.

An important decision that the HDF must make is how to balance these new methods of donor solicitation with traditional personal donor meetings. When appealing to individuals for financial support, connecting with individuals emotionally to convey the right sentiments and inspire the gift is vital. Social media allows potential donors to view short videos that can be effective as a personal appeal for a contribution to the fund. But a face-to-face conversation is a powerful statement that people, including the donors, matter to the HDF. This hands-on approach is effective in getting the donors' attention and it holds true to the character of the Greater Kansas City Hispanic Development Fund. To assure that the community remains vibrant in human relations and effective in garnering philanthropic support, funds will likely pursue both methods of appealing to donors.

Many organizations remain successful as long as the founder continues to be involved, but they weaken if they fail to bridge to the next generation and have a new group of leaders take over and continue the march of advancement.

Stay Relevant with Contemporary Issues Confronting Community

Just as important as donor engagement to the Hispanic Development Fund is its ability to stay connected to the issues confronting the Latino community in Kansas City. The original needs assessment the fund conducted in the community has been updated and revisited over the years. In 2013, a group of grantees conducted the most recent needs assessment of the Latino community in Kansas City through the UMKC Institute for Human Development. Importantly, as determined by this new research, education remains the chief priority for Latinos in Kansas City. The new assessment documented the tremendous growth of the community in some suburban cities, and this growth presents new challenges to social service providers. Some Latino nonprofit organizations are expanding their physical locations to be able to continue to serve this population in these new areas.

Immigration remains a central issue, since it has such widespread impact on Latino families living in Kansas City. The HDF has always provided significant funding in support of this issue. As the legal landscape changes, the fund has worked with Latino community-based organizations to fund programming to meet families' current needs. It is more difficult to predict the next major issue that will impact Latinos in Kansas City. Nevertheless, the HDF's ability to stay in touch with the lives of the real people in the humblest neighborhoods assures it will react with sufficient haste to remain an important partner.

Independent Status

As the Hispanic Development Fund continues to assess its relationship with the Greater Kansas City Community Foundation (GKCCF), it has an obligation to analyze whether setting up as an independent organization may be in its best interests at some point in the future. The fund has been blessed with a very positive and supportive relationship with the GKCCF over the years. The community foundation has never questioned or undermined the HDF board's control of grantmaking decisions. In return, the HDF has raised a significant amount of money for the GKCCF and has garnered national attention and the respect of many others in the field for its success.

In Kansas City, Dr. Wescoe's thesis that the Latino community can manage the responsibility of operating a foundation is long since affirmed. With its years of successful efforts, both in grantmaking and in donor solicitation, the HDF has proven itself in the field of philanthropy. It has successfully hired and managed staff, so that the work of the fund is accomplished in keeping with community priorities identified by the board. Making the HDF fully responsible for all aspects of operating and maintaining a separate nonprofit organization may have some appeal to the community. It is a decision that will be carefully considered with the best interests of the community at heart.

Conclusion

Banding together under the banners of community trust and commitment to neighbors with the lowest incomes, the Hispanic Development Fund has been able to make a difference. Yes, at the beginning, and even now, the investment opportunities far exceed the philanthropic resources available. However, the community has a better sense that things are possible. Kansas City Latinos have claimed a stake in an area that resonates with all the families in our community—college education. We have shown that even a few people can make a difference when the attitude of the community is one of “We can do it!” versus “Who will help us?”

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Ronald B. Richard

President and Chief Executive Officer, Cleveland Foundation



Ronald B. Richard has been the President and Chief Executive Officer of the Cleveland Foundation since 2003. He assumed this position after holding a variety of senior management positions in government, private enterprise, and the nonprofit sector over a 27-year period. Early in his career, he was a U.S. diplomat, serving at the American Consulate General in Osaka/Kobe, Japan and at the U.S. State Department. Richard's 13 years at Matsushita Electric (Panasonic) included time spent as head of the company's North American research and development operations. Immediately prior to joining the foundation, he was the managing director and chief operating officer of In-Q-Tel, the CIA's venture capital fund. Among the boards Richard serves on are Evergreen Cooperative Corporation, Global Cleveland, NewBridge Cleveland Center for Arts & Technology, and Hispanics in Philanthropy. He is board chair of the Cleveland School of Science and Medicine and Lake Erie Energy Development Corporation, and lead director of the board of directors of Emergent Biosolutions, a public biopharmaceutical company. In January 2009, he was asked by then-Governor Ted Strickland to fill the volunteer, temporary post of infrastructure czar to oversee the expenditure of federal stimulus funds in Ohio. Richard holds a master's degree in international relations from the Johns Hopkins University School of Advanced International Studies, a bachelor's degree in history from Washington University in St. Louis, and honorary doctorates from Baldwin Wallace University and Notre Dame College. He received an African-American President's Council Champion Award for his work in the area of inclusive economic development, Wheaton College's Otis Award for Social Justice, and a Champion of Sustainability Award from the Entrepreneurs for Sustainability. Richard also is a member of the Hiram College Garfield Society.

Mutual Dependence: Building Effective Models for Community Change Through Collaboration

Background

In the course of a 30-plus-year career spanning service in the public, private, and nonprofit sectors, I have been fortunate to spend significant time in Japan. Early on, I served as a diplomat at the American Consulate General in Osaka/Kobe and later, I held a series of senior management positions at Matsushita Electric (Panasonic).

It is axiomatic that life in a foreign culture broadens one's perspective. In this regard, I was fascinated by the Japanese principle of *amae*. In simplistic terms, *amae* is mutual dependence: supporting one another to engender trust and promote the greater good. It plays a pivotal role in a communal society where individualism is not highly valued, as it is in the United States. One of the worst insults one can level in Japan is that a person lacks *amae*, the implication being that he or she is incapable of relating to others. Failure to exhibit *amae* is grounds for declining to do business with the offender.

I have long believed that such lessons from my time in Japan positioned me well for leadership of the Cleveland Foundation, the world's first community foundation. Diplomacy is a much-needed skill in implementing the collaborative approach we bring to Northeast Ohio's most intractable problems. And *amae* is a concept worthy of emulation by philanthropists and their partners.

Introduction and Thesis

The community foundation sector originated with the 1914 establishment of the Cleveland Foundation. The concept caught on rapidly. Within a year, counterparts to Cleveland's trust sprang up in Boston, Chicago, Milwaukee, and Minneapolis. A powerful, place-based dynamic anchored this new breed of philanthropy, differentiating the community foundation model from its predecessors in two vital ways:

- The community foundation pooled the gifts of a community’s donors—not just people of immense wealth, but those of modest means as well.
- The community foundation vested responsibility in a distribution committee of local citizens to administer the interest income from these funds in perpetuity for the benefit of the community.

Today, some 1,750 community foundations exist around the world. The definition of “community” is elastic; in the United States, a given foundation may serve a city, a county, a multicounty region, or an entire state.

Models of community engagement and investment have diversified as the sector has grown. Some community foundations function primarily as pass-through organizations, authorizing grants in accord with the dictates of their donors. Others adopt a more proactive stance, identifying and focusing their philanthropy on specific local concerns and educating donors on these issues. Many community foundations strike a balance between these approaches, usually striving to align donor preferences with the immediate and long-term needs of their communities.

The most proactive community foundations have gone far beyond fundraising and grantmaking to operate as conveners, catalysts, advocates, educators, and strategic investors. These varied roles have enhanced these foundations’ understanding of their localities and gained them the respect and trust of myriad constituencies.

The most proactive community foundations have gone far beyond fundraising and grantmaking to operate as conveners, catalysts, advocates, educators, and strategic investors. These varied roles have enhanced these foundations’ understanding of their localities and gained them the respect and trust of myriad constituencies.

The common denominator within the community foundation sector is local expertise acquired over years of experience working with donors, grantees (and the people they reach), political and corporate leaders, community partners, other funders, and additional home-based allies. This expertise is based on informal and formal information networks and data collection channels that uniquely position these foundations to take the pulse of their communities. One community’s pulse may not draw the attention of national institutions, but the cadence from multiple communities, amplified by the collective voice of community foundations within the public policy sphere, is a critical gauge of the vibrancy and vulnerabilities of our country.

In short, the community foundation sector’s immersion in “place” equips these trusts to communicate public needs to their larger national peers and to government. For example, the national issue of immigration, viewed through the lens of a community foundation, becomes a conversation not about generalized stereotypes, but about local people, histories, and workforce needs. This local conversation can then inform and/or reform a national policy approach. Integrating community foundations into national strategy-building and implementation systems at the initial planning stages allows for development of macro strategies that can accommodate local relationships more effectively. This point is particularly important given that local relationships ultimately determine how partnerships are developed and resources are deployed.

However, the door to effective collaboration swings both ways. Just as community foundations can inform national strategies and policies, national foundations and government initiatives can help link community foundations to the work of their international partners. A true partnership among national foundations, their community counterparts, and government, if leveraged by the right connectors, can address:

- *A common need for information.* In the Knowledge Age, momentous decisions are underpinned by collection and analysis of quantitative and qualitative data that impart essential information about people, history, politics, the social order, and other influential topics.
- *The benefits of globalization.* Clearly, U.S. philanthropy has gone global, with national foundations accelerating their investments and initiatives abroad. Innovative and transformative best practices are evolving concurrently at home and overseas. If shared, these approaches could be replicated across borders and cultures. Herein lies an opportunity that has yet to be fully leveraged by the parties: an exchange of ideas and information with the potential to transform communities that are oceans apart.

In this paper, I will explore two ways the Cleveland Foundation has built innovative and effective strategies for community change, based on the strengths that community foundations, national foundations, and government bring to the table. First is our partnership with Living Cities, which illustrates the need to balance local and national perspectives when developing scalable models for community change. Living Cities harnesses the collective power of philanthropy and financial institutions to improve the lives of low-income people and the cities where they live (www.livingcities.org). The second example speaks to the foundation's advocacy for public education reform and the power of a single philanthropic voice engaged in policy debates.

Model I: Collaborating with National Foundations

The relationship between the Cleveland Foundation and Living Cities dates to 2003. In the ensuing years, the rapport strengthened as the partners came to know and trust each other. The Cleveland Foundation was the first community foundation with membership in Living Cities.

Initially, some local observers questioned why we would invest in a national consortium of the country's largest foundations and corporations. My response was always, how could we not? It is around the Living Cities table that we at the Cleveland Foundation have been able to establish and strengthen our relationships with national counterparts, as well as learn about the strategies and initiatives they invest in to tackle the same issues affecting our community. They, in turn, are aware of the innovations, replications, and creative pooling of resources that we support at the local level.

Any existing doubts about the value of this partnership strategy were put to rest in October 2010, when Cleveland was one of five cities selected for the Living Cities Local Integration Initiative, and national and local thought leaders turned their attention to taking one of the foundation's signature community transformation strategies to "the next level." This selection resulted in an award of \$14.77 million over three years to expand and accelerate our Greater University Circle Initiative. These new resources and learning

opportunities have made our strategy stronger, more effective, and reproducible in other domestic and international settings.

The Greater University Circle Initiative

The Greater University Circle Initiative dates to 2005, when the Cleveland Foundation convened a collaborative effort to tear down the walls between Cleveland's University Circle and the surrounding neighborhoods. These two worlds exist side by side—yet they are linked only by their proximity.

University Circle is a civic treasure: the cultural, medical, and educational capital of Northeast Ohio. It is home to such world-renowned institutions as:

- The Cleveland Orchestra, arguably the nation's best
- The Cleveland Museum of Art, another premier cultural venue
- Case Western Reserve University, one of the country's leading research institutions
- The esteemed Cleveland Clinic and University Hospitals of Cleveland, and
- A host of additional museums, botanical gardens, and attractions—all packed within roughly one square mile.

Step outside this enchanted enclave, however, and you enter a zone infested with poverty and blight. This is *Greater* University Circle, home to some 43,000 residents with median income approximating \$18,500 a year and an unemployment rate exceeding 25 percent. The denizens of Greater University Circle do not attend orchestra concerts or patronize high-end restaurants in University Circle. They are too busy struggling to survive. Not only have these citizens historically been underserved; just as perniciously, they have been overlooked.

The intent of our collaborative effort was to bridge this yawning divide and connect the surrounding residents to the great economic engine that is University Circle. The coalition that emerged included philanthropists, the city of Cleveland, financial intermediaries, the region's transit authority, local community groups, and powerful University Circle anchor institutions: Case Western Reserve University, Cleveland Clinic, and University Hospitals.

Our collective charge was to develop a plan to stimulate coordinated investment and development in University Circle while simultaneously targeting resources to revitalize the historically marginalized and impoverished adjacent neighborhoods, where the priorities are economic inclusion and community engagement. The anchor institutions are key participants. Against a history of “going it alone,” they have united around a shared vision for the community that emphasizes the importance of the expanded geography and the economic development potential of multianchor collaboration.

The multifaceted Greater University Circle Initiative includes:

- **The Uptown District:** A mixed-use University Circle development combining institutional expansion and relocation, transportation improvements, accessible housing, and public amenities. The \$150 million first phase opened in 2012.

Phase II, featuring new businesses, apartments, and student housing, was completed in 2014. It is hoped that this transit-centered development strategy will create a thriving, competitive urban core that teems with life, luring new residents and businesses to the city and helping the anchor institutions recruit talent. The Uptown District won a Silver Medal in the 2015 Rudy Bruner Award for Urban Excellence.

- **The Evergreen Cooperatives:** A network of businesses, patterned after the Mondragon Cooperatives in Spain, that serves the anchor institutions and leverages their combined \$3 billion-a-year procurement spend for local economic development. These for-profit companies hire neighborhood residents, who spend their earnings in the community and have the opportunity to build an ownership stake in the companies over time. To date, four businesses have been launched: a commercial-scale health care bed linen laundry, a clean energy and weatherization company, the nation's largest urban food production greenhouse, and a business development company for the cooperatives. All of these businesses are committed to being the "greenest" firms in their industries. By the end of 2014, more than 100 worker-owners, most of whom live in the surrounding neighborhoods, gained a second-chance opportunity through the four Evergreen companies.
- **Greater Circle Living:** A housing program that incentivizes employees of the anchor institutions to live in the Greater University Circle neighborhoods. Participants can receive financial assistance to buy, rent, or rehabilitate property within the initiative's geographic boundaries.
- **NewBridge Cleveland Center for Arts and Technology:** A workforce development program for adults and an after-school arts education program for at-risk youth. Modeled after Pittsburgh's acclaimed Manchester Bidwell program, NewBridge aims to supply the University Circle anchor institutions with a steady pipeline of trained candidates. These skilled workers fill high-demand positions, such as phlebotomists and pharmacy technicians. The after-school program complements the youth development initiatives of local nonprofits.
- **Health-Tech Corridor:** A three-mile swath that grew out of the Greater University Circle Initiative, further expanding its reach, and is now home to a vibrant concentration of assets. The Health-Tech Corridor, the main connector between Greater University Circle and Cleveland's downtown, aims to attract suppliers of the anchor institutions and retain health tech companies that need to expand into post-incubator space. It is home to 80-plus biomedical companies and more than 30 technology companies.

This list does not do justice to the full scope of the Greater University Circle Initiative, but it suffices to demonstrate how the initiative has built upon and expanded the anchor-based economic inclusion work undertaken by the Johns Hopkins Hospital complex in East Baltimore and the urban revival that the University of Pennsylvania spearheaded in West Philadelphia. These initiatives, too, were supported by national foundations: the Annie E. Casey Foundation and the Ford Foundation, respectively. The Cleveland model, however, involves not one, but multiple neighborhood anchor institutions that have worked together to create a shared vision, alter their perceptions of community relations, and expand their ownership of community strategies. These neighborhood groups have shown increased willingness to invest in creative, collaborative solutions that depend on institutional trust and the flexible deployment of resources.

A National Agenda Within a Local System

The national component of the Greater University Circle Initiative, known as the Greater University Circle Community Wealth Building Initiative, was supported by Living Cities through the aforementioned Living Cities Local Integration Initiative award between 2011 and 2013.

The Cleveland Foundation's partnership with Living Cities faced an immediate challenge to incorporate Living Cities' national goals with the foundation's local priorities. This challenge is met, with varying degrees of success, whenever a national strategy is broken down into localized community initiatives. In our case, the creative tension has been salutary; it prods us to act in a national context, while giving us a platform from which to demonstrate to our national colleagues the importance of understanding the particular dynamics of local actors and systems. The result has been a stronger, more complex implementation model that balances these perspectives for the long-term benefit of our target communities.

For example, Living Cities' involvement catalyzed the entry of the National Development Council as a community development financial institution partner—a significant occurrence that increased opportunities for real estate investment deals and small business lending. Beyond strengthening the financing capacity, Living Cities has added value by:

- Supporting expansion of the Greater University Circle Initiative's network of partnerships. Living Cities support has allowed the Cleveland Foundation to leverage investments in other strategic community partners and grantee organizations by integrating them into the initiative, thus strengthening our comprehensive approach.
- Scaling up the community engagement work that predated the Living Cities partnership. This work gained new life and increased funding with the advent of the alliance.
- Promoting deepened strategic engagement with the anchor institutions regarding procurement and supply chain issues.
- Encouraging the city of Cleveland's Department of Economic Development to assume a more active and visible role in the Greater University Circle neighborhoods.

On parallel tracks, the Cleveland Foundation-led Greater University Circle Initiative and the Living Cities-inspired Greater University Circle Community Wealth Building Initiative continue to evolve. Together, they illustrate the value of a robust partnership that incorporates the best from national and community philanthropists and their public- and private-sector partners.

Model II: Collaborating with Government for Education Reform

The Cleveland Foundation has a history of investing in and collaborating with local government. Dating to 1957, when we approved a grant to the Cleveland Planning Commission, we have positioned ourselves as active stakeholders in our community. We have engaged as thought leaders and investors in public initiatives ranging from the promotion of a levy for the Cleveland Metropolitan School District, to development of

countywide youth initiatives, to funding of key staff positions to attract high-performing talent to the public sector. As a result of this history, the Cleveland Foundation now has working relationships with our city, county, and state governments.

Such relationships are arguably more important today than ever before. Our country's continuing political and economic stagnation has alienated Americans from their government at all levels—especially the federal level—at a time when their lives are significantly impacted by challenges to traditional policy and funding priorities. Disillusionment and distrust are growing at precisely the moment when the public needs to be heard. Meanwhile, interest in how candidates and officeholders conduct their private lives diminishes the focus on how they govern and which policy positions they support.

While the weak economy continues to dominate the national conversation, education has emerged as a contentious and divisive issue. The state of our system of public education conjures nightmares of a figurative Hurricane Katrina that could ravage our nation as surely as the actual storm devastated New Orleans. Among the issues at stake are our competitiveness in a global economy; the preservation of our democratic society, which cannot function without an informed citizenry; our national security; and our children's capability to lead productive, fulfilling lives. We all stand indicted for our failure to invest in systemic reform and for the soft bigotry of our low expectations.

Crisis in Cleveland

Two generations ago, the Cleveland Metropolitan School District was an archetype of academic excellence. But that was then. Today, of every 100 ninth graders:

- Only 63 will graduate from high school
- Just 34 of those graduates will enter college, and
- Only seven of those who matriculate will graduate from college in six years.

More than two-thirds of newly created jobs today require some level of postsecondary education. In Cleveland, however, 93 percent of our children do not earn a college degree. Thus, in a region grappling with chronically high unemployment—with some 1,200 openings in information technology alone—employers complain that they cannot find the talent to fill these slots.

To no one's surprise, the school district's enrollment has steadily shrunk—to some 39,000 students today versus more than 70,000 in 1996. This situation was both unsustainable and morally reprehensible. For decades, this outmoded system served highly organized, entrenched interests: teachers' unions, bureaucrats, vendors, politicians, and others who benefited from a deeply fractured organization. As a result, we squandered our most precious capital: human beings, who are born with a natural curiosity and desire to learn. We will never know how many high school dropouts—hanging out on the streets or wasting away in prison cells—could have been neurosurgeons, research scientists, or engineers, if only that spark had been lit in school.

Building a Coherent Strategy

The Cleveland Foundation's strategy to turn around the Cleveland Metropolitan School District recognizes that the ability to truly reinvent public education at the local level demands significant legislative change at the state level. We have been active in Columbus, because we have long understood that the possibility of real reform in Cleveland is closely tied to changes in state policy. Before I chart our history of advocacy, however, some background may be helpful.

After years of largely futile investment to improve the Cleveland schools, the Cleveland Foundation and the private George Gund Foundation concluded that significant improvement in educational outcomes for Cleveland's children required a complete overhaul of the educational delivery system. In 2006, our two foundations joined forces to advocate for and support a new direction: essentially, to transform the district by developing a new educational system alongside the old. Each foundation pledged up to \$2 million a year over a five-year period to support this new approach.

This portfolio of excellent schools strategy, which is not unique to Cleveland, has produced encouraging results. To date, in partnership with the school district, we have invested in the development of 20 innovative schools offering a broad range of choices to children and their families. Fourteen of these schools operate within the district; the remaining six are high-quality charter schools sponsored by the district.

Some of these schools are single-gender academies; others are high schools that focus on science, technology, engineering, and math. These schools were established under separate agreements with the teachers' union that provide greater autonomy at the building level. An Office of New Schools and Innovation was established within the school district to oversee and expand the portfolio of schools.

Within a few short years, all of these innovative schools were ranked at or above the state of Ohio's "continuous improvement" level. With this approach, we proved that disadvantaged students will perform when they are placed in a school with a great principal, excellent teachers, and supportive community partners. In this model, all of these stakeholders have the authority and flexibility to make decisions about staffing, school calendar, curriculum, and budget.

Bringing this strategy to scale required significant changes in state policy. That is why we joined forces with other Ohio-based philanthropists, local businesses, and our local government to advocate for legislative reform.

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Building Consensus and Sharing Ownership

In December 2006, the Ohio Grantmakers Forum (now known as Philanthropy Ohio), an association of more than 200 foundations, corporate grantmakers, and other philanthropic organizations, including the Cleveland Foundation, issued a report titled *Education for Ohio's Future*. This document offered recommendations in five areas: systems and structures, standards and accountability, teaching and leadership quality, innovation and choice, and school funding. The following year, OGF hosted a statewide policy forum and 10 regional meetings, using the report as a vehicle to catalyze interest and discussion about the need for policy reform in Ohio. Almost 2,000 education, business, foundation, civic, and political leaders attended these meetings.

Perhaps most important, we have been flexible, often retooling our strategies in line with a changing political context. Thus, we reached out to many diverse constituencies in the early phases of our work, and then we seized the opportunity presented by a shift in political control to narrow our alliances and focus on more difficult issues.

In 2008, OGF reached out to a broad array of education stakeholders and organized them in two work groups charged with developing a set of policy recommendations on preparing students for the global economy and ensuring quality teaching and effective school leadership. After some six months of study and debate, the groups presented their recommendations in a report titled *Beyond Tinkering: Creating Real Opportunities for Today's Learners and for Generations of Ohioans to Come*. This report went to the governor and legislature as they were considering the biennial budget. When the budget was adopted in June 2009, 70 percent of OGF's recommendations were included, among them stronger academic standards, a new assessment and accountability system, and tougher requirements for awarding teacher tenure.

In 2010, OGF worked with the governor's office, legislative leaders, leadership of the Ohio Department of Education and Ohio Board of Regents, business

and civic leaders, and other education stakeholders to shape Ohio's successful Race to the Top application, which resulted in a \$400 million federal grant.

In the general election of November 2010, control of the governor's office transferred to a Republican; the party also holds sizable majorities in both houses of the Ohio General Assembly. Subsequently, OGF joined with business and other reform-minded sectors to tackle some tough, compromise-resistant issues that had previously been off-limits.

When the governor signed the state operating budget in June 2011, the coalition was encouraged that the bill reflected measurable progress on some of these issues, which the coalition and another advocate, the Greater Cleveland Partnership, had discussed with legislators. Among other innovations, the budget bill mandated:

- Development of a framework for annual evaluation of all teachers and principals
- Creation of a performance-based pay system for the roughly half of Ohio school districts receiving Race to the Top funds

- Alternative licensure to allow Teach for America and similar alternative preparation programs to come to Ohio; funded in part with a \$750,000 Cleveland Foundation grant, Teach for America came to Cleveland in 2012
- Creation of an innovation school/zone designation to provide more flexibility and autonomy to schools or groups of schools, and
- Some modification of seniority rules to prevent young, high-performing teachers from being laid off first when school districts must reduce their labor force.

Although we did not obtain everything we sought, the coalition continued to target state policy changes to advance the pace of K-12 education reform in Ohio. In the process, we established philanthropy—represented principally by the OGF—as a respected advocate for education reform. Because community foundations have more latitude than other foundations to engage in advocacy, the Cleveland Foundation has been recognized separately as a credible change agent.

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Moving Forward

Building on this progress, the Cleveland Foundation worked with local business and education leaders to secure bipartisan legislative support in June 2012 of a new plan that originated with Cleveland Mayor Frank Jackson, an ardent advocate for change in Ohio’s only school district under mayoral control. This sweeping plan required additional changes in state law to allow Cleveland-only provisions, such as a merit pay system for teachers, greater flexibility in school hours and schedules, closer partnerships with high-performing charter schools, and expedited closing of poor charter schools.

Cleveland voters endorsed this new direction in November 2012 when they approved a \$15-million operating levy, the first successful school tax issue in 16 years. The Cleveland Foundation advocated passage of the four-year levy and has worked closely with the district to implement the mayor’s plan, with a goal of eliminating failing schools and providing every child an excellent education in high-performing schools.

Conclusion: Connecting the Pieces

“I am not an Athenian or a Greek, but a citizen of the world,” said Socrates. The great philosopher was born 2,400 years too soon; that heretical notion led to his execution. Increasingly today, we impute a positive connotation to his legendary statement. We are interconnected through a complex web of economic, technological, social, political, linguistic, and media channels that not even the Olympian deities of the ancient Greeks could have prophesied.

Community foundations are an integral part of this web, and we are naturally connected to two major players in the national and international arenas: national foundations and government. Among the three sectors, we have all the tools to put a collaborative system

in place for the betterment of people everywhere. Unfortunately, community foundations have been timid in communicating their achievements beyond their own borders, which explains in part why the benefits of strong partnerships have not been fully realized. We in the community foundation field have a responsibility to assert ourselves, champion our innovations among national funders who may wish to partner with us, and raise our voices on critical public policy issues so that government knows where we stand.

Today, the lives of vulnerable populations around the world are inextricably linked. From this perspective, we can easily understand how the concept of *amae*, or mutual dependence, is relevant to community foundations, national foundations, and government if we want to succeed in effecting equitable, sustainable, and transformative change in our communities.

Across America, community foundations are experimenting, innovating, and implementing data-driven initiatives that could be replicated with wider reach and greater resources. The Cleveland Foundation's economic inclusion and education reform strategies—and similar initiatives undertaken by its peers—could be more powerful if we at the community level tapped into lessons drawn from global philanthropic engagements. Also, we must share the lessons we are learning with our government leaders.

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These connections will open new opportunities to

replicate successful programs in the interest of sustainable change at all levels—local, state, national, and international.

We need to link arms and pool our expertise to address intractable issues on a local level, but within a national and international context. We need to magnify the voice of philanthropy in the public policy arena and understand the inherent relationship between our foreign policy choices and the current condition of our home communities. Finally, and most basically, we need to share information. I cannot assert that what works in Cleveland would improve lives in Kenya—or vice versa. But what could we lose from trying?

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Epilogue

This compendium, *Community Philanthropy and Public Service: Practice Models of Giving, Civic Engagement and Leadership Development*, represents a continuation of the academic contributions from the Center on Community Philanthropy at the University of Arkansas Clinton School of Public Service. The Scholars in Residence who wrote these essays each spent time at the Clinton School to engage with students and local civic leaders. Each Scholar in Residence was also featured in the Clinton School's public lecture series. His or her lecture is posted online at www.clintonschoolspeakers.com, and I encourage you to watch each of them.

Community philanthropy supports the idea that one can give more than just money—one can make positive change by giving individual talents or time. Because of the contributions of the Center on Community Philanthropy's research, we are finding that people are more engaged and take more ownership of improving the places where they live when they discover they have something to contribute. This concept is becoming a leading approach to social change, and the Center is leading the nation in this effort. Often the biggest untapped resource in a community is its people, and when they gather to share ideas and offer their time, talents, and treasure, change is effected in expanded ways.

This collection of papers illustrates how community philanthropy can help unravel some of the biggest problems facing communities: poverty, educational access, food insecurity, racism, and more. I encourage you to take some time to reflect on how these scholars' work can influence your approaches to improving these issues for vulnerable populations:

- Draw inspiration from Antonia Hernández, whose goals for the California Community Foundation include “engage in systemic change; be a trusted steward of philanthropic passions; inform and connect charitable individuals and institutions with the needs of Los Angeles; and be a steadfast advocate for the poor and vulnerable.”
- Consider Ramón Murguía's account of how the Greater Kansas City Hispanic Development Fund grew from an idea to an engaged grantmaker whose grants have reflected the priorities established with direct input from the community.
- Ponder Ronald B. Richard's discussion of ways the Cleveland Foundation has built innovative and effective strategies for community change, based on the strengths community foundations, national foundations, and government bring to the table.
- Learn from Celeste Clark's discussion of philanthropy at the Kellogg Company and the W.K. Kellogg Foundation: “Fundamentally, the belief is that transforming the food system can be a driver for health equity, culture, education, job creation, local economic development, and neighborhood revitalization.”

Our hope is that you will use these insights to drive your work in making your communities thriving places for current and future generations, by considering new ways of giving, engaging community members, and training new leaders and expanding the skills of existing leaders.

James L. “Skip” Rutherford III, Dean, University of Arkansas Clinton School of Public Service

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