



Equity and Transformation

The Impact of Community Philanthropy in Creating Social Change

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.

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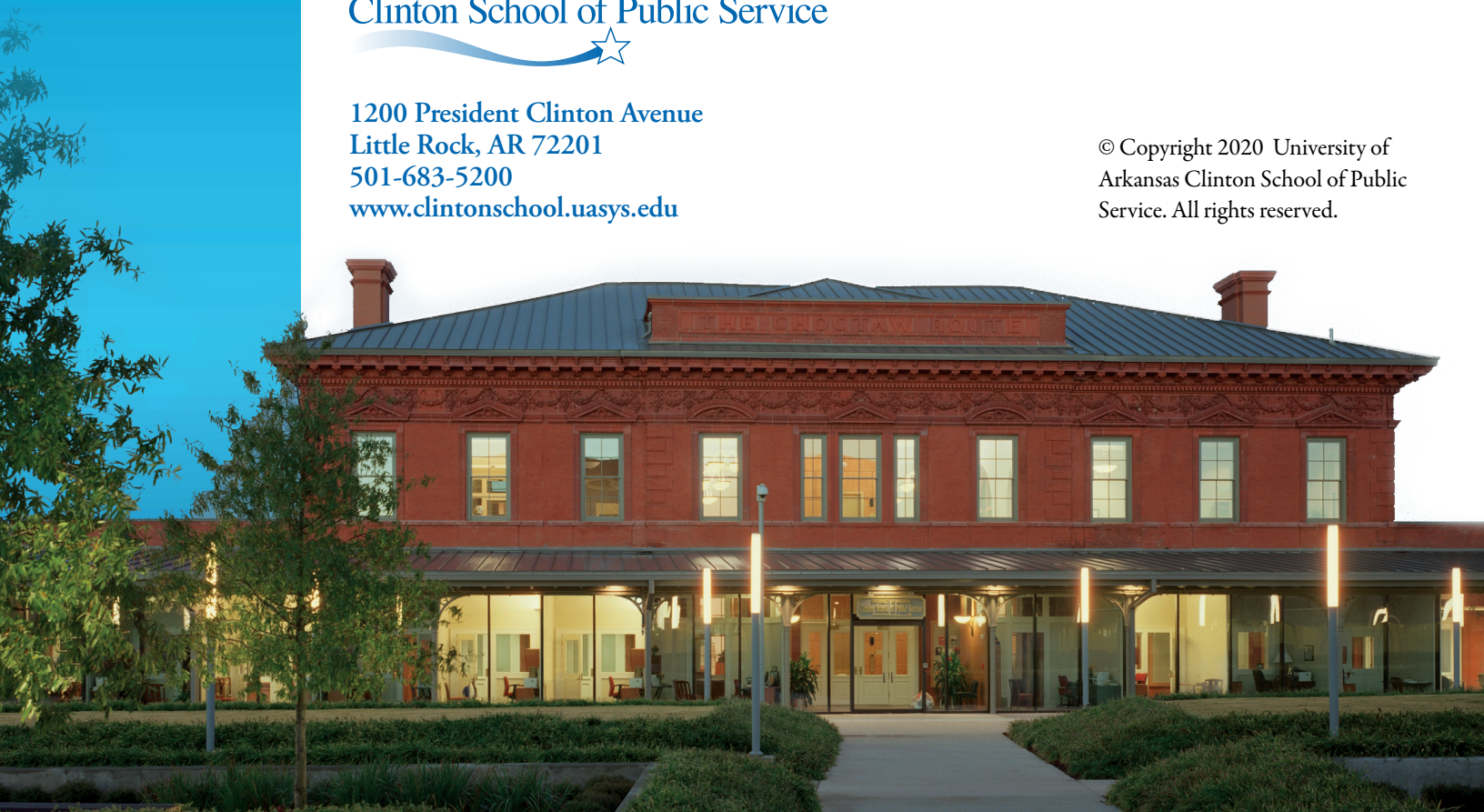


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Foreword

The Center on Community Philanthropy is devoted to equity and social change, cornerstones of the University of Arkansas Clinton School of Public Service. Our program advances community philanthropy as a means to create social change with enduring impact. No other center on philanthropy 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.

Beginning in 2016, the Center on Community Philanthropy welcomed our fourth cohort of Scholars in Residence, who have shared their models of transformation and equity and the lessons they have learned through community philanthropy in their respective 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 spark broader awareness of community philanthropy's enormous potential to be an effective catalyst—and support—for equity and change.

We are delighted to introduce our fourth compendium from the 2016 to 2019 Scholars in Residence at the Center on Community Philanthropy, entitled *Equity and Transformation: The Impact of Community Philanthropy in Creating Social Change*. Each scholar's work shows his or her perspective on community philanthropy and illustrates varied approaches through which community philanthropy can effect positive social change.

This compendium offers hands-on examples demonstrating the creative ways in which communities across the United States are using community philanthropy to address challenges. We hope you will use these examples as inspiration for furthering equity and transformation in your own communities. We also invite you to get involved with our work and learn more about how the Center on Community Philanthropy at the Clinton School of Public Service continues to help strengthen the philanthropic sector in this region—and around the world—through social change innovation.

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

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Introduction

One vital aspect of the mission of the University of Arkansas Clinton School of Public Service is to educate professionals in public service so their work will ensure equity, challenge oppression, and help create enduring social change. One of the ways we achieve that mission is through the work of the Center on Community Philanthropy.

Since its establishment in 2007, the Center has focused on philanthropy as a specialized aspect of global public service. The Center continues to build its scholarship, research, and teaching to further raise the visibility of the Clinton School—creating a unique learning environment for future leaders in public service.

The Center's latest cohort of scholars, whose essays make up the fourth compendium, *Equity and Transformation: The Impact of Community Philanthropy in Creating Social Change*, each spent time sharing expertise with both students at our school and community members in our state. Their scholarship underscores the Center's ability to gather diverse scholars and practitioners to expand our knowledge of effective, community-driven philanthropic practices.

As you will discover in the following essays, the scholars discuss issues facing communities around the nation and offer proven strategies to address these issues based on their decades of work in the field. These scholars are helping drive change in their communities in a wide range of ways, including addressing the disparities experienced by many children and adults across the nation, confronting challenges through the humanities, helping the City of Detroit navigate a resolution to municipal bankruptcy, and improving neighborhoods and schools in Detroit and across Michigan.

I believe the wisdom these scholars share will inspire you, offering new ideas to employ as you continue your work in community philanthropy and public service. May we all seek to create change that allows every person to live in equitable communities that support creativity, learning, growth, health, and wholeness.

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

Tonya Allen

President and CEO, The Skillman Foundation



Tonya Allen's two-decade-long career has centered on pursuing, executing, and investing in ideas that improve her hometown of Detroit and increase opportunities for its people, especially children, who live in under-resourced communities. In her current role as President and CEO of The Skillman Foundation, Allen aligns the complexities of education reform, urban revitalization, and public policy to improve the well-being of children in Detroit, Michigan, and across the nation. Allen has been instrumental in many successful philanthropic, government, and community initiatives. Among many honors and accolades, Allen was named to Crain's Detroit Business 40 Under 40; was a recipient of the BRICK Award, a national accolade presented to activists under the age of 30 by Rolling Stone magazine; and was one of the first Detroiters to receive the prestigious Marshall Memorial Fellowship. She was named a Detroit News Michiganian of the Year in 2015, a Crain's Detroit Business Newsmaker of the Year in 2015, and one of the Chronicle of Philanthropy's "5 Nonprofit Innovators to Watch" in 2013. Allen also was named one of 20 Bicentennial Alumni from University of Michigan. Before joining The Skillman Foundation in 2004, Allen worked as a program officer for both the Charles Stewart Mott Foundation and the Thompson-McCully Foundation. She founded Detroit Parent Network, a parent membership organization dedicated to improving educational options for children, and led the Annie E. Casey Foundation's Rebuilding Communities Initiative in Detroit. Allen holds a bachelor's degree in sociology and master's degrees in social work and public health, all from the University of Michigan–Ann Arbor. She serves on numerous boards, both local and national, including Oakland University, Council on Foundations, United Way for Southeastern Michigan, and Campaign for Black Male Achievement.

Radical Love: The Responsibility of Community Philanthropy in Enabling Social Change, Promoting Equity, and Sparking Transformation

Radical Love

If community philanthropy is to be successful in addressing inequities, it must go back to its etymological origins. Foundations are philanthropic organizations and they often self-describe their industry as the field of philanthropy. Philanthropy means the love of people and refers to the desire to promote the welfare of others. Community philanthropy must reimagine itself as a purveyor of community love by addressing issues that are in the best interest of people. Community philanthropy must address the root issues. In Latin, radix means root and it is the base word for the English word radical. The definition of radical is to get to the heart or the root of something and to favor drastic political, economic, or social reforms. Thus, community philanthropy's hallmark must be radical love. Radical love demands that community philanthropy make society better by addressing the root causes of suffering, which squarely points to social equity. Social equity is about addressing the historical, political, and social systems—compounded by racism and sexism—that perpetuate inequality and inequities. This is what community philanthropy should aspire to do.

This paper illuminates five principles that community philanthropy can offer to the broader field of philanthropy in its efforts to operate in radical love, enable social change, promote equity, and spark transformation:

- Transformation begins from the inside out. Equity cannot be relegated to philanthropic jargon; it has to be a prerequisite and undergirding of our work to create opportunity-rich and prosperous places for all.
- Community change requires a robust appreciation for both content and context.
- Community change has to be rooted in building trust and having a healthy respect for distrust.
- Community philanthropy must seek to build and use power, which is the ability to rewrite the rules—an essential component to making our communities equitable.
- Change management is a competency and as change agents, community philanthropy practitioners need to improve both our IQ and EQ to more effectively enlist cross-sectoral partners in pursuit of equity to make the work sustainable, generational, and collective.

Social Equity and Philanthropy

In recent years, advancing social equity has become a very popular and prevailing notion in philanthropy. Many national and local foundations have adopted this ambition, despite often underestimating philanthropy's abilities to do so. To successfully advance social equity, it is essential that foundations and philanthropic organizations face their inherent advantages and disadvantages in this ambitious pursuit. First, philanthropy must acknowledge its shortcomings, such as:

1. **Philanthropy lacks scale.** The social sector—nonprofits and philanthropy—only represents roughly 3 percent of the gross domestic product of the United States, according to *Giving USA 2018*. Philanthropy alone is poorly positioned to have an outsized effect on the nation's \$19-trillion economy and 320 million people.
2. **Inequity is ubiquitous.** The pervasive nature of inequity is ingrained in every sector of our society, and the social sector is just one aspect of that inequity. Creating an equitable society will require all sectors to work in concert if we really want change to occur—and to persist.
3. **Philanthropy is an offspring of oligarchy.** In general, foundations are the tools of the wealthy and elite, and represent a structured response to the inequities that are driven by capitalism. The field continues to wrestle with the origins of its wealth and how they conflict with the interests of the public good.
4. **Philanthropic institutions are inequitable.** Despite much effort and attention directed to diversity, inclusion, and equity practices, in general

philanthropic organizations have yet to address the inequities that exist within their institutions and giving. This challenge is amplified by the lack of diversity and representation in philanthropic boardrooms and staff lounges. According to Ruth McCambridge, the makeup of the population of the United States is 36 percent racial and ethnic minority, whereas that of foundation boards is only 16 percent and foundation staffs is 24 percent. This lack of equitable representation is even more pervasive in smaller and/or place-based philanthropies. Essentially, foundations do not accurately reflect their communities, nor have they relinquished power in ways that lead to more equitable establishments.

Philanthropy's historical and continuing inadequacies, however, should not thwart its efforts to pursue social equity. Rather, philanthropy must openly face its shortcomings by amplifying some of its unique advantages—especially with community philanthropy. In fact, Dana R. H. Doan defines community philanthropy as citizens working together to improve the quality of life in a community by building internal assets, capacities, and trust through shared power in decision-making for the common good. This paper argues that this aspect of the philanthropic field is best positioned to lead and inform the sector in enabling social equity.

Community philanthropy's advantages to enable social equity are intertwined with its contributions to civil society, such as its ability to engage multiple sectoral contributors and increase the likelihood of sustainability. Barry Knight makes the case in *Value of Community Philanthropy*, asserting that it “leads to more lasting, entrenched outcomes by increasing local ownership and local accountability.”

This paper shares a few specific practices that philanthropy can adopt to increase its ability to enable social equity. The practices and lessons shared are derived from The Skillman Foundation's work serving as a community philanthropy in Detroit during two significant strategic initiatives: (1) the Good Neighborhoods Initiative, a ten-year, \$120-million investment aimed at improving the child well-being outcomes of 30 percent of Detroit's child populations living in six subcommunities, and (2) the Opportunity Agenda for Detroit Children, an approach to align Detroit's recovery with the rebuilding of systems that ensure children and youth have opportunities to learn and lead in an ever-changing economy.

The Skillman Foundation's work as a community philanthropy is an iterative journey, where constant learning, pivoting, practicing, and failing have informed our growth and transformation. These lessons are offered with humility, learned through both immense failure and astounding success in partnership with many other well-meaning, well-intended, passionate change agents. Additionally, the lessons draw from Detroit, which uniquely experienced the largest municipal bankruptcy and second-largest exodus of residents from a city within one decade. While Detroit and Michigan's landscape are unique, some universal truths from these experiences may apply to other cities and states seeking to combat inequitable outcomes. In *The*

Origins of the Urban Crisis, Thomas Sugrue makes the point that Detroit can be used as a case study to understand the root causes—including structural racism—of contemporary urban challenges.

Inside Out Change

Transformational change happens at the core of the organization and has the potential to radically change the organization from the inside out.

—“Organizational Transformation,” 360Solutions

The Skillman Foundation has well documented its transformation as a community philanthropy during the Good Neighborhoods Initiative in both Prudence Brown’s article describing the development of key strategic, organizational competencies, which enabled its change-making strategy, and Marilyn Darling’s paper capturing the internal behaviors and practices adopted with the intention of becoming a learning organization. The Foundation learned early that it had to embrace the values of community collaboration and collective impact first, before it could effectively champion these values externally and help inspire a community response to improve well-being outcomes for children in Detroit. This notion of internal adoption of values being critical to external impact continues to be a vital pre-requisite to change.

The Skillman Foundation’s work as a community philanthropy is an iterative journey, where constant learning, pivoting, practicing, and failing have informed our growth and transformation.

Thus, The Skillman Foundation has determined that it must be more explicit and intentional about its commitment to diversity, inclusion, and social equity within its new strategic framework to foster an opportunity-rich Detroit. The hope is that opportunities are abundantly available and suitable to the many talents and aspirations of young people, while adequately addressing the challenges and barriers—including poverty and structural/institutional inequities—they are faced with.

This commitment to diversity and inclusion requires the adoption of—and deep and continued practice of—social equity within our organization, including:

- Encapsulating the Foundation’s philosophy, policies, and practices regarding diversity, inclusion, and social equity in a roadmap which articulates goals, metrics, and practices embedded in our values, organizational culture, talent management, brand and messaging, professional development, evaluation and performance metrics, grantmaking, and vendor relationships; and
- Facilitating learning and discussion with organizational leaders—trustees and staff—integrated within quarterly meetings and staff gatherings, which create common nomenclature, learning, and guiding principles to direct our work to create social equity.

The Diversity, Equity, and Inclusion Journey resulted in the Foundation making transparent its own process, which requires uncomfortable personal reflections and courageous conversations, to help forge similar commitments by others externally. Below is The Skillman Foundation's Diversity, Inclusion, and Social Equity Policy Statement:

The Skillman Foundation embraces diversity and authentic inclusion in all areas of our work; we consider this a prerequisite for positive social change. As a guiding principle, it impacts our decisions at every level from staffing to partnerships and how our resources are deployed.

We understand that we work in a context defined by inequities that are as present as the air we breathe. Therefore, we must confront the drivers of inequality and redesign systems with those who have been historically marginalized.

We are driven to create a community where all Detroiters—especially youth—are valued, heard and mobilized in the service of opportunity and prosperity for all.

Content and Context: The Power of the Combination

According to Darwin's Origin of Species, it is not the most intellectual of the species that survives; it is not the strongest that survives; but the species that survives is the one that is able best to adapt and adjust to the changing environment in which it finds itself.

—Leon C. Megginson

In the field of philanthropy, there is a standing tension between national and local philanthropic organizations. This tension usually hinges on the differences in the philanthropic approaches and the geographic scopes of their respective work.

Generally, national philanthropy focuses on being content experts. Large philanthropic organizations are populated with smart people with smart ideas. They learn their subject matter, building a depth of knowledge regarding *what strategies worked*. Then, they pursue efforts to replicate and share those models by finding communities that are ready for investment and are most likely to succeed in replication.

On the other hand, many local foundations focus their attention on context and often lack the capacity needed to build extensive content knowledge. Generally speaking, these foundations must work with the talent and conditions that exist in their communities. The most effective local philanthropic organizations become really good at learning about and operating within their local context. Their context knowledge provides them unique wisdom regarding *how to implement strategies*.

The differing perspectives of content and context emphasize an important tension that is crucial to successfully address social issues. Content, despite the substance and fidelity of the subject matter, does not always translate easily within local contexts. Likewise, those who focus more on context often are mired in the challenges of geography and politics. Therefore, local philanthropic organizations may be less likely to ensure that the work they are supporting is grounded in sound research and implemented with fidelity.

Alone, either content or context is insufficient. Together, content and context are complementary. If both content and context are integrated alongside strong process, the amplified impact encourages real change to occur.

In efforts to enable social equity, community philanthropy is best positioned to enlist partners across multiple sectors, effectively modulate across the spectrum of content and context, and help hold cross-sectoral partners accountable to reducing the inequities that exist within its geography and population.

Trust and Distrust

It takes immaturity to be hurt by the fact that someone does not trust you.

—Mokokoma Mokhonoana

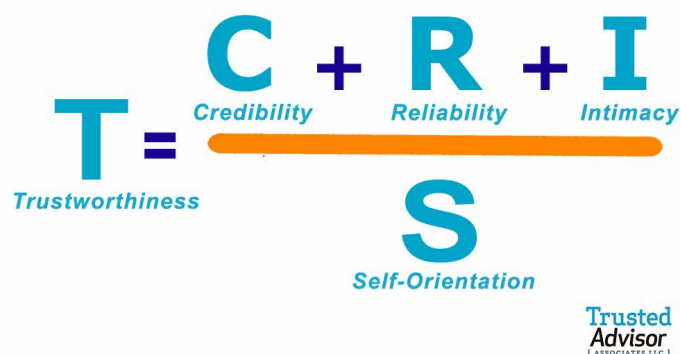
Community philanthropy, as an enabler of community change and social equity, is a curator in trust. It has the responsibility to serve both as a builder of trust and respecifier of distrust. On the surface, these two ideas appear in conflict, but in actuality, they represent the continuum of trusting relationships.

Community philanthropy works in context to build trust among institutions that have a long history of being either allies, adversaries, or neutrally standing on the sidelines. Each position has consequences, relationships, and impressions that must be deftly managed. This situation is further complicated considering that the American citizenry's trust in institutions has declined significantly and is continuing to erode. This erosion of trust is tempered in localities where community actors know each other and understand that trust is critical if they want to get things done. Community philanthropy must become adept at building and strengthening trust, especially when working on politically and socially complex and sensitive issues, such as social equity.

The Skillman Foundation uses the Trust Equation developed by Trusted Advisor as it considers and measures how trust is built and sustained. Trust is developed through reliability, credibility, intimacy, and perception of self-interest.

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Trust Equation



The diagram illustrates the Trust Equation as a mathematical formula. On the left, a large blue 'T' is labeled 'Trustworthiness' below it. This is followed by an equals sign. To the right of the equals sign is a horizontal orange bar. Above this bar are three blue letters: 'C', 'R', and 'I', each with a plus sign between them. Below 'C' is the word 'Credibility', below 'R' is 'Reliability', and below 'I' is 'Intimacy'. Below the orange bar is a large blue 'S' labeled 'Self-Orientation' below it. In the bottom right corner, there is a logo for 'Trusted Advisor [ASSOCIATES LLC]'.

The elements of the Trust Equation proved to be crucial to The Skillman Foundation's effort to participate in and mobilize the Coalition for the Future of Detroit Schoolchildren, a cross-sector partnership aimed at improving public schools in Detroit and saving the school district from financial collapse. Trust was built in this coalition as various stakeholders served in close proximity over a 100-day period to develop recommendations for the governor and state legislature. Expectations were high for all, including significant time commitments and equitable financial contributions, which enhanced reliability. Every coalition member represented a stakeholder group and openly shared their unique perspectives and concerns, which lent credibility to their value and contributions, as well as to the resulting agenda. Lastly, a process was developed that allowed people to identify their self-interest, yet also to vote in support of the collective interest of schoolchildren. This trust equipped the Coalition for the Future of Detroit Schoolchildren (CFDS) to advocate for nearly 18 months after the production of their initial report. CFDS successfully secured \$667 million from the State of Michigan to address the fiscal health of the Detroit Public Schools, restored a locally controlled school board, and increased charter-school authorizer accountability in Detroit.

While cultivating trust, The Skillman Foundation and its partners learned two important truths. First, trust is not bestowed universally to any effort. Coalition-builders must be specific in identifying how and what they want cross-sector partners to trust. In this case, CFDS asked partners to trust a democratic process that would honor all points of view and collectively determine the best solution, considering the multitude of viewpoints and interests of the whole. Second, there should always be a healthy respect for distrust—particularly because communities have different experiences with systems and people that have earned their trust or distrust. In the case of CFDS, Detroit residents had experiences with state leadership that validated their distrust, including the dismantling of an elected school board, a spend-down of a robust surplus while under state control, an invasive charter policy that weakened

the public school system, and some racially charged commentary that disrespected Detroit citizenry.

Building, Sharing, and Wielding Power

Power at its best is love implementing the demands of justice, and justice at its best is power correcting everything that stands against love.

—Dr. Martin Luther King, Jr.

At The Skillman Foundation, we define power as the ability to rewrite the rules. Creating a more equitable society is about changing the rules, practices, and policies that lead to outcomes that are predetermined based on race, income, and gender. To address this, we must focus on power redistribution and power only concedes to power. Thus community philanthropy must help mobilize constituencies to build power. The National Committee for Responsive Philanthropy's *Power Moves* offers a useful philanthropic framework to think about power—one which is aligned with The Skillman Foundation's approach. The three dimensions of that framework are:

- **Building Power:** The Skillman Foundation intentionally invests in civic engagement, advocacy and policy work, and community organizing to ensure that the voices of children and families are evoked and included in important community issues. This work began in the Good Neighborhoods Initiative's work to engage multiple stakeholders, especially residents and youth, in efforts to improve outcomes for children in six neighborhoods. This approach democratized our strategy and made our grantmaking more transparent. Power building continues and is embedded in our Opportunity Agenda strategy, which is an essential necessity for an equitable recovery in Detroit.
- **Sharing Power:** Philanthropic organizations hold prestige, privilege, and power as a result of their corpus, community standing, high-profile board membership, and grantmaking. The Skillman Foundation has learned that its impact is stronger when it is willing to relinquish and share its power in order to build reciprocal and trusting relationships with stakeholders. Thus, the Foundation's Opportunity Agenda is comprised of strategies that community partners helped design and prioritize. This occurred through joint priority setting and community engagement efforts with partners. Essentially, we relinquished control and trust to others, and they onto us. The result is that the Foundation's work is strongly rooted and owned by the collective—not just one institution.
- **Wielding Power:** The Skillman Foundation does not just enable change, it is an actor in creating change as well. Thus, it is important that as a community philanthropy, the Foundation exercises public leadership beyond grantmaking to create equitable, catalytic change. Examples of this leadership include investing in a federal lawsuit that argued Detroit students have a right to literacy and organizing a collective *amicus* brief submission on behalf

of several nonprofit organizations. As power is exerted and influence is expanded, The Skillman Foundation strengthens its political power. Although the Foundation aims to be nonpartisan and pragmatic, sometimes its work will be ascribed to a political viewpoint, polarized by dichotomous narratives, and will encounter public pushback and repercussions. Thus, the ways in which power is exercised must be thoughtful, strategic, and complementary to community voices and power. And The Skillman Foundation has prepared and equipped itself to navigate blowback, which is an uncomfortable, yet inevitable, result.

The Skillman Foundation's commitment to diversity, inclusion, and equity is ultimately about growing, expanding, and redistributing power. Embedded in these values is democratic engagement of Detroit residents—including youth—in co-designing and making decisions about systems that affect their lives. Be it organized people or organized money, power is the only way to reform systems to produce equitable outcomes.

Lastly, The Skillman Foundation's awareness of power is not about self-aggrandizement. Instead, this awareness is about the ability to advance change through influence, knowledge, expertise, relationships, and shared will. The Foundation aims to build collective power that confers broad and systemic change.

Change Leadership and Cross-Sectoral Partnership

Change is foundational to community philanthropy and its collective ambition for places. Therefore, foundations need to improve their ability to lead change. Unlike a change management process that seeks to control and limit friction created by change, change leadership is intended to accelerate disruption. Change leadership fuels the change process by making it go faster, smarter, and more efficiently in large-scale transformations. Change leadership recognizes that the windows of opportunity are opening—and closing—much faster than in the past. Therefore, community philanthropy and its partners must be empowered to act nimbly and make larger leaps at a faster speed to capitalize on unique timing and opportunities.

Change leadership also requires foundations to look at the brutal facts, both externally and internally, and to create a climate where multiple perspectives are heard. Understanding and confronting tough conversations enables us to be better change leaders. Community philanthropy must confront uncomfortable information—even if it is self-directed—so that it is better able to facilitate change leadership that dismantles inequities and limited opportunities, rather than unwittingly reproducing and reinforcing them.

Change leadership is especially important to community philanthropy, because in its full expression community philanthropy is building, participating in, and supporting cross-sectoral collaborations. No single sector can work alone to tackle complex

and entrenched challenges, such as social equity. Cross-sectoral collaborations are alliances of leaders and their organizations in multiple sectors—government, nonprofit, philanthropic, business, and community—who use their diverse perspectives and resources toward a shared goal. Despite good intentions, plans, and commitments, single-sector solutions and resources that are brought to bear on intractable societal challenges are insufficient. Cross-sectoral work is a leadership approach that believes complex problems require robust solutions grounded in collaboration between a variety of sectors. This approach maximizes the mixture and range of ideas, innovations, perspectives, experiences, and resources.

As David Smith, former managing director of Presidio Institute, which until 2017 invested in growing the capacity of leaders to activate cross-sectoral collaborations, said,

With the way that things are set up now, we silo the professional class of many industries. We teach them different languages, a different lexicon, even when they are describing the exact same things. We teach them how to advocate against—or position themselves as adversaries to one another—in some cases, we teach the art of negotiation, but rarely is negotiation moved all the way to collaboration.

The most effective way to solve societal problems is through the confluence and engagement of all the major sectors—private, public, and nonprofit. We must embrace the community sector, which is often underutilized and inadequately represented. From The Skillman Foundation’s perspective, the community is vital, and it is not homogenous. Therefore, the views and needs of both adult residents and youth are emphasized in its construction of cross-sectoral collaborations.

The Skillman Foundation has identified cross-sectoral collaborations as an important strategy to underpin both its Good Neighborhoods Initiative and the Opportunity Agenda for Detroit Children. Specifically, this approach:

- Deepens engagement with multiple sectors that are required to contribute and change in order to reduce inequities and advance and sustain social equity
- Is critical to systems reform, which requires adaptive change, not technical fixes, to redistribute power and rewrite rules, and
- Requires partners to be adequately versed in agency, cooperation, and sustainable change.

Community philanthropy must confront uncomfortable information—even if it is self-directed—so that it is better able to facilitate change leadership that dismantles inequities and limited opportunities, rather than unwittingly reproducing and reinforcing them.

Closing

In summary, advancing social equity is extraordinarily difficult and complex. Although efforts thus far often have been insufficient and unsuccessful, reflective practice better enables progress and effective results. Community philanthropy is uniquely positioned to help the philanthropic sector to navigate and calibrate to avoid maladroit attempts. This paper is intended to capture a few lessons from community philanthropy, so as to vault our efforts forward and toward the future, rather than recycle efforts associated with the past.

More importantly, this paper reinforces that community philanthropy is radical love in action. And radical love is hard work and heart work, both of which are required to enable social change, promote equity, and spark transformation.

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William C. Bell, Ph.D., is the President and CEO of Casey Family Programs, the nation's largest operating foundation focused on safely reducing the need for foster care and building Communities of Hope for children and families across America. Bell has more than 35 years of experience in the human services field. Prior to becoming president and CEO of Casey Family Programs, he served as the foundation's executive vice president for Child and Family Services, providing strategic direction to nine field offices and leading a staff working directly with young people from the public child welfare system. Bell serves on the board of Delta State University Foundation and on the advisory board of the Race, Equity and Leadership initiative, which is part of the National League of Cities. He is chair of the National Court Appointed Special Advocate Association board of trustees.

Building, Growing, Supporting, and Sustaining Communities of Hope for All of America's Children

Every morning more than 400,000 children in America wake up in foster care.

More than six million children in America wake up in homes where their families are living in a condition of extreme income insufficiency. This means that a family of four is trying to exist on the equivalent of \$8 a day.

Against this backdrop, the voices of so many of our children must be saying, "I am out here in these streets, and these streets have raised me to believe that no one really cares about me."

They are asking us, after so many years of trying to fund the right program or choose the right agency, to consider the possibility that no matter how well intentioned that program or agency might be, it just might be that there is no single program, agency, grant, or sector that has the silver bullet solution to dismantle the longstanding, insidious, institutional issues that are creating the mindset that is holding too many of our children captive.

Their voices must move us to ask ourselves the question: Are we serious this time?

Are we serious enough this time to move beyond focusing on symptoms and being satisfied that we tried, but, ultimately, concluding that it was too hard to save somebody else's children, while we gloat over the success of our own children?

Are we serious enough this time to finally address the core issues and begin to ask and answer the tough questions that we have avoided for far too long? Or are we okay with doing what we have always done, acting as if we really believe it just might work this time?

Are we serious enough this time to acknowledge that the issues confronting our children, their families, and their communities today did not just arrive when we began to recognize the current opioid epidemic in 2012?

Are we serious enough this time to acknowledge that the issues confronting our children, their families, and their communities did not somehow grow out of the divisiveness that we watched, talked about, and participated in surrounding the past four or five elections, and the elections that preceded them?

Are we serious enough this time to begin to acknowledge that the issues confronting our children, their families, and their communities do not exist simply because the parents of the children who are most affected do not care enough to pull themselves and their children up by their bootstraps? Especially when it is quite clear that many of the parents do not have boots.

Are we serious this time?

Creating Complex, Sustainable Solutions

Finding, implementing, and sustaining solutions to the issues affecting far too many of our children and their families in communities and ZIP codes across this nation will be complicated and resource intensive—in terms of both human and capital resources—and it will be filled with complexities and disagreements about what we should and should not do.

However, we have to acknowledge that America as a whole—and every individual state in this nation—has overcome complicated, complex, and resource-intensive challenges many times in the past.

Every time we, as a nation, have decided that something was important enough to get done, we have put forward the political will and the public will to get it done.

Our children, their families, and their communities should receive no less of a response from us. Children know when they are being treated as if they do not matter as much as other children.

Our nation must get serious enough to change the harmful human conditions that it continues to allow to exist for some children while it fights relentlessly to ensure that those same human conditions do not become part of the daily reality for other children in the same city, in the same ZIP code, in the same school district, and, in some cases, even in the same school building.

There are schools around this country where some children are exposed to life-changing educational opportunities and classes, while other children in the same school building are provided classes that will not give them the same opportunity for success and prosperity in their adult life. What does a school, a community, or a

Finding, implementing, and sustaining solutions to the issues affecting far too many of our children and their families in communities and ZIP codes across this nation will be complicated and resource intensive—in terms of both human and capital resources—and it will be filled with complexities and disagreements about what we should and should not do.

nation tell itself to attempt to justify the inherent injustice of the practices upholding this inequality?

Our nation must become serious enough to create the political and public will to take the actions required to ensure that hope, a globally competitive education, and economic opportunity are equally available and within the reach of every child, on every street, in every community in America.

We can no longer be content to accept the challenging human conditions that so many children experience, as long as our own children are doing better than those other children who live over there, in another neighborhood, another ZIP code, on the other side of town, in another city, in another state. We cannot continue to use a better than/worse than measuring stick, measuring ourselves, our children, and our communities against the unfortunate conditions of others who may live elsewhere.

All children deserve better, regardless of which ZIP code, city, or state they live in.

A Tale of Two Cities opens with those well-known lines: “It was the best of times, it was the worst of times ... it was the spring of hope, it was the winter of despair.”

Those words, written 160 years ago, still ring just as true in 21st-century America as they did in 19th-century France and England. Throughout the history of modern humankind, we find evidence and documentation of this tale of two cities phenomenon.

We are not the first society to be confronted with the coexistence of dual human conditions, which are a product of our own creation and decision-making. However, the nation must commit itself to bring about substantial and equitable change for families who, for generations, have felt isolated and trapped, living in some of the most challenging communities in our country.

Communities Collaborating to Build Hope

Community philanthropy is the platform from which the nation can build the sustainable solutions needed to bring a sense of hope to the children and families living in these communities.

Casey Family Programs believes that ensuring a community of hope for all children begins with expanding and broadening the concept of what constitutes community.

Casey Family Programs’ approach to community philanthropy is embodied in a framework it calls Building Communities of Hope. At the core of this framework is the belief that the concept of community is much broader than just the citizens who live in specific geographical boundaries.

Communities consist of five sectors:

1. Government (federal, tribal, state, and local)
2. Business/corporate
3. Nonprofit (includes civic, grassroots, faith-based, and other community organizations)
4. Philanthropy, and
5. General public/residents.

Creating the collective response to the needs of residents in our neighborhoods and communities

Five-sector
collaboration for
**maximizing
the return
on our social
investments**



Source: Casey Family Programs

Creating meaningful and sustainable community-based support networks—determining what that means, what that looks like, or what it takes to make it a reality—will require the efforts of the entire community. All five sectors that comprise a community will have to collaborate and work together cooperatively toward that end.

The community institutions immediately surrounding children, youth, and families in their neighborhoods—as well as the government or public services available to them and the businesses and foundations in their area—must all work together to form a comprehensive community support network that offers effective alternatives to what far too many children experience every day, viable opportunities to succeed, and hope.

This means working with the children and families whose lives we seek to improve and changing the conversation from talking about what we can accomplish *for* those we serve to what we can accomplish *with* them. Together, we can design community-driven strategies and solutions that support the needs and dreams of children and families and support them in creating better lives.

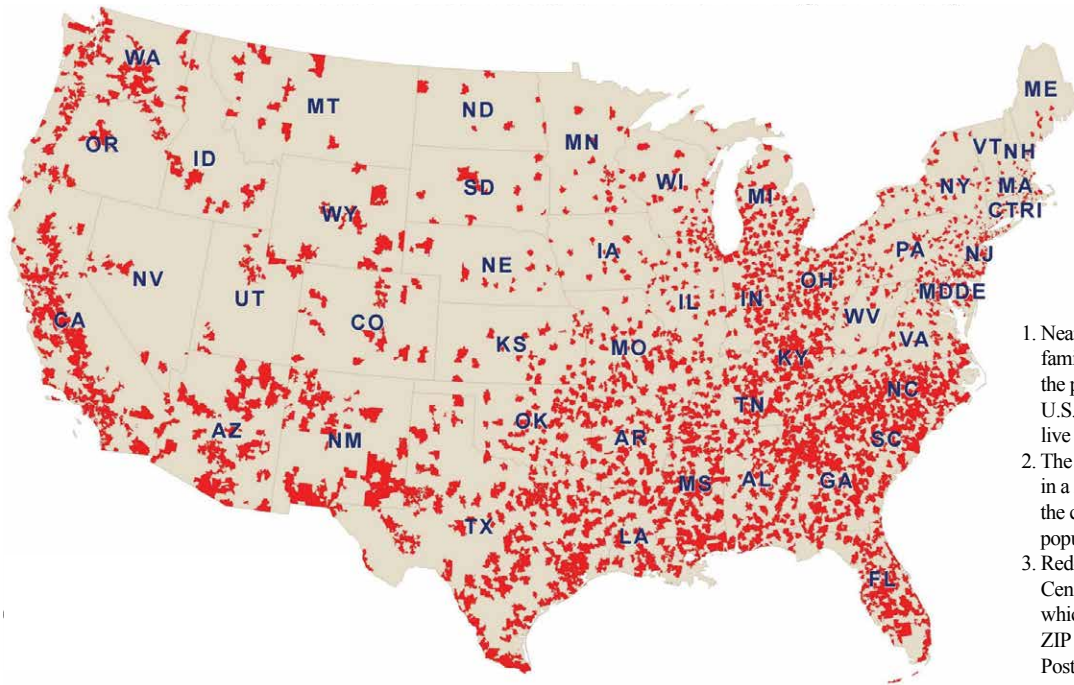
Intentional efforts must be made to work across the boundaries that define our public, private, philanthropic, charitable, community, and civic responses and responsibilities. Stakeholders have to overcome whatever boundaries and walls that insulate them and release what is regarded as their exclusive piece of the pie, turf, or silo, and work together.

The driving philosophy underlying the five-sector model is one in which all five sectors capitalize on their leadership and make the most of their capacity to influence and invest resources. All five sectors must build the political and public will necessary to improve marginalized communities and the lives of the children and families living in those communities.

Resource Disparities and the Other America

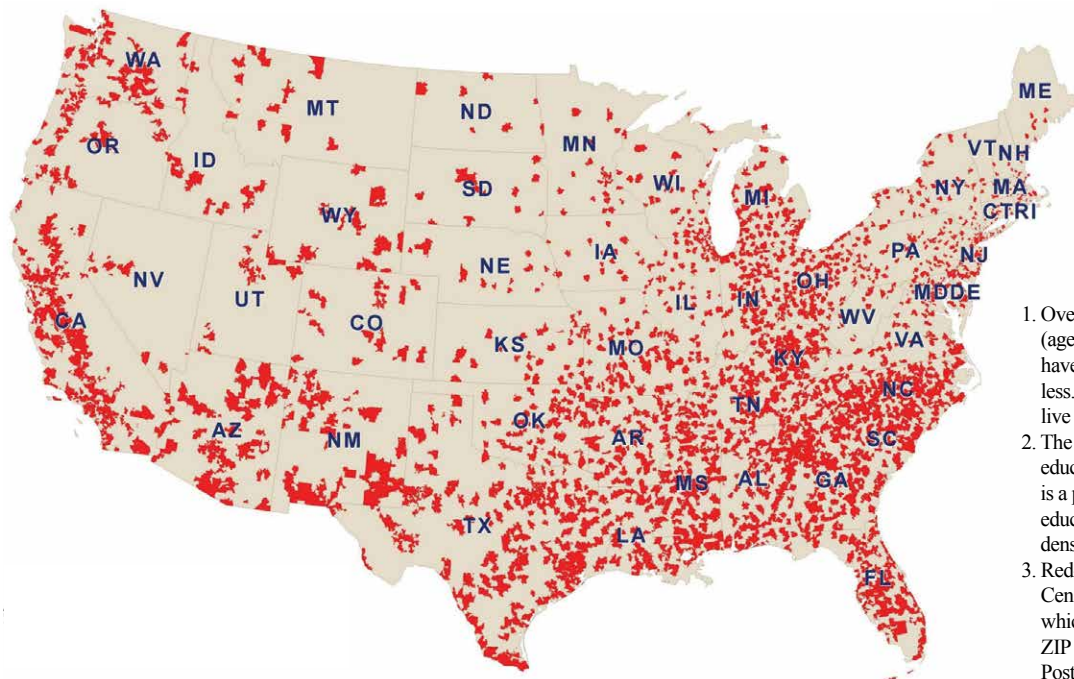
For the most part, the disparities we see in society are not distributed evenly across the United States, but are found in discrete pockets across the country—concentrated in certain neighborhoods, communities, census tracts, and ZIP codes. Of the roughly 33,000 residential ZIP codes in the country, approximately 20 percent—about 6,600 ZIP codes—contain 80 percent of the nation’s children who live in income insufficient households; 56 percent of the nation’s income insufficient children are concentrated in 10 percent of the nation’s ZIP codes. Additionally, 76 percent of adults 25 and older who do not have a high school diploma or GED live in 20 percent of the nation’s ZIP codes.

20 percent of ZIP codes contain approximately 80 percent of children living in poverty



1. Nearly 16 million children live in families whose income is below the poverty line in the continental U.S. (About 80 percent of them live in the red-shaded ZIP codes.)
2. The number of children in poverty in a ZIP code is a product of the child poverty rate and the population density of children.
3. Red-shaded areas represent U.S. Census ZIP code tabulation areas, which differ from the traditional ZIP codes used by the U.S. Postal Service.

20 percent of ZIP codes contain approximately 76 percent of adults (age 25+) with less than a high school diploma/GED

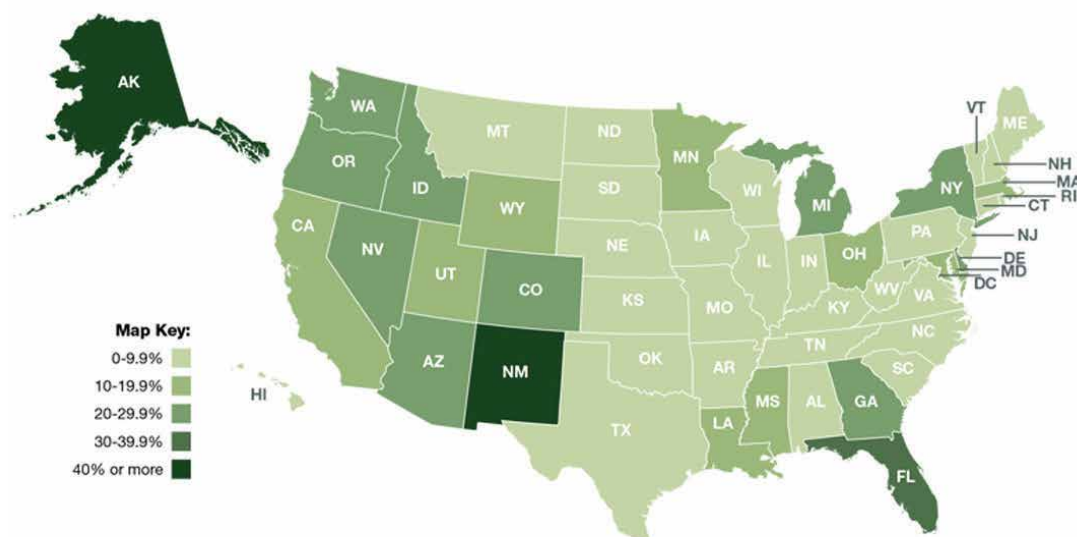


1. Over 28.5 million adults (age 25+) in the continental U.S. have a 12th grade education or less. (About 76 percent of them live in the red-shaded ZIP codes.)
2. The number of adults with lower education levels in a ZIP code is a product of the rate of lower education and the population density of adults.
3. Red-shaded areas represent U.S. Census ZIP code tabulation areas, which differ from the traditional ZIP codes used by the U.S. Postal Service.

Source: U.S. Census TIGER/Line Shapefile, 2013, and American Community Survey, 2009-2013, produced by Casey Family Programs, 12/11/2014

According to the U.S. Department of Education, there are more than 20,000 public high schools in the United States. In 2010, approximately 1,500 of those schools were designated as dropout factories, graduating fewer than 60 percent of their students. In addition, about 20 states had at least 20 percent of their schools designated as low performing. These schools graduated 67 percent or fewer of their students at the end of the 2013–2014 school year.

Percentage of high schools with graduation rate 67 percent or less, 2013-14



Source: U.S. Department of Education, National Center for Education Statistics (1998-2015); Public Elementary/Secondary School Universe Surveys; U.S. Department of Education through provisional data file of SY2013-14 School Level Four-Year Regulatory Adjusted Cohort Graduation Rates

If all of the high school students who dropped out from the nation's class of 2011 in the United States had graduated, the U.S. economy would have benefitted by approximately \$154 billion over their lifetimes.

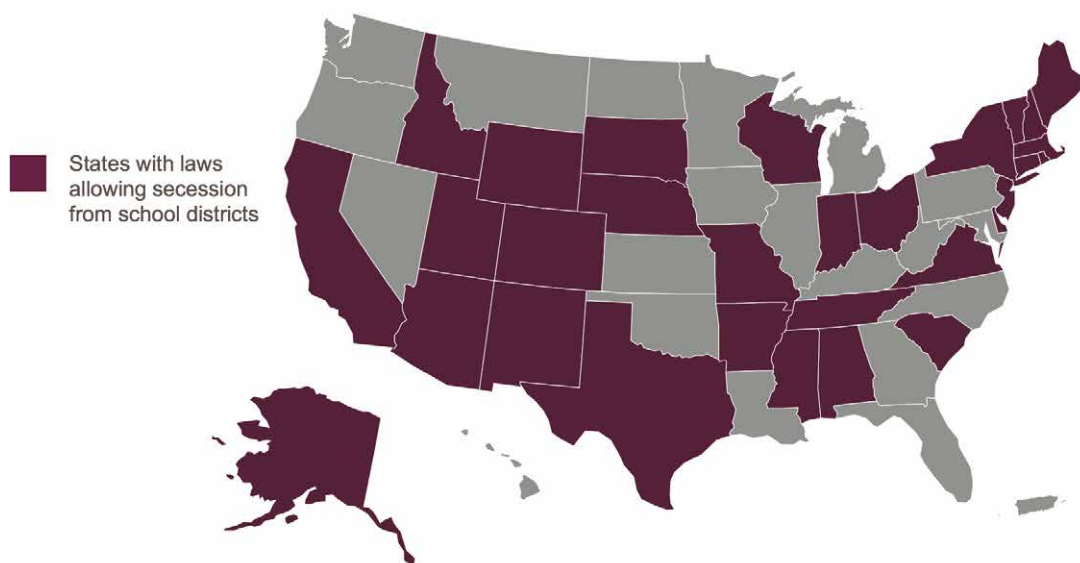
Success in education for all children will not be found in who wins the debate over public versus private schools or public versus charter schools. Success in education for all children will be found in the degree to which we ensure that *all* schools have an equitable distribution of five critical factors that impact educational outcomes:

1. High level of public and private investments in all schools
2. Highest quality of administration, leadership, and teaching in all schools
3. Highest expectations for learning and success in all schools
4. Highest quality of community conditions and school environment in all communities and schools, and
5. Maximum level of parent, family, and community engagement in all schools.

There is a strong correlation between the level of educational attainment and income insufficiency. Communities where most residents have lower levels of educational attainment and live in income insufficient households also produce a disproportionate number of children in foster care, a disproportionate number of inmates in prison, and a disproportionate number of violent crimes and homicide victims.

In contrast, the upper 20 percent of wealthy Americans are increasingly geographically isolating themselves—concentrating their income, wealth, social and political power, and access to opportunities a far distance away from marginalized communities. Thirty states even allow communities to secede from public school districts, adding to existing efforts that have effectively resulted in the re-segregation of America’s schools.

30 states have laws allowing communities to secede from school districts

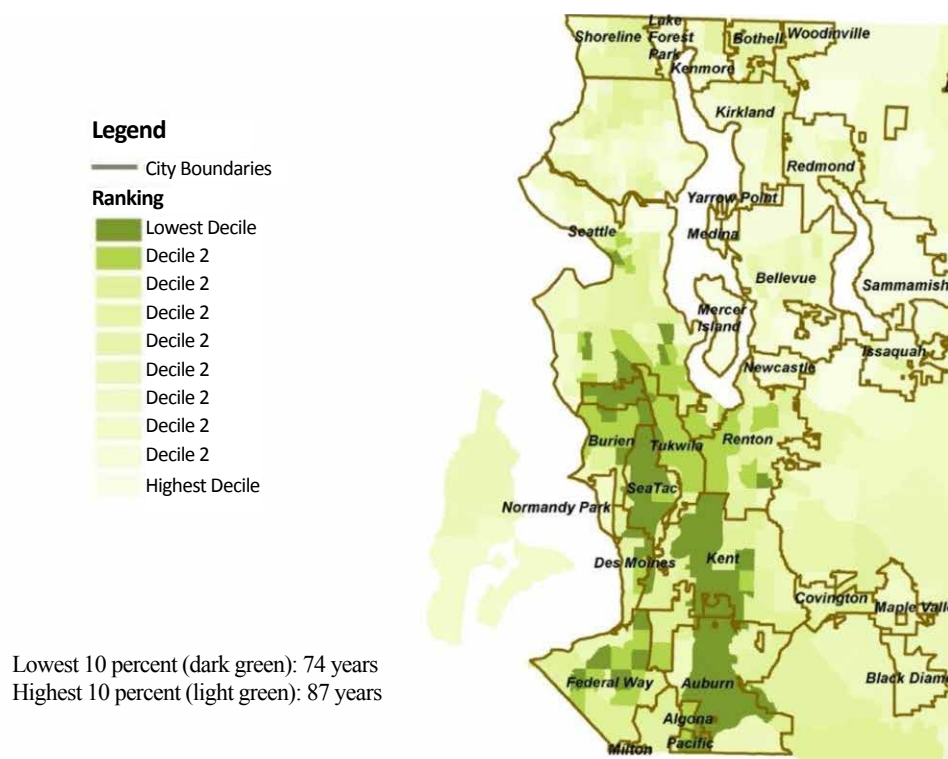


Source: “Fractured: The Breakdown of America’s School Districts,” EdBuild; produced by Casey Family Programs

The data tell us that this degree of inequality impacts personal health, subjective experiences of happiness, rates of mental health disorders, and even mortality. According to researchers, health care probably accounts for 10 percent of a person’s health; our genes probably only account for 30 percent; and behavior and environment account for 60 percent of a person’s health.

There is also a strong correlation between life expectancy and the ZIP code or community where a person lives. For example, in King County, Washington, where Seattle sits, 10 percent of census tracts that rank highest on a mix of 10 health and social measures have a life expectancy of 87 years. In the lowest 10 percent of census tracts, life expectancy is 74 years, a 13-year difference.

Life expectancy by census tract in King County, Washington



Source: “What Counts: Truth on a Map, How Mapping Health Disparities by Neighborhood Helped King County, Washington, Mobilize for Change,” Federal Reserve Bank of San Francisco and the Urban Institute; produced by Casey Family Programs

Similarly, across the 12 miles of subway stops from the suburbs in Maryland to downtown Washington, D.C., life expectancy declines by just over 1.5 years for each mile traveled. Residents in the Maryland suburbs can expect to live about 20 years longer than residents in the most challenged neighborhoods in Washington, D.C.

Women in Marin County, California, where the median household income is nearly \$90,000, have the country’s highest life expectancy of 85 years. Meanwhile, women in Perry County, Kentucky, with a median household income of nearly \$33,000, have the lowest life expectancy at just under 73 years—a 12-year difference.

Men living in Fairfax County, Virginia, where the median household income is about \$108,000, have a life expectancy of almost 82 years. Yet men in nearby McDowell County, West Virginia, with a median household income of about \$40,000, have the lowest life expectancy in the country, at about 64 years. That lower number is about the same as a number of poor developing countries. Only 341 miles separate Fairfax and McDowell counties, but 18 years separate their life expectancies.

Some epidemiologists call this the “pollution effect” of inequality, leading to stress, fear, and insecurity. This duality and segregation along class and racial lines remove our sense of social empathy for one another around the different needs and challenges for raising safe and healthy children. Broader society sometimes even allows itself

to conclude that the condition the “other” Americans find themselves in is simply their own fault.

In his speech about the other America, Dr. Martin Luther King, Jr., speaking at Stanford University in 1967, said:

In a sense, the greatest tragedy of this other America is what it does to little children. Little children in this other America are forced to grow up with clouds of inferiority forming every day in their little mental skies. And as we look at this other America, we see it as an arena of blasted hopes and shattered dreams.

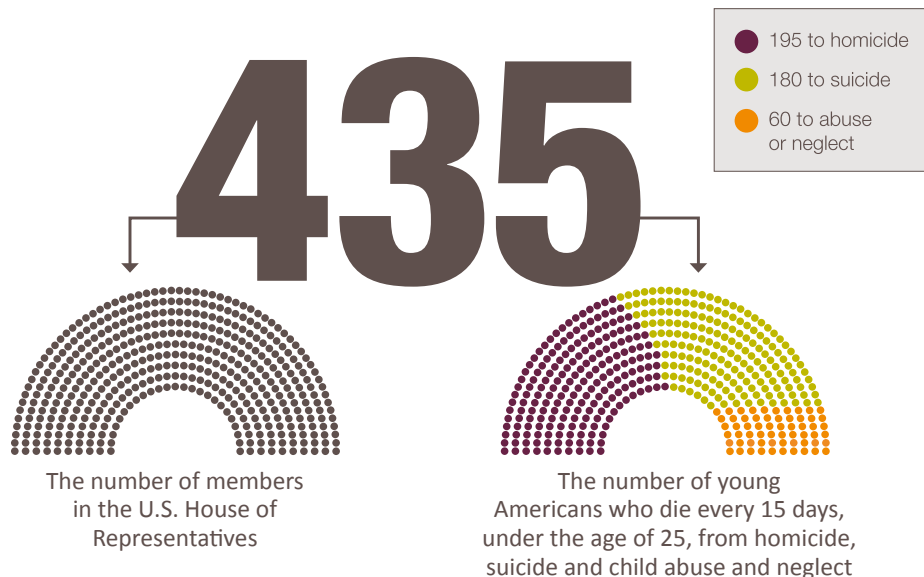
On average, every 24 hours across America, approximately 2,000 children are confirmed as victims of child abuse and neglect. Nearly 700 children are removed from their families and placed in foster care.

According to data from the Centers for Disease Control and Prevention and the U.S. Department of Health and Human Services, on average, every 24 hours across America, we lose 29 young people under the age of 25 to violence:

- 13 die due to homicide
- 12 commit suicide, and
- 4 are victims of child abuse and neglect.

Every 15 days, that’s 435 deaths, equivalent to the number of members in the U.S. House of Representatives.

A conversation about outcomes



Source: Centers for Disease Control and Prevention and U.S. Department of Health and Human Services; produced by Casey Family Programs

Community Philanthropy Can Change the Future

Community Philanthropy in its broadest application presents us with an opportunity to change the future for all of our children.

Community Philanthropy in its broadest application presents us with an opportunity to decide to leverage our investments across the community's five sectors in a way that can provide children, their families, and their communities with an opportunity to change the trajectory of their lives for generations to come.

This is not necessarily about how much new money we need to find to make this change a reality. However, this is about how we collectively begin to invest differently and more intentionally to make the outcomes we want for our own children truly accessible for all children in America.

Foundations leveraging their dollars with the efforts and dollars from other sectors to implement promising and proven programs and services is vital, but foundation dollars alone are incapable of going the distance required to get the nation where it needs to be.

Many see foundations and philanthropy primarily as a source of funding, but that does not have to be philanthropy's sole contribution. Foundations are more than money.

Foundations are made up of people. Foundations are practice demonstrators, strategic partners, change advocates and influencers, and vital members of the community. The same is true of the business sector.

Although funding is necessary, foundations must bring more than money to the table.

Foundations leveraging their dollars with the efforts and dollars from other sectors to implement promising and proven programs and services is vital, but foundation dollars alone are incapable of going the distance required to get the nation where it needs to be.

For example, the annual giving of all foundations cannot compare or compete with the government's annual spending. The annual giving from foundations can only complement, leverage, and enhance government spending.

According to the Foundation Center, from 2009 to 2012, the total annual giving from all foundations in the United States ranged from approximately \$46 billion in 2009 to approximately \$52 billion in 2012. The Center estimated that in 2013, total giving across all foundations, focus areas, and giving priorities was approximately \$55 billion.

Foundation Spending from 2009 to 2013

2009	2012	2013
\$46 billion	\$52 billion	\$55 billion

Comparatively, federal, state, and local revenues for public schools alone in 2009 were approximately \$591 billion: \$56 billion in federal funds; \$276 billion in state funds; and \$259 billion in local funds.

Public Education Spending in 2009

Federal	State	Local
\$56 billion	\$276 billion	\$259 billion

Communities all across America would look a lot different if we, as a nation, prioritized and dedicated the same level of support and resources to people inside the United States as we do for those living outside the country. What a difference it would make if we built, implemented, and sustained a federal, state, county, and local community partnership to create a domestically focused organization designed to achieve equity in life outcomes for all of the nation's children.

This organization could be designed to become a domestic version of the U.S. Agency for International Development (USAID). Created 57 years ago, during the height of the Civil Rights Movement, to administer foreign aid and development assistance, USAID is an independent agency of the United States government. With the motto, "FROM THE AMERICAN PEOPLE," an annual budget of \$27 billion, and employees numbering 3,800, USAID has focused its work on four priority areas to help uplift the world outside the United States.

1. Catalyzing innovation and partnership

"Innovation is making the impossible, possible, [making] the unsolvable, solvable."

2. Empowering women and girls

"When women do better, communities do better, and families do better."

3. Providing humanitarian assistance

"USAID will not walk away from our commitment to humanitarian assistance, and we will always stand with people everywhere when disaster strikes, for this is who we are as Americans."

4. *Supporting global stability*

“Wherever we can, we foster and strengthen inclusive economic growth to help our partners meet their development needs. Ultimately, this helps open markets for American goods and commerce and promotes shared prosperity.”

Imagine where we would be as a nation if we employed a domestic approach to vulnerable children, families, and communities comparable to that of USAID—the same priority areas and the same level of commitment, understanding, and enthusiasm as that expressed above by the USAID administrator.

It is in this fashion that the United States of America must find a way to engage all five sectors of the community in an unrelenting pursuit to improve life outcomes for all of its children, in all of its communities, in all of its ZIP codes.

Concluding Thoughts

Dr. King asked in 1967, “Where do we go from here, chaos or community?” When he posed that question, he believed that we had the resources and technology to eradicate income insufficiency. All we needed, he believed, was the will to do it—the will to form a united social movement to fight poverty and create an equality of opportunity.

In a nation of immense resources, building public and political will, as well as human capacity, are the central issues. We have the capacity to change things, but oftentimes organizations and agencies lack the will to realign their capacity in response to the need.

Organizations across the five sectors must exercise bold leadership and use their influence to steer their collective capacity toward a common goal of stronger families and communities.

Fifty-one years after its release in 1968, the Kerner Commission’s report still resonates today. Its recommended actions embraced three basic principles:

1. The need to create solutions on a scale equal to the dimension of the problems we seek to solve.
2. The need to aim these solutions for high impact in the immediate future in order to close the gap between promise and performance.
3. The need to undertake new initiatives that can change the system of failure and frustration that now dominates these communities and weakens our society.

Many observers believed that the Kerner Commission’s recommendations for improving and strengthening communities were never accepted or implemented

because the report framed the recommendations in a context that blamed white America for the conditions that were destroying lives in largely black communities.

Just three years earlier, in 1965, the Moynihan Report was widely criticized and rejected because it blamed African Americans for the conditions in their communities and the lack of improvement in their life outcomes. Even though the Moynihan Report was written just 100 years after the official abolishment of nearly 250 years of enslavement, concurrent with the purported 1965 end of Jim Crow laws, less than a year after the Civil Rights Act of 1964 was signed into law, and mere months before the Voting Rights Act of 1965 became law, it blamed African Americans for their own conditions.

Blaming has always destroyed opportunity for true and meaningful partnership or collaboration. The recommendations for change, equity, and increased opportunity that have been put forward at many intervals in our nation's past never materialized because of the blaming, finger-pointing, and divisiveness that continue today.

If we are to create a better America, we must leverage the opportunity that the concepts of community philanthropy and a true five-sector collaboration provides us to engage in a collective community-driven effort that helps communities create a pathway to hope for children and families across this great nation.

Children and families from the Appalachia region to Arkansas.

Children and families from Hawaii to New Hampshire.

Children and families from Mississippi to Montana.

Children and families from Tennessee to every tribal community in this land.

Children and families from California to the Carolinas.

They are all our children and we must ensure that they know that their future is within our keeping and they will be protected as members of this beloved community.

The strategy for creating this change must include:

- Ensuring the participation and leadership of the entire community
- Securing the public and political will to garner the nation's attention, and
- Advocating for laws and policies that align with truly becoming one nation, under God, indivisible, with liberty and justice for all.

We who believe in equity and justice cannot rest until every child in America knows the hope that comes from knowing that their families, their communities, their government, and their five-sector collaboration have a vision for their future in which all the children are well.

We must be willing to acknowledge and confront the level of neglect that we have shown as a nation to the ZIP codes, communities, and individuals that we have left behind.

Within our own country, we must become as committed to the noble principles underpinning nation building that we have demonstrated by our resources and actions in nations around the world.

It is customary for the Maasai of East Africa to greet each other by asking, “Kasserian Ingera?” or “How are the children?” The response is “Sapati Ingera!,” an aspiration and a declaration, meaning “All the children are well.”

We who believe in equity and justice cannot rest until every child in America knows the hope that comes from knowing that their families, their communities, their government, and their five-sector collaboration have a vision for their future in which all the children are well.

Without a vision, the people will perish.

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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, philanthropy was regarded as a specialized aspect of global public service. If, indeed, 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. Community philanthropy reminds us that giving is a common, natural component of communal life and civic engagement. From the outset, the creation of a Center to carry out research, education, and service in community philanthropy was a Clinton School priority. While more than forty philanthropy centers have been created at colleges and universities across the United States in the past thirty years, the Center on Community Philanthropy is unique—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.

As an academic institution with a community focus, we seek to involve our students, faculty, staff, and community members through meaningful opportunities across academics, field service work, public programs, and events that promote and recognize principles of diversity, equity, and inclusion, and create environments for constructive engagement, reflection, and growth. The Center is a leading voice for philanthropic approaches that stem from community and leader assets, emphasizing concepts that often are misunderstood, ignored, or mishandled in traditional giving relationships, such as equity and inclusion, race and racial healing, and implicit bias.

Through its convening work, the Center hosts intentional dialogues on the significance of race and diversity in setting achievable priorities for the American South. The Scholar in Residence program invites scholars to study structural racism within communities and institutions. These activities, which gather and disseminate knowledge, represent a coordinated effort to help those in the government, business, and nonprofit sectors understand the nature of racial problems, learn what perpetuates those problems, and grasp where the system needs repair.

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>.

Robin Ferriby

Senior Counsel at Clark Hill PLC; Former Vice President and General Counsel, Community Foundation for Southeast Michigan, and Vice President, Philanthropic Services, Foundation for Detroit's Future



Robin D. Ferriby is Senior Counsel at Clark Hill PLC. He served as the Vice President, Philanthropic Services, and Vice President and General Counsel for the Community Foundation for Southeast Michigan from 1999 to 2018. He also was Vice President of the Foundation for Detroit's Future, the supporting organization established to administer the Grand Bargain arising from the City of Detroit's exit from bankruptcy, from 2014 to 2018. Ferriby served as a chair of the Foundation Funders' Legal Committee that negotiated the Grand Bargain with the city, the Detroit Institute of Arts, Federal mediators, and other stakeholders and established the Foundation for Detroit's Future. At the Community Foundation, Ferriby was responsible for all new gifts, donor stewardship, professional advisor relationships and education, new market and product development, philanthropic planning for individuals, families and businesses, and foundation relationships. Robin Ferriby is actively involved in legislative and regulatory affairs both at the state and federal level, as well as numerous foundation and other board roles. He received his Juris Doctorate from the University of Detroit Mercy School of Law and his Bachelor of Arts from Michigan State University.

Saving a City: Lessons Learned from the Grand Bargain

It was my unique privilege to be a member of the group that worked on the innovative and historic philanthropic undertaking that became known as the Grand Bargain. This effort led to a total of \$816 million being committed to help expedite the resolution of the City of Detroit bankruptcy and save our city for the benefit of its residents—and the residents of the region and all of Michigan.

The vantage point from which I witnessed the amazing commitment and courage of those working on this resolution was from a seat as chair of the legal committee representing the Foundation Funders (more about them later) and in my role as a vice president of the Community Foundation for Southeast Michigan. As with everything in life, my perspective may be different from others, but I would surmise that all involved are grateful for the dedication everyone brought to the table.

I benefitted in my roles from the leadership of the legal committee's first chair, Ricardo A. Castro, who at the time was the General Counsel and Secretary of the Ford Foundation; and from the commitment, talents, and participation of the other members of that committee. (The Foundation Funder Legal Committee members consisted of lawyers: Ricardo A. Castro, The Ford Foundation; Robin D. Ferriby, Community Foundation for Southeast Michigan; Kathryn Krecke and Michael J. Goldstein, W.K. Kellogg Foundation; Kenneth T. Monteiro, The Ford Foundation; and non-lawyer members Laura J. Trudeau and Robert J. Manilla, The Kresge Foundation, and Juan J. Martinez, John S. and James L. Knight Foundation and its outside counsel Scott M. Grossman, Greenberg Traurig, P.A. The committee was assisted by outside legal counsel Douglas C. Bernstein and Dennis G. Cowan, Plunkett Cooney; and Douglas N. Varley, Caplin & Drysdale.) I will always be grateful for their invaluable counsel, support, and trust. To them, I dedicate my comments here and share with them this recognition as a Scholar in Residence at the

Center on Community Philanthropy at the Clinton School of Public Service at the University of Arkansas.

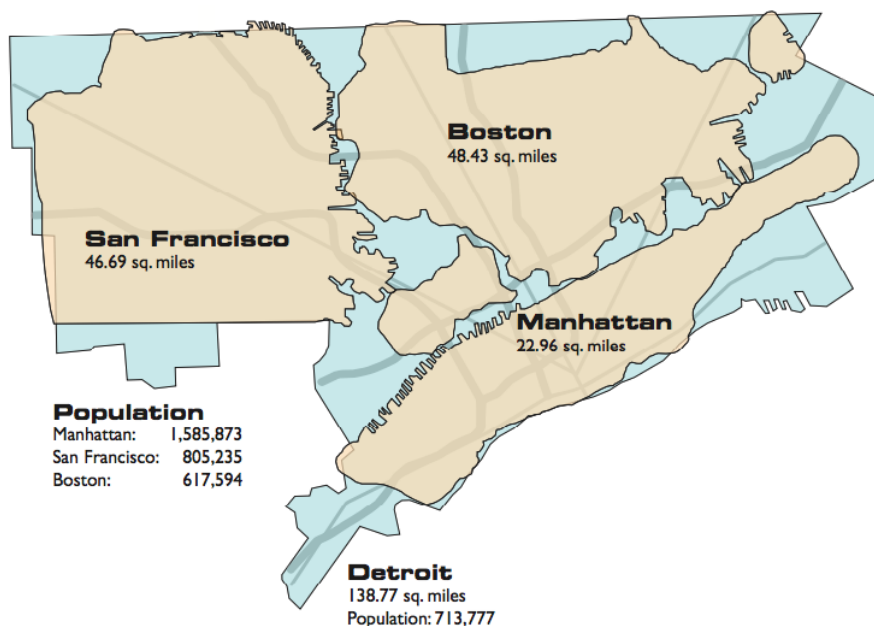
A Brief Introduction to Detroit and Southeast Michigan

Detroit is a city of long and storied history. It sits on banks of the Detroit River in the southeast part of Michigan. The city's name is taken from the French name, "le detroit du Lac Erie," meaning the strait of Lake Erie, which links Lake Huron and Lake Erie (and includes Lake St. Clair and the St. Clair River). The French originally settled Detroit in 1701.

The Detroit River flows 24 nautical miles and ranges in width from .5 to 2.5 miles. It is only one of two places on the northern border of the United States where Canada is south of the United States.

In the past, the Detroit River was polluted due to the waste that was an unfortunate byproduct of the industrial might of Detroit and the surrounding region. Restoration efforts have brought the river back to life. It is not unusual to see a commercial freighter, multiple sail and motor boats, fishing boats, and jet skis plying the river's currents all at the same time on a sunny summer day. In many ways, the Detroit River is a living metaphor to its namesake city. It is big. It is powerful. It has recovered from adversity. And it continues to evolve and relentlessly flow.

Like its namesake, Detroit is big. It covers a surface area of over 139 square miles. As you see here, San Francisco, Boston, and Manhattan all would fit into the footprint of Detroit with room to spare.



Map created by Dan Pitera, Detroit Collaborative Design Center, University of Detroit Mercy School of Architecture

Detroit is also powerful. The city is the home of many outstanding anchor civic and educational institutions and countless smaller organizations. At the risk of offending those I do not mention, let me list just a few of the local *cultural* institutions and businesses to illustrate this point.

Detroit is home to the Detroit Symphony Orchestra, Michigan Opera Theatre, Detroit Institute of Arts, Detroit Historical Society, Charles Wright Museum of African American History, and Sphinx Organization—each highly renowned.

Detroit is home to great world-class colleges and universities, including Wayne State University and extension offices of Michigan State University, Central Michigan University, and others. Oakland University and the University of Michigan find their homes in neighboring Oakland and Washtenaw Counties.

At the time, other municipal bankruptcies paled in comparison. The City of Detroit bankruptcy was nearly six times larger than the next largest municipal bankruptcy and nearly three times larger than the next four largest combined.

Members of the business community include well-known companies, like General Motors, Rock Ventures, Kelly Services, Little Caesars, Compuware, Ally Services, Shinola, and others. Southeast Michigan is home to the Ford Motor Company, Fiat Chrysler, and other automotive suppliers, as well as companies in countless other industries. The area's manufacturing powerhouses led it to be called the “arsenal of democracy” during World War II.

Detroit is the home of four professional sports teams—the Detroit Tigers, Detroit Lions, Detroit Red Wings, and the Detroit Pistons (who returned to Detroit in 2017). Add in university, high school, and travel athletics, plus outdoor recreation, and Detroit becomes a sports mecca.

Detroit—like the river—has also recovered from adversity more than once. It has suffered through recessions, wars, and civil unrest. Undaunted, the city's residents are warm and welcoming, courageous and intelligent. They are my family, friends, neighbors, and colleagues. And they care

passionately about their community. Yet, unfortunately, there are far fewer of them than there were in the past. Per the U.S. Census, the population of the City of Detroit reached a peak in 1950 at 1,849,568 residents. By 2015, that population had declined to an estimated 677,116.

Imagine any city losing more than 60 percent of its population. Imagine the strain the resulting losses in tax revenue and increases in the per capita cost of delivering public services such a population shift would cause. Whole papers can be done just studying the reasons behind this population loss—and the other factors that contributed to the city's fiscal crisis. I mention the population loss here only to illustrate that often in Detroit our challenges are big—sometimes bigger than our strengths. That formidable scale is what required that we put the “Grand” in the Grand Bargain.

Unprecedented Fiscal Crisis

The scale of the fiscal crisis was evidenced when Kevyn Orr, the City of Detroit Emergency Manager appointed by Governor Rick Snyder, concluded that the city had unfunded liabilities of approximately \$18.5 billion!

At the time, other municipal bankruptcies paled in comparison. The City of Detroit bankruptcy was nearly six times larger than the next largest municipal bankruptcy and nearly three times larger than the next four largest combined. (Note: In May of 2017, the Commonwealth of Puerto Rico filed for bankruptcy with an estimated \$70 billion of debt, which would make it now the largest municipal bankruptcy.)

Mr. Orr filed for bankruptcy protection for the City of Detroit on July 18, 2013, in the case known as *In re City of Detroit, Michigan*, Case No. 13-53846 in the United States Bankruptcy Court, Eastern District of Michigan. The case was assigned to U.S. District Judge Steven W. Rhodes, who appointed U.S. District Judge Gerald E. Rosen chief mediator of the case. Besides the sheer scale of the amount the city owed, other factors complicated the bankruptcy. Approximately 60 percent of the city’s debt was owed to the two underfunded City of Detroit pension systems—the City of Detroit General Retirement System and the City of Detroit Police and Fire Retirement System—and to pensioner health care and related costs.

Largest U.S. Municipal Bankruptcies

City of Detroit (2013)	\$18.5 B
Jefferson County (2011)	\$3.2 B
Orange County (1994)	\$1.7 B
San Bernardino (2012)	\$1.1 B
Stockton (2012)	\$700 M

The average annual pensions were not princely—only \$19,000 for a retired non-uniformed employee (who also could collect Social Security) and only \$32,000 for a retired uniformed employee (who could not collect Social Security). Initial proposed cuts to the pension benefits (possibly 50 percent or more) would have left the income of many of the pensioners below the poverty line. Even if those cuts were attempted, lengthy challenges would have been litigated, as the pensions were arguably protected from reduction by a provision of the Michigan Constitution.

Municipal bond holders—and the insurers of those creditors—were also owed significant amounts. Other factors, like a city-owned water system that serves much of the region, had been under federal oversight for decades. These were among the factors complicating any quick resolution to the city’s fiscal crisis.

Most municipal bankruptcies are asset-less, meaning there are no assets that can be sold to settle claims. Additionally, the federal bankruptcy laws protect municipalities from being forced to sell assets to settle claims.

Except Detroit was not asset-less. Unlike most cities, Detroit owned its zoo and its art museum building and the collection housed therein. Zoos are important educational and cultural institutions, but they are difficult and costly to sell or shut down. Art, on the other hand, has a ready market for sale.

This raised the possibility that the collection of the Detroit Institute of Arts—or at least a portion of it—would be sold to pay creditor claims. Many of the pieces of art had been donated to the museum, but others had been purchased in the heyday of the city, when excess tax revenues were available to make such purchases. As detailed by Mark Stryker Web in the *Detroit Free Press*, the origin of the art collection raised other questions, such as were only the pieces bought with tax revenue available for sale or was all the art at risk, as it was all owned by a bankrupt city in desperate need of cash? The Michigan Attorney General opined that the entire collection—regardless of source—was held as a “public trust” for the people of Michigan and could not be sold, further bringing into question the utility of an art sale.

The sheer scale of and complexity of the myriad creditor claims, the unsettled questions of legal import, and the prospect of complex and lengthy litigation to resolve those matters made the likelihood of any quick resolution of the bankruptcy proceeding unlikely.

And with each passing day, the city’s fiscal situation worsened, claims went unpaid, direct participation of elected officials in managing the city was suspended, and services to city residents did not improve.

Any protracted period of the bankruptcy and related litigation costs would likely mean that Detroit would never recover.

Enter the Grand Bargain

Federal Judge Gerald Rosen, the chief mediator for the bankruptcy proceeding of the City of Detroit, ran into Mariam C. Noland, President of the Community Foundation for Southeast Michigan (Community Foundation) at the Gateway Deli one day during lunch. The deli is located in the same building as the Community Foundation, which sits kitty-corner from the Theodore Levin United States Courthouse in Detroit.

Innocently, Ms. Noland made an offhand comment to Judge Rosen to the effect of, “Please let me know if we can be of any assistance.” The next morning, Judge Rosen

called Ms. Noland and asked her to come to his chambers, as he had something to discuss with her. What they discussed was his request that she convene a group of foundations who would be willing to provide as much as \$500 million to help resolve the City of Detroit's bankruptcy.

Ms. Noland and I put together a list of foundations to invite to meet with the mediators to hear their request for help. Every invited foundation attended that meeting on November 5, 2013. Ultimately, every invited foundation made grants to assist in one way or another with the city's recovery from bankruptcy. While the foundations did not quite get to the ambitious sum of \$500 million asked for by Judge Rosen, these funders did ultimately commit more than \$366 million. Nearly \$300 million of grant intentions were on the table by December 13—just five weeks after the initial meeting—enabling the mediators to then approach the State of Michigan for support as well.

That moment of happenstance in the deli began the incredibly complex and historic process that would ultimately become known as the “Grand Bargain.” Legally known as the DIA Settlement, and initially referred to as the “Art Trust,” the Grand Bargain would provide \$816 million to the City of Detroit, payable over 20 years, to be used by the city for the sole purpose of contributions to the General Retirement System and the Police and Fire Retirement System. The entire undertaking was facilitated principally by the skills of federal mediators Judge Rosen and Eugene Driker, a long-serving and highly respected Detroit attorney of Barris, Sott, Denn & Driker, P.L.L.C.

The foundations participating in funding the Grand Bargain are referred to collectively as the “Foundation Funders” under the agreements. These foundations include (alphabetically): Community Foundation for Southeast Michigan (\$10 million); William Davidson Foundation (\$25 million); Fred A. and Barbara M. Erb Family Foundation (\$10 million); Max M. and Marjorie S. Fisher Foundation (\$2.5 million); The Ford Foundation (\$125 million); the Hudson-Webber Foundation (\$10 million); The Kresge Foundation (\$100 million); W.K. Kellogg Foundation (\$40 million); John S. and James L. Knight Foundation (\$30 million); The McGregor Fund (\$6 million); Charles Stewart Mott Foundation (\$10 million); and the A. Paul and Carol C. Schaap Foundation (\$5 million).

The foundation commitments enumerated above total \$373.5 million, not the \$366 million from Foundation Funders that is reported in connection with the Grand Bargain. This difference is the result of the Schaap and Fisher foundations' commitments being credited during the bankruptcy mediation toward the \$100 million commitment from the DIA.

Sources of Grand Bargain Funding

Foundation Funders	\$366 M
State of Michigan	\$350 M
<u>Detroit Institute of Arts and its donors</u>	<u>\$100 M</u>
Total	\$816 M

All of the funding commitments, including the \$350 million from the State of Michigan and the \$100 million from the DIA, are eligible for a discount (at an annual rate of 6.75 percent, which was the assumed investment growth rate of the pension systems in the negotiation of post-bankruptcy benefits) if paid earlier than scheduled. In fact, the State of Michigan elected to pay its entire \$350 million 20-year commitment on the day of the closing of the bankruptcy, resulting in it making a one-time payment of \$194.8 million. In 2016, the DIA also elected to accelerate most of its financial obligations (other than those of the Schaap and Fisher foundations, for which the DIA still is financially obligated as guarantor) by making a discounted lump sum payment as well. The Foundation Funders continue to make payments using the 20-year term as originally provided.

In exchange for this significant monetary support, the City of Detroit agreed to several conditions and requirements. The three main requirements required by the Foundation Funders were:

- First, that the city would use the provided sums for the sole purpose of supporting the two City of Detroit pension systems.
- Second, that the city would irrevocably transfer ownership and management of the City of Detroit's art museum, the Detroit Institute of Arts (or DIA), to the nonprofit also called the Detroit Institute of Arts. The nonprofit organization had been managing the museum on behalf of the city prior to and during the bankruptcy proceeding.
- Third, and often overlooked, was that the City of Detroit bankruptcy had to be completed, including any appeals, by December 31, 2014.

As one might expect, countless additional details and requirements arose with a transaction as complex as the Grand Bargain. For the sake of brevity, I will only summarize a few here:

- The two retiree classes of creditors had to each agree to a settlement of any changes in the two pension systems. It should be noted that the Foundation Funders did not participate in any negotiation of the changes to the retiree benefits. The Foundation Funders took the position that to do so would be an improper overreach by the Foundation Funders into the role of government and its relationship with civic employees. The only requirements by the

Foundation Funders with respect to the pensions were that the monies provided be used for the pension plans, that pension changes be approved by the members of the two pension classes, and that future payments would be conditioned on the two pension systems being managed in a responsible manner.

- The Detroit Institute of Arts had to remain in the City of Detroit and remain named the Detroit Institute of Arts, as there was no intent on the part of the Foundation Funders to deprive the city residents of their prized art museum.
- The counties of Wayne (wherein the City of Detroit and the DIA are located) and adjoining Oakland and Macomb had to continue the collection of a recently adopted operating millage for the DIA through 2022 as originally passed. The operating revenue was important to the survival of the museum while it fulfilled its financial obligations to the Grand Bargain. This required those county governments agreeing to continue to collect the millage and to make payments not to the city, but to the nonprofit DIA, which would now own the museum and its art collection.
- The State of Michigan had to agree to match the commitment of the Foundation Funders and did so with \$350 million. The State Legislature and Office of the Governor obtained other agreements in exchange for the package of legislation that approved the state's financial support to the Grand Bargain. These agreements included the formation of an investment committee for each pension system that provides oversight of the pension boards, and a commitment by the DIA to provide increased statewide services throughout Michigan.

These requirements were intentionally designed to:

- Expedite the City of Detroit's exit from bankruptcy for the benefit of all the residents of the City of Detroit and the residents of the region and Michigan
- Help to honor the city's commitment to its retirees and thereby help to relieve the burdens of government, and
- Protect the city art museum as a cultural and educational asset important to the city's revitalization.

Much of the media coverage regarding the Grand Bargain centered around the saving of the art collection of the DIA. This, indeed, was an important goal of the undertaking. However, personally, I would assert that protecting the retirees of the city by lessening the impact of the bankruptcy on their financial situation was of equal or more importance.

Those of us who were directly involved recognize that the real heroes of the Grand Bargain and the city's exit from bankruptcy are the retirees who voted to take benefit

cuts that were necessary even with the financial resources provided through the Grand Bargain. Eighty-two percent of police and firefighter pensioners approved health care cuts and a reduction in their annual cost of living adjustments to their pension payments. Seventy-three percent of the general pensioners voted in favor of a 4.5 percent monthly pension benefit reduction, elimination of cost of living adjustments, and a return of previously paid annuity bonuses from the retirement system.

The service of these retirees to the residents of Detroit—both during their employment and now in their retirement—should never go under-appreciated. The Foundation Funders get much of the praise for their financial contributions, but these generous contributions were effective only as a result of the personal sacrifice of these retirees.

While each foundation, governmental body, or donor (whether individuals or businesses) had their individual reasons and motivations for participating in the Grand Bargain, the one central goal upon which we all agreed was the expedited conclusion of the bankruptcy proceeding. Again, any protracted bankruptcy proceeding only would have exacerbated the problems the city was facing. That is why the requirement that the bankruptcy be completed by December 31, 2014, was so important.

Establishment of the Foundation for Detroit's Future

The payments under the Grand Bargain stretch over a 20-year period ending in 2034. As such, it was necessary to put in place a means by which to manage this undertaking and to centralize reporting and payment processes.

The Community Foundation proposed the establishment of the Foundation for Detroit's Future (FDF) to the Foundation Funders' legal committee for this purpose. The legal committee accepted the proposal and then supported it with the leaders of the Foundation Funders. (Legal counsel to the Foundation for Detroit's Future included the previously mentioned Douglas C. Bernstein and Dennis G. Cowan; John Sare and Megan E. Bell, of Patterson, Belknap, Webb & Tyler LLP; and Robert D. Brower and Wendy Parr Holtvluwer, of Miller, Johnson, Snell & Cumiskey, P.L.C.)

FDF is a Type-I supporting organization (see Internal Revenue Code §509(a)(3) for particulars) of the Community Foundation, meaning that the board of the Community Foundation appoints a majority of (in this case, three) members to the board of FDF. The other two board members, who are initially nominated by the other Foundation Funders, appoint their successors.

FDF provides status reports to the various Foundation Funders and collects grant payments from those foundations. FDF is the

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organization to which the City of Detroit reports on its compliance on ongoing conditions to receive future payments for the benefit of the pension systems. The board of directors of FDF determines whether the city is compliant with those annual ongoing payment conditions, and authorizes grant payments to the city by FDF. The DIA also made its payments to FDF for subsequent remittance to the city. The payment by the State of Michigan was made directly to the City of Detroit.

Some of the other responsibilities of FDF include consulting on the appointment of independent members of the two pension investment committees, which were formed as mentioned previously by the state legislation authorizing the state's contribution of \$350 million. Also, the Skillman Foundation makes payments to FDF, separate from the Grand Bargain, that are subsequently granted by FDF to the city to provide funding under a "City Grant Agreement" to support four retiree health care plans.

The actual relationship between FDF, the city, and the DIA is memorialized in an Omnibus Transaction Agreement By and Among the City of Detroit, the Detroit Institute of Arts, and the Foundation for Detroit's Future (the OTA). This three-way agreement is an original legal document that, to my best knowledge, has never been prepared before the Grand Bargain. At a mere 106 pages, this unique agreement encapsulates all of the interactions between these three entities. (In the negotiations of and drafting of the OTA, the City of Detroit was represented by Brian L. Sedlak, Michael T. Austin, David G. Heiman, Sarah Heck Griffin, and Mary M. Reil, of Jones Day; and the Detroit Institute of Arts was represented by Joshua F. Opperer, Barbara A. Kaye, Alan S. Schwartz, and Arthur T. O'Reilly, of Honigman, Miller, Schwartz & Cohn LLP.)

The various documents and agreements related to the bankruptcy were included in and approved as part of the Eighth Amended Plan for the Adjustment of Debts of the City of Detroit (Plan of Adjustment). This document contained all elements of the settlement of the Detroit bankruptcy. It was filed on October 22, 2014, and measures 1,165 pages in length.

U.S. Judge Steven Rhodes, the presiding judge of the bankruptcy, issued an oral opinion approving the Plan of Adjustment on November 7, 2014. And on December 10, 2014, just shy of seventeen months after the filing of the city bankruptcy and three weeks before the deadline for conclusion under the terms of the Grand Bargain, Emergency Manager Kevyn Orr filed notice that the bankruptcy was over. With the filing of that notice, FDF made the initial payments to the city under the Grand Bargain and the City of Detroit transferred the assets of the art museum to the nonprofit Detroit Institute of Arts. Thus, a new future began for the City of Detroit and its residents.

In his oral opinion approving the Plan of Adjustment, Judge Rhodes addressed the residents of Detroit, saying:

We have used the phrase the Grand Bargain to describe the group of agreements that will fix the city’s pension problems. That description is entirely fitting. In our nation, we join together in the promise and in the ideal of a much grander bargain. It is the bargain by which we interact with each other and with our government, all for the common good. That grander bargain, enshrined in our Constitution, is democracy. It is now time to restore democracy to the people of the City of Detroit. I urge you to participate in it. And I hope that you will soon realize its full potential.

Innovations Arising Out of the Grand Bargain

The entire transaction was in and of itself an innovation. *Fast Company* chose The Foundation for Detroit’s Future as number 1 on its list of the “World’s Most Innovative Companies of 2015 in Not-For-Profit”:

For saving a city and its art. Some philanthropists make big donations to find a cure for a disease, or to help poor children overseas. But what if not-for-profits and some companies could save an entire city?

Number 2 on the list that year was The ALS Association for its Ice Bucket Challenge!

The Foundation for Detroit’s Future is very innovative. I am unaware of any other nonprofit organization that exists to execute and manage a 20-year financial commitment to a city to facilitate that city’s exit from bankruptcy, with the ongoing responsibility to monitor that city’s compliance with payment conditions. In addition, FDF reports to and interacts with twelve foundation funding partners in providing the underlying support for those payments to that city.

The Omnibus Transaction Agreement also marks an innovation in foundation grant agreements. The number of matters the OTA addresses within its pages makes it an extremely complex and interesting document, which could be a law class study by itself.

These innovations and others were necessary because of the complexity and time pressures inherent to the bankruptcy of the City of Detroit. The situation demanded no less than original and innovative ideas to reach resolution.

The Grand Bargain as Community Philanthropy Effecting Social Change

So here we are at the Clinton School of Public Service, at the Center on Community Philanthropy, discussing the elements of the Grand Bargain and City of Detroit Bankruptcy—both the largest municipal bankruptcy and the likely largest coordinated philanthropic response to a city fiscal crisis to date and possibly ever. The mission of the Center is to study and educate about community philanthropy, which “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.”

Further, the Center is here to discern the role that community philanthropy plays in bringing about social change. Social change has been defined as “an alteration in the social order of a society. Social change may include changes in nature, social institutions, social behaviors, or social relations.”

It would be hard to argue that the Grand Bargain did not make changes in the relations, behaviors, and institutions found in Detroit, the region, and the state between the philanthropic, governmental, and business sectors. Of course, it also affected the relationships and interplay between those institutions and the citizens and residents of Detroit, southeast Michigan, and the whole state. As noted by Judge Rhodes, the result of the Grand Bargain was a return of the governance of the City of Detroit to its residents through their directly elected city government.

But was the Grand Bargain community philanthropy? To answer this question, one must examine the connections of all those involved to the city and region. Obviously, the residents of the City of Detroit and their government leaders were deeply connected to the community. Similarly, the residents of the neighboring counties and those across the State of Michigan and their elected leaders are connected to the community of Detroit. The Detroit Institute of Arts and its supporters, patrons, and visitors are connected and tied to this place called Detroit.

As to the Foundation Funders, there is a deep connection by each of them to the community of Detroit. The Ford Foundation (New York, New York) was born from the wealth of the Ford Motor Company—founded in Detroit—and its founder. The John S. and James L. Knight Foundation (Miami, Florida) was founded by the owners of the Knight newspapers, which included the *Detroit Free Press*, and has always maintained a commitment to Detroit. Other national and regional foundations, like the W.K. Kellogg Foundation (Battle Creek, Michigan), The Kresge Foundation (Troy, Michigan), and the Charles Stewart Mott Foundation (Flint, Michigan), have had significant program and mission commitments to Detroit. Obviously, the local foundations (Davidson, Erb, Fisher, Hudson-Webber, McGregor, and Schaap) were committed to Detroit.

Then there is the Community Foundation for Southeast Michigan. Since 1984, it has been serving the residents of southeast Michigan. The source of the Community Foundation’s grant to the Grand Bargain was its unrestricted endowment. This endowment had been built up over decades by thousands of gifts—large and small—from individuals, families, and businesses desiring to improve the quality of life in southeast Michigan. Their collective community philanthropy through giving to that

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endowment made possible the Community Foundation's support of and participation in the Grand Bargain.

The resolution of the bankruptcy through the Grand Bargain was also supported by other business and individual community members. The Community Foundation established an online giving platform to receive individual gifts that were credited to the DIA's commitment. While those gifts totaled a relatively modest \$65,389, they were evidence of the broader community's support for the undertaking.

Similarly, advisors to donor-advised funds made grant recommendations to support the Grand Bargain, and businesses and their foundations and corporate giving programs (Ford Motor Company Fund, General Motors and the General Motors Foundation, and others) provided support to the DIA with its funding obligation. In other words, community philanthropy of all shapes and sizes was mobilized and supported the Grand Bargain.

Lessons Learned

I have been asked on more than one occasion if the Grand Bargain is a financial model for philanthropic support to resolve the fiscal issues facing other governments, including several other instances of potential municipal or governmental bankruptcy. My answer is "no."

The specific legal, asset, and financial facts about the bankruptcy were unique to Detroit. Most other cities will be asset-less. Most cities do not have the scale and depth of foundations that are found in and committed to Detroit and southeast Michigan. Therefore, it is unlikely that these circumstances will arise in another community that would allow the Grand Bargain to be used as a model.

What can be gleaned from the Grand Bargain, however, are lessons that can be used to address not only governmental fiscal crises but also other pressing issues necessitating social change. I offer here a few of the things I believe mattered in reaching the Grand Bargain that are important to consider as other philanthropies collectively address the challenges we face in the communities we serve.

Place Matters

Identity tied to a physical space matters. The Grand Bargain was about saving a city, protecting the pensioners of that city, preserving a cultural institution of that city, and benefitting the residents of that city and state. Place was central to the purpose of the undertaking and was a way in which all the Foundation Funders could find a common goal consistent with their individual missions.

Some have attempted to define community around shared interests or other identifiers, such as an interest in the arts or environment or a religion or ethnicity. Others look

to political party affiliations or ideals as a community—liberals and conservatives, Democrats and Republicans. There is nothing wrong about identifying with a variety of communities.

However, I would suggest that our geographic identity is a very important one. This identity defines our home and cuts across other identities. Place matters.

All Philanthropy Matters

All of the Foundation Funders have endowments, which provided many advantages in the undertaking. First, as permanent philanthropic residents of the community of Detroit, each funder had a vested interest in the city's survival—both currently and long into the future. Second, the invested endowments of the Foundation Funders provided the financial capital to participate at the level that the Grand Bargain required. Lastly, each Foundation Funder was able to provide staff expertise, because the longevity of the foundations had nurtured professionals with decades of experience in forging complex partnerships, and who had the ability to address the varied legal, accounting, and tax aspects involved.

I mention the importance of endowed philanthropy, as there is a current degree of distrust by some policymakers toward endowment. This distrust is evidenced by contemplated or introduced legislation that demonstrates this mistrust. Endowed philanthropy is crucial to our past, present, and future.

As noted earlier, donor advisors recommended grants to support the Grand Bargain. What was not mentioned is that without one specific donor advisor, the operation and existence of the Foundation for Detroit's Future may not be possible.

The operations of the Foundation for Detroit's Future are funded by two sources. First, through any earnings on accelerated payments to FDF paid by the Ford Foundation. The Ford Foundation is paying its commitment to FDF over 15 years, not 20, and allowing FDF to capture the earnings on those grant reserves for operations. Second, William (Bill) Smith made a grant recommendation, payable over 20 years, from his *endowed* donor-advised fund at the Community Foundation to support the operations of FDF. Without that seven-figure support, there would be insufficient operating support for FDF and the administration of the Grand Bargain would not be possible.

Individuals and businesses also made direct gifts in support of the Grand Bargain. In the end, all forms of philanthropic giving—endowment, donor-advised funds, and direct gifts—contributed to the funding of the Grand Bargain.

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Historically, the United States has been known as a country where its citizens care for one another by their gifts of time, talent, and treasure. Alexis de Tocqueville wrote about our commitment to civic institutions in *Democracy in America*.

As such, we must concern ourselves with any attempts by policymakers to judge certain types of philanthropy as good or bad. We should maintain tax and other laws that promote all philanthropy, whether it is endowed or for current needs, regardless of the particular charitable cause it supports. We are all enriched from the generosity of those who choose to give their treasures to the benefit of others, whether that generosity manifests itself in direct giving, donor-advised funds, or endowments. All philanthropy—large and small, endowed and direct—matters.

Safe Spaces Matter

One of the unique aspects of the discussions and negotiations of the Grand Bargain within the context of philanthropy was that they were all done under the auspices of a court-ordered confidentiality agreement. Now, I will tell you that there are many good stories I would enjoy telling you but can't share because of that order. I would also tell you that I am glad for the confidentiality order for the stories that you will not hear about me!

Seriously, the confidentiality order had a positive effect in that the parties could have honest, frank, and candid conversations on the issues—without the fear of having their views played out in tweets and news headlines. Good people can say things unartfully or insensitively at times. This can lead to misunderstandings and be used politically against the well-intentioned. The confidentiality order gave protection from those potential embarrassments, which allowed for the free flow of ideas.

For the Foundation Funders, this level of trust had been established among them previously. All of the Foundation Funders or combinations of them had been involved for decades in a variety of joint philanthropic projects. Examples that involved the Community Foundation have included our Van Dusen Challenge, Touch the Future, and Increasing Regional Philanthropy programs—each an effort to build permanent community endowment through training, public outreach, and direct and planned gifts. Other joint programs include the GreenWays Initiative that has vastly increased the amount of trails and bike paths in southeast Michigan; the New Economy Initiative that is transforming the southeast Michigan economy into an innovation-based and inclusive economy; or the Detroit Early Childhood Initiative that is supporting Head Start innovations.

Because of this history of working collectively on matters of significant import, the Foundation Funders had already learned to trust one another. They had developed shared expectations of how to respect one another while having serious conversations about complex, challenging matters. These relationships were critical to the success behind the discussions of the Grand Bargain.

Now, I would make a distinction about the type of safe space I am suggesting. This is not the safe space often discussed on campuses that relies so excessively on political correctness that it hampers authentic discussions. (We should always strive to respect the experiences and feelings of others. As I mentioned earlier, however, well-intentioned people will misspeak from time to time.)

Rather, what I am suggesting is a safe space where all are welcome, regardless of political view, race, ethnicity, religion, or gender identity. In this space, everyone is allowed the opportunity to have frank, well-intended, respectful dialogue without the fear of intellectual persecution for having a difference of voice or for speaking unartfully. It is only through sustained, intelligent, honest dialogue that we can address serious social issues.

To have that dialogue, we must allow others to feel safe and respected when they share their thoughts with us. Safe places matter.

Courage Matters – Being Comfortable with the Uncomfortable

It is easy to follow routines—they are predictable, familiar, and easy. Associating with those who think like we do, act like we do, or look like we do is comfortable. Like water, we follow the path of least resistance.

Growth and progress—personally, institutionally, and societally—require that we break out of our routines. They require us to test our assumptions and to try new things, often at the expense of our comfort, and the comfort of those around us, who have come to expect a pattern of behavior and action by us.

“Being comfortable with the uncomfortable” means to have courage. It requires the ability to face the critiques and observations of others and the opinions of naysayers who do not believe in your choice of action. It requires you to evaluate the validity of those contrary views against your own, so that you can have confidence that the path you have chosen is the correct one.

Once the path toward the Grand Bargain was chosen, the leaders of all the parties involved had to have the courage to lead their constituencies toward that shared goal. Those leaders were many, including union leaders addressing their members about pension benefit cuts; governmental officials securing financial support and agreements to the Grand Bargain; the DIA leadership assuming new fundraising commitments; lawyers rising to the challenge of being informal counselors and not simply attorneys; and Foundation Funder presidents and board members finding that the Grand Bargain was in furtherance of the missions of their respective foundations and worthy of extraordinary grant commitments.

We are all enriched from the generosity of those who choose to give their treasures to the benefit of others, whether that generosity manifests itself in direct giving, donor-advised funds, or endowments. All philanthropy—large and small, endowed and direct—matters.

Leadership opportunities arose at every level, as staff and others had to execute this shared vision of where and how the Grand Bargain would go—often assuring others at, below, or above their position that the decision to proceed was the correct one. Courage was everywhere, as everyone had to trust in a path on which no one had ever traveled, headed in an unexpected direction. Courage matters.

Balance Matters

Finding balance among all of the competing interests and pressures faced in life and in moving social change matters. An example of finding balance was the decision to have Foundation Funder grants be used by the city only for support of the pensions—while at the same time remaining uninvolved in the pension benefit negotiations. To do otherwise would have likely created an unhealthy imbalance between the proper role of government and philanthropy. This respect for proper balance in our roles often requires walking a tightrope stretched between what is appropriate to do and what is not and knowing when to act and when to wait.

I would assert that the participation of the Foundation Funders in the Grand Bargain found that balance. Others may disagree. I can only tell you that from my vantage point, we were constantly aware that we needed to find the proper balance in our actions. Balance matters.

Commonality of the Heart Matters

Many years ago, I was named a Fellow in the Michigan Political Leadership program at Michigan State University. This is a non-partisan program designed for those who aspire to be involved in public policy, either as an elected official, advocate, or volunteer. The program was very challenging to me personally, as it forced me to evaluate my way of thinking about and approaching matters of public policy. Halfway through the program, I was ready to quit. With the encouragement of my wife, however, I stayed enrolled and ended up being asked to be one of the graduation speakers.

The central theme of my comments that graduation day was that while we all come together to address a specific question of interest or public policy with our own expectations, experiences, and assumptions—we must first remember that we came together. We chose to be there to discuss the topic at hand because we all cared about that topic. How we put aside our differences to make positive change with regard to that topic is predicated on our finding a “commonality of the heart.”

The participants in the Grand Bargain found a commonality of the heart in the mutual desire to help save our city. Some who participated wanted to assure that the pensioners would not be forced into poverty through unconscionable pension cuts. Others wanted to assure that the storied and irreplaceable art of the DIA would be protected as a cultural and educational resource vital to the future revitalization of

the region. Many—and I personally would be among this group—were motivated by a broader concern that the residents of the City of Detroit, and the residents of the region and all of Michigan, would be irreparably harmed if the bankruptcy proceeding did not come to an expedited conclusion (with a reasonable likelihood that the city would fiscally survive post-bankruptcy).

In the end, everyone found that the survival of the City of Detroit was a common goal. Without that shared sense of purpose, any other philanthropic mission they held would be impossible to achieve. What mattered was that all who participated saw how the motivations and goals of the other parties resonated and were intertwined with their own. That collective commonality of the heart allowed us to move forward to resolution. Commonality of the heart matters.

Conclusion

People acting together as a group can accomplish things which no individual acting alone could ever hope to bring about.

—Franklin Delano Roosevelt

The Grand Bargain, and the Foundation for Detroit's Future, will remain an interesting case study in the role of community philanthropy effecting social change for decades to come. I am optimistic that the City of Detroit has begun its revitalization and renewal because of the extraordinary effort, commitment, courage, and sacrifice of all those involved.

The Grand Bargain offers itself not as a financial model to be emulated in addressing municipal bankruptcies or other fiscal or social challenges. The facts and circumstances present in the City of Detroit bankruptcy were unique to that community and will not be found in others. It is not a model of foundations bailing out government.

Rather, the Grand Bargain is a model for philanthropic and civic behavior. It illustrates the importance in effecting social change of:

- Place
- All philanthropy
- Safe spaces
- Courage and leadership
- Balance, and
- Commonality of the heart.

I trust that the lessons I have learned from the Grand Bargain and shared here will have a positive influence on your future successes.

May you each find a commonality of the heart amongst your family, friends, colleagues, and neighbors that will lead to a brighter future for the communities each of you call home.

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Earl Lewis

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*Earl Lewis is the Thomas C. Holt Distinguished University Professor of History, Afroamerican and African Studies, and Public Policy, and the inaugural Director of the Center for Social Solutions at the University of Michigan. He became the sixth President of The Andrew W. Mellon Foundation in 2013 and served in that role until 2018, when he became President Emeritus. Under his guidance, the foundation reaffirmed its commitment to the humanities, the arts, and higher education by emphasizing the importance of continuity and change. A noted social historian, and immediate past President of the Organization of American Historians (OAH), Dr. Lewis has held faculty appointments at the University of California at Berkeley and the University of Michigan. During his previous time at Michigan, he served as director of the Center for Afroamerican and African Studies and Dean, Horace H. Rackham School of Graduate Studies, and Vice Provost for Academic Affairs, Graduate Studies, and the Elsa Barkley Brown and Robin D.G. Kelley Collegiate Professor of History and Afroamerican and African Studies. Prior to joining The Andrew W. Mellon Foundation, Lewis served as Provost and Executive Vice President for Academic Affairs and the Asa Griggs Candler Professor of History and African American Studies at Emory University. He is the author and co-editor of eight books, including *Our Compelling Interests: The Value of Diversity for Democracy and a Prosperous Society* (with Nancy Cantor; 2016) and *The African American Urban Experience: Perspectives from the Colonial Period to the Present* (with Joe William Trotter and Tera W. Hunter; 2004). A native of Norfolk, Virginia, Dr. Lewis earned an undergraduate degree in history and psychology from Concordia College in Moorhead, Minnesota, with honors, and a PhD in history from the University of Minnesota. He is currently a member of the Council on Foreign Relations; board chair and regent, Concordia College Moorhead; a trustee of the Educational Testing Service; and a fellow of the American Academy of Arts and Sciences. In March 2018, the Detroit Symphony Orchestra recognized his contribution to the celebration of classical music with the Classical Roots Award. In 2019, both Wayne State University and Bowdoin College awarded him honorary degrees. Previously, Dr. Lewis received honorary degrees from Berea College, California State University-Fullerton, Clark University, Southwestern University, Carnegie Mellon University, Rutgers University-Newark, Dartmouth College, and Concordia College. His alma mater, the University of Minnesota, recognized him with the Outstanding Achievement Award in 2001 and its College of Liberal Arts presented him with the Alumni of Notable Achievement Award in 2018; and he received the Harold R. Johnson Diversity Service Award from the University of Michigan in 1999 and the Faculty Recognition Award in 1992.*

Being the Architects of Change: Philanthropy, Opportunity, and Inclusion

In the summer of 2016, following the spate of tragic encounters in Orlando, Baton Rouge, St. Paul, and Dallas, a group of foundation executives met by phone to ask: Is there anything we can do—individually and collectively—to address the rush of tragic events? After some discussion, a decision was reached to produce an ad for the *New York Times*, *Washington Post*, and several other publications that emphasized hope. The focus moved from what philanthropy could do to what grantees, working at the grassroots, had been doing and could do. In the end, nearly forty foundations signed on to the ad, large and small, and private, community, and corporate. Some had close ties to the communities in conflict, while others cared deeply about the drift in national discourse. All of these foundations sensed a void in national leadership that begged for affirmative, positive, creative action.

Note: The ideas and comments shared in this paper reflect perspectives circa 2016.

The ad concluded with a simple question: “What gives you hope?” Readers from all walks of life were invited to share their reasons for hope at #reasonsforhope. Thousands of people have responded, reminding us that scores of Americans believe that in their communities, they can be the architects of the change they seek. They found hope in the collective actions of the philanthropic community; the pioneering work of our many grantees; the willingness to tackle difficult social problems; and the willingness to reclaim America for all. In effect, that ad and its response highlight the intersection among philanthropy, opportunity, and the pursuit of a more inclusive America.

In historian Olivier Zunz’s book *Philanthropy in America*, he observes, “American philanthropists’ most important innovation, made possible by the multiplication of large fortunes in the late nineteenth century, was to envision an unlimited agenda of works, in which participants redefined goals as circumstances changed.” That sense of purpose and mission continues to be updated in real time as grand challenges and opportunities have emerged. For example, the Ford Foundation has recently announced a new commitment to fighting inequality, the Rockefeller Foundation has spent the better part of a decade addressing matters of resiliency, and the Bill & Melinda Gates Foundation has for several years pledged to eradicate poverty.

As notable as the Gates foundation’s pledge to eradicate poverty is the founders’ commitment to functioning as a sunset foundation. Gates leads a growing list of foundations committed to going out of business at some defined period after the death of the founder. This new emphasis places a premium on timelines, returns on initial investments, and new modes of accountability. The operative word for these foundations is impact. The first to sunset, which is poised to close by 2020, will be Atlantic Philanthropies, founded by Duty Free Shoppers Group co-founder Charles Feeney.

Benefit of Philanthropic Investment

According to the Foundation Center, there are more than 90,000 privately registered philanthropic entities in the United States, in which fresh approaches to philanthropy are balanced by established approaches. In announcing our new set of strategic directions, we at the Mellon Foundation reaffirmed our commitment to philanthropic investment. This approach, while always mindful of long-term impact, seeks to partner, strategically. The emphasis centers on organizations and institutions that have the capacity to lead a field effectively, prudently, and successfully. The keyword is investment. A grant is viewed as a partial payment to ensure the maximum benefit. Invariably, with such an approach the time for introduction, implementation, and execution often exceeds the normal three- to five-year grant cycle; thought is given to what amount of time is needed to secure the change that is sought. With philanthropic investment, an underlying theory of change surfaces predicated on what can be done in three years, five years, ten years, or even 25 years.

The benefit of the philanthropic investment approach can be found in a Mellon program I would like to highlight. More than 30 years ago, the then–associate program officer Henry Drewry and then–Mellon President Bill Bowen teamed to address the underrepresentation of African Americans among the nation’s professoriate. The program was originally called the Mellon Minority Undergraduate Fellowship program. In the wake of court challenges to the use of race in higher education admissions, the program’s name changed (though the acronym was unchanged), as did the scope of recipients. Today, the mission for the Mellon Mays Undergraduate Fellowship reads:

The fundamental objective of MMUF is to address, over time, the problem of underrepresentation in the academy at the level of college and university faculties. This goal can be achieved both by increasing the number of students from underrepresented minority groups (URM) who pursue PhDs and by supporting the pursuit of PhDs by students who may not come from traditional minority groups but have otherwise demonstrated a commitment to the goals of MMUF. The MMUF program is designed to encourage fellows to enter PhD programs that prepare students for professorial careers; it is not intended to support students who intend to go on to medical school, law school or other professional schools.

Nearly ninety colleges and universities belong to the MMUF collective (www.mmuf.org). The participating schools range from highly selective private research universities and colleges, such as Yale and Swarthmore; to historically black colleges and universities, such as Johnson C. Smith; to leading South African universities, such as Witwatersrand and Western Cape. Had the initiative ended in five—or even ten—years, the compounding effects would have never been realized. As a result of staying the course, today, the program has produced more than 5,266 fellows, of which 764 have completed PhDs, with more than 356 holding tenured or tenure-track faculty appointments. And the pipeline is primed, because we have another 700 fellows in graduate programs.

The overall ecosystem needs a mixture of social impact philanthropists, as well as philanthropic investors. Similarly, the ecosystem needs the sunset foundations, as well as those who imagine functioning in perpetuity.

Opportunity for Significant Investments

So one may ask: What are the next opportunities for significant philanthropic investments? As Zunz reminds us, there is no shortage of plausible candidates. Education, health care, public health, aging, climate change, and economic inequality all warrant support. In accord with mission and vision, each foundation continues to shape its unique agenda.

The intersection of two factors has played a role in shaping the Mellon agenda. First is an abiding belief in the critical role to be played by the arts, humanities, and higher education. Over the last decade and a half, a general consensus has emerged about the value of science, technology, engineering, and math (STEM). Without question, STEM improvements are critical to the overall welfare of the nation. We need scientists to craft cures for seemingly intractable diseases and afflictions, such as cancer; technologists to connect humans in remote places to the fount of information to be found on the web; engineers to design solutions to common problems, such as flooding and droughts; and mathematicians working in partnership with medical experts to build nano-devices that work in all humans, irrespective of DNA profile, solving what friends have called the greatest math problem.

Yet the advancement of STEM without a corresponding investment in the arts, humanities, and higher education could prove fatally incomplete. Consider for a minute the following example. Some years ago, colleagues working on a fresh water project in a West African village discovered the folly of a purely STEM approach. Public health observers found a nearby river contaminated, contributing to a plethora of preventable illnesses. With support from western economic agencies, a team of engineers set about digging a well in this village. Once it was dug, to all of their chagrin, the women in the village walked past the newly created well, trekking to their old source of water. Only then did the engineers think to invite anthropologists and gender experts to be a part of their team. This new group of experts asked the women about the purpose of the daily sojourn to the water. They found, not surprisingly, that the trip to the river served more than a utilitarian function. The women used the task to socialize, to get away from both their children and menfolk, to take a break from the domestic obligations that befell them. The placement of the well in the center of the village upended the social and cultural purpose of the trip to fetch water. Failing to understand the women as cultural thinkers and workers meant that a well had been dug that did not meet all community needs, even as it solved the problem of contaminated water.

But there is a larger lesson here as well. Think about the seismic, transnational problems we face today—the existential threat of climate change, migration and its human toll, poverty and inequality, war and political instability. Tackling these multifaceted challenges demands multifaceted minds. It demands collaboration across disciplines and perspectives. Neither the arts and humanities nor the sciences are enough. In higher education today, we are undervaluing some parts of human knowledge production and overvaluing others. We need to rebalance and reorient our approach, based on the bedrock understanding that scientists need humanists, and humanists need scientists. As a result, we believe that creating, developing, and sustaining leadership in the arts, humanities, and higher education that is poised to enhance the well-being and overall flourishing of our democratic project is more urgent than ever.

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If there is the opportunity to think creatively about the nature of the problem to be solved and the composition of the team solving the problem, we must also think anew about the distribution of talent that is needed. As discussed in *Our Compelling Interests*, demographers, looking ahead three decades, tell us we will have a nonwhite majority in the United States as early as 2044 and no later than 2050. Much of the diversity is projected to assume a coastal character, with multiracial populations concentrating along the Atlantic, Gulf, and Pacific coasts.

Yet abundant research shows proximate representational diversity may do little to improve the equity and inclusion challenges facing the nation. More than 60 years since the Supreme Court ruled separate but equal unconstitutional, America's primary and secondary schools are more racially and economically segregated than they were in the 1970s. As Patricia Gurin's research on intentional intergroup curricula work demonstrates, even students who managed to excel and enter one of the country's colleges and universities—thereby increasing an opportunity to interact across lines of difference—will escape the full benefits of diversity unless they enter courses designed to leverage that diversity for mutual gain. And even then, students may chafe over feeling included. They may balk at old names on buildings that speak to a different era and accompanying value and power system. They may rail that they have no privilege and are themselves the victims of economic deprivation. They may question the intellectual content, asking about the author's ability to comprehend their situation and reality. And they may refuse to be pigeonholed, insisting they fit into no single category, no single box.

How, then, do we talk and think about the modalities promoting inclusion?

Here I want to draw on an evolving example of a possible inclusion project under consideration by the staff—and, ultimately, the board—of the Andrew W. Mellon Foundation. Rather than appearing as orthogonal to the core mission and goals of the Foundation, we propose a project that is critical to one of our stated goals, namely, improving the public's understanding of the contributions of the arts and humanities to the well-being of a healthy democracy. To better understand how this goal connects with inclusion, it is useful to probe the goal and our efforts a little more thoroughly.

The Foundation's 2014 Strategic Plan mandates a strengthening of its commitment to the public humanities and arts in three ways:

- First, we sought to deepen and broaden “public understanding of and support for the humanities, arts, diversity, and education, in the U.S. and internationally” through “increased support across programs for activities that expand participation in the arts and humanities, and that engage humanists and artists in educating a broad public about the role and value of their disciplines and art forms.”

- Second, the plan established the “Public Humanities and Arts” as one of four cross-cutting foci: “The Foundation seeks to promote the value of the humanities and the arts for the public, and to underscore the vital role they play in shaping durable and just democracies and in fostering intercultural understanding. The Foundation supports programs that make experience, knowledge, and enjoyment of the humanities and the arts accessible to all citizens and to decision-makers in the public policy arena.”
- Third, our grantmaking programs singled out the importance of public outreach and community-based work by institutions of higher education and culture. As we have noted internally, such educational and programmatic efforts are not only valuable to the individuals and communities they reach, but could also be positioned to have positive long-term effects on public and private funding.

It is not that we have not worked in the area of public arts and humanities before, for we have. Several areas of engagement can be identified. There were grants that helped prepare doctoral students and recent PhDs seeking purposeful careers outside the academy, such as the Public Fellows program run by the American Council of Learned Societies (ACLS). That program places humanities postdoctoral fellows in nonprofit organizations and government agencies, where their expertise and perspective can be brought to bear on the public missions of the host organizations. In addition, we supported research and public communications programs run by the American Academy of Arts and Sciences in support of the humanities. Let me highlight two examples:

- The Foundation has long provided support for the Humanities Indicators, a critical web-based resource for proponents of the humanities managed by the American Academy of Arts and Sciences. This website publishes data and analyzes trends about different dimensions of the humanities.
- In 2011 and 2013, the Foundation provided support for the congressionally empaneled National Commission on the Humanities and Social Sciences, co-chaired by Duke University President and Andrew W. Mellon Foundation board member Richard Brodhead, which produced *The Heart of the Matter*. That report called for a range of actions that increase the reach of the humanities and social sciences into the lives of all Americans. That report remains a key reference for scholars and officials dedicated to the vitality of the humanities and liberal arts education.

Furthermore, we have supported grants to university-based humanities centers that enable them to take the lead in bringing the public inside academic walls or taking the work of the humanities out into the public sphere. Humanities centers have moved in this direction organically, as they are the venues where new areas of study—such as medical or environmental humanities, which have evident societal relevance—tend to emerge. The Foundation’s support for the international activities of the Consortium

of Humanities Centers and Institutes also underwrites publicly oriented programs of this kind.

In addition, we provided grants to organizations that are not academically based but play major roles in translating humanities research for broad audiences. For example, there was a 2014 grant to the New York State Council for the Humanities, which formed a consortium of humanities centers that brings humanities programs to public venues. Or a grant to the Pulitzer Foundation (2014) on the occasion of its 100th anniversary, which enabled the organization to work with state humanities councils and other organizations to stage a successful year of “campfire” literary and historical events across the country in 2016 and 2017. Similarly, we increased grantmaking to public television, radio, and documentary programs associated with PBS and NPR stations, for work on topics such as race relations and the role of the arts in society.

Collaboration and Outreach

A growing area of emphasis has been support to institutions of higher education to develop genuinely reciprocal and collaborative modes of research, teaching, and knowledge production with organizations in their local communities. This area of Foundation activity continues to expand. Community organization leaders and activists participate in teaching on and off campus, and are encouraged to develop publications and solutions to particular problems with faculty and students. Grants for such work have been made or recommended to the University of New Mexico, Johns Hopkins University, Vanderbilt University, and the University of California at San Diego, among others.

These public humanities grants to institutions of higher education and related entities do not take into account the significant work of art museums and performing arts organizations in bringing humanities research to the public through exhibitions, performances, educational programs, and online platforms—e.g., support of an American history cycle of plays by the Oregon Shakespeare Festival. By mandate, the Foundation’s Arts and Cultural Heritage program and its predecessors have always dedicated some of their resources to public arts and humanities. This emphasis has grown in recent years, with new interest in the ways classic and contemporary art forms can speak to conditions of the present or help us imagine the future, and with increasing numbers of grants to organizations that make art with significant input from the communities in which they operate.

Between January 2015 and June 2016, more than 75 grants totaling \$79 million across the grantmaking programs have paid special attention to opportunities to realize and share the contributions of the humanities and arts to addressing grand challenges faced by the American people and humanity around the world.

If we stand back and assess this incredible effort and ask what was the underlying theory of change, we would have to honestly admit that it was accretive. Our approach amounted to a philanthropic version of let a thousand flowers bloom.

However, the Strategic Plan's Presidential Initiatives section calls for "advancing the public's understanding of the arts and humanities." What the plan signals—but does not address directly—is how the Foundation would take an overarching approach to its support of the humanities and arts in the public sphere, beyond the work of individual grants. With the establishment of the first Mellon communications office, the Foundation has a new opportunity to manifest its mission to reinforce and promote the arts and humanities in a bolder way. As staff began to explore options, beginning in December 2015, one possibility discussed with the board was forming a coalition of foundations and other organizations that support the public humanities in order to develop new tactics. These approaches might include the use of dedicated spokespersons or targeted strategic communications campaigns tied to public events in which the humanities and arts shape, inform, and communicate knowledge and bring purpose and pleasure to people's lives. Audiences specified in the plan included parents, students, human resources professionals, academic advisors, and public officials.

Although such a campaign could claim productive airtime for the humanities and arts in public discourse, upon reflection, staff members have come to believe that it might not significantly improve on the work already accomplished by release of *The Heart of the Matter* report. Moreover, hammering broadly on the contributions of the humanities may not induce sufficient public support beyond that of individuals and organizations who are already well convinced of their value. What is often missing in public pleas for the humanities is a clear articulation of the disciplines they encompass, and of the value of those disciplines to our individual and collective lives. Terms like "the humanities" and "humanistic disciplines" are fundamentally academic, and difficult to translate for general audiences. They arose in the early twentieth century in university settings where philosophy, history, and literature found themselves competing for resources with the sciences and the social sciences.

A public humanities campaign of any kind may be most successful if it reminds us of the histories, ideas, and stories that the humanities bring us, and the disciplines that do so: history, philosophy, literature (novels, short stories, poetry, and documentary forms), and arts, film, and media. The humanities study the history and continuing evolution of these forms and practices, and help us understand the insights and pleasures they provide.

Insisting on these terms may get in the way of garnering broader support for the sorts of work the humanities do. A public humanities campaign of any kind may be most successful if it reminds us of the histories, ideas, and stories that the humanities bring us, and the disciplines that do so: history, philosophy, literature (novels, short stories, poetry, and documentary forms), and arts, film, and media. The humanities study the history and continuing evolution of these forms and practices, and help us understand the insights and pleasures they provide.

Making these points in the abstract or gathering a plethora of different examples of great work in the humanities would be unlikely to enhance the fortunes of the humanities in public discourse or in funding streams. After all, numerous information channels already practice a magazine-style approach to good effect, and they tend to have well-defined audiences that seek out their offerings: NPR programs like *Fresh Air*, *All Things Considered*, and *StoryCorps*; TV offerings like *NewsHour* and shows on The History Channel; periodicals in print and online like the *New Yorker*, the *Huffington Post*, or the book review and arts sections of major newspapers.

Philanthropy's Unique Contributions

What philanthropy can do more uniquely than any of these media outlets would be to help historical and cultural organizations that already have a public-facing mission draw out their scholarly and educational strengths, in a networked effort to elucidate how history, philosophy, or the study of art, literature, and culture can help us understand contemporary challenges. Although museums, libraries, and arts organizations are not universal in their appeal either, many reach wider swaths of local, national, and international audiences than NPR or the *New York Times*, from accidental tourists and schoolchildren on field trips to college students fulfilling requirements to intentional lifelong learners.

Conceived in this way, a public humanities initiative could focus on a particular problem that cannot be understood or addressed without the humanities—an initiative, for example, that considers inclusion. The Foundation could work with cultural organizations that deploy humanities expertise to bring aspects of an issue to public visibility, debate, and understanding. In the case of history museums and historical societies, the focus might be on historical expertise; in public and independent libraries, literature, storytelling, and film might be primary; and art museums and art centers could bring the arts to bear. The Foundation would not craft the content of the initiative, but instead would help organizations relevant to a particular topic connect their work on a national level.

Implicit in the foregoing discussion is a theory of change. Many of the organizations we support already do a fine job of tackling big contemporary topics in their local settings. The 9/11 Memorial Museum is rapidly becoming more than a memorial site alone, offering visitors opportunities to learn about geopolitical history, the complex causes of terrorism, and innovative ways of coping with trauma. The New York Historical Society is developing rich public programming on women's history that translates research conducted at the Society and by its many academic partners. The American Civil War Museum in Richmond is presenting the history of the Civil War from a range of vantage points rarely considered together in one museum.

What is more challenging for individual organizations with closely related missions is working together across geographic distances and institutional missions to bring larger segments of the American public together in shared learning and debate

about major topics. The humanities—with their emphasis on ideas, stories, images, and history—offer powerful frameworks for doing so, if institutions can be connected and supported in shaping shared “curricula” and platforms to which each can bring distinctive local contributions. In the manner of the 9/11 Memorial Museum or American Civil War Museum, institutions could do so through permanent or long-lasting exhibitions. In the manner of the Pulitzer Campfires, they could do so by staging public gatherings, readings, film screenings, and debates. In the manner of Vanderbilt University’s Wisdom of the Elders project, they could do so through oral history and public documentation projects.

Many grand challenges could be addressed through the lens of the humanities on a bigger, well-networked, often online, stage over several years:

- Effects of climate change on communities;
- The meaning of work in America historically and today;
- History of immigration and refugee communities;
- Evolving understanding of gender; or
- Race relations and the roots of racism.

The Foundation could support such an initiative through three of its operational mechanisms: grantmaking to individual institutions and consortia; convenings that bring grantees and other experts together to study problems and design solutions; and a communications effort in which the Foundation would play a coordinating role.

Slavery and Its Aftermath

At this moment, I would recommend that for a first such effort we explore the feasibility of an initiative that takes a sustained look at the history of slavery and its aftermath as a fault line in the political foundation and history of the American Republic. Why? In crafting recent strategic directions for the Foundation, we made a case for tackling grand challenges, those gnarly, intractable problems that beg for prolonged, innovative solutions. Few problems have vexed the nation as consistently as its long season of despair over race, racial inclusion, and racism—a story that began with the introduction of chattel slavery. From the founding of the nation, men and women of purpose and conscience have struggled to understand how a country, formed on the principles of liberty and freedom for all, could so steadfastly retain its allegiance to slavery until a civil war ended that long chapter.

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Nor is the examination of slavery merely about the past. Slavery remains a recurrent theme in political discourse, social interactions, and academic analyses; its contemporary effects cross communities and populations. As important, many of our grantees have completed substantial work on the topic. Examples range from the New York Historical Society's path-breaking exhibit on Slavery in New York, to Brown University and its Center for the Study of Slavery and Justice, to the aforementioned American Civil War Museum in Richmond. In a preliminary way, we have identified several dozen historical, academic, and cultural organizations that have produced substantive, although generally uncoordinated, work in this area.

Across the country, these institutions and venues amount to a distributed museum and public archive for the history of slavery and its aftermath. The Foundation could convene these organizations to explore how they might work together to produce and present more coherent, simultaneous, and overlapping public programs that would constitute a "curriculum" in the broadest, most open-ended sense of the word. A well-coordinated, sustained set of educational and artistic programs could focus public attention on the history of slavery and its connections to persistent problems of inequality today. With an emphasis on listening, learning, and discussion, the initiative could spur creative thought about solutions to the problems created and perpetuated by the legacy of human bondage. The Foundation's Communications office could coordinate public messaging around the initiative in national and local environments.

Conclusion

In conclusion, we believe that our current practice of supporting the public arts and humanities has resulted in positive accomplishments for individual organizations and scholars. Yet, going forward, we think we can more successfully advance the public's understanding of the arts and humanities by combining our former approach with a set of targeted theme-based communication projects. Most important, if pursued, such an initiative underscores the saliency of philanthropy's role in addressing problems, in partnership with others, for the benefit of most. Addressing slavery, we believe, is a worthy and challenging starting point. If we succeed, then we may inch ever closer to addressing an enduring fault line in civic affairs and perhaps move closer to general inclusion. That is the vision and opportunity. That is what allows us to become the architects of our own present and future, the architects of change.

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Clinton School of Public Service Scholars in Residence

Since 2009, the Center on Community Philanthropy at the University of Arkansas Clinton School of Public Service has hosted more than 30 Scholars in Residence. Each of these inspiring leaders has taken time to share their knowledge with students, faculty, and the general public.

Each Scholar in Residence spent a week at the Center and was featured in the Clinton School's distinguished lecture series. His or her lecture is posted online at www.clintonschoolspeakers.com.

The scholar compendiums can be found at <https://www.clintonschool.uasys.edu/news/tagged/13/ccp-publications>.

The Scholars in Residence who contributed to previous compendiums for the Center on Community Philanthropy are listed below.

2012 to 2015 Scholars in Residence

Diana Aviv, Chief Executive Officer, Feeding America

David Beckwith, Principal Consultant, Great Lakes Institute

Emmett D. Carson, Chief Executive Officer, Silicon Valley Community Foundation

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

Antonia Hernández, President and Chief Executive Officer, California Community Foundation

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

Ronald B. Richard, President and Chief Executive Officer, Cleveland Foundation

2010 to 2012 Scholars in Residence

Joel E. Anderson, Chancellor of the University of Arkansas at Little Rock

Manuel Pastor, Professor of Sociology and American Studies & Ethnicity, Director, Program for Environmental and Regional Equity, and Director, Center for the Study of Immigrant Integration, University of Southern California

john a. powell, Director, Haas Institute for a Fair and Inclusive Society, and Robert D. Haas Chancellor's Chair in Equity and Inclusion, University of California, Berkeley

Minnijean Brown Trickey, Teacher, Writer, and Motivational Speaker

David R. Williams, Florence and Laura Norman Professor of Public Health, Professor of African & African American Studies and of Sociology, Harvard University

2009 Scholars in Residence

Ivy L. Allen, President, Foundation for the Mid South

John H. Jackson, President/CEO, The Schott Foundation for Public Education

Heather Larkin, President and CEO, Arkansas Community Foundation

Kristin R. Lindsey, Executive Vice President and Chief Operating Officer, Council on Foundations

Hanmin Liu, CEO, Wildflowers Institute

Steven E. Mayer, Director, Effective Communities, LLC

Wenda Weekes Moore, Member, Board of Trustees, W.K. Kellogg Foundation

Suzanne E. Siskel, Director of Philanthropy, Ford Foundation

Kathy Smith, Senior Program Officer, Walton Family Foundation

Sherece Y. West, President and CEO, Winthrop Rockefeller Foundation





Epilogue

This compendium, *Equity and Transformation: The Impact of Community Philanthropy in Creating Social Change*, continues 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, faculty, and local civic leaders.

Each Scholar in Residence was also featured in the Clinton School's distinguished lecture series. His or her lecture is posted online at www.clintonschoolspeakers.com, and I encourage you to watch each of them.

Since 2010, the compendiums published by the Center have focused on the wide range of different ways that community philanthropy can address some of our most pressing—and most intractable—issues:

- *Community Philanthropy and Public Service: Practice Models of Giving, Civic Engagement, and Leadership Development* offers insight into how community philanthropy can help unravel some of the biggest problems facing communities: poverty, educational access, food insecurity, racism, and more. It illustrates the wide-ranging ways scholars helped their communities, including using advocacy to improve public policy outcomes, building respect between funders and grantees, ensuring grantmakers establish priorities with direct input from community members, and addressing civic engagement among African American men.
- *Pathways to Racial Healing and Equity in the American South: A Community Philanthropy Strategy* convenes a diverse group of scholars, experienced public servants, students, and members of the community to discuss difficult—and often contentious—issues related to race and equity. Each Scholar in Residence brings his or her unique lived experience to the continuing conversation about how to acknowledge the often violent history of race in the American South. Yet they also suggest myriad ways we can move forward toward healing with the help of community philanthropy. One common theme is the importance of recognizing that these painful issues affect all of us, as a community. Therefore, true solutions and progress can only come from pulling together as a community to have the hard conversations, and from working together to build mutual trust and respect.
- *Community Philanthropy: Strategies for Impacting Vulnerable Populations* clearly illustrates the different prisms through which community philanthropy can be explored and utilized to drive sustainable change among vulnerable populations. Scholars take on issues such as preventing dropouts by scholarship students in higher education programs, strengthening community

through recognizing local leaders in barbershops and on street corners, building on traditional knowledge systems in Indonesia and the Philippines, combining mainstream and indigenous philanthropy, and inspiring foundations to promote diversity among their own staffs and their grantees, as well as in the communities they serve.

Community philanthropy reminds us that giving is a natural component of communal life and civic engagement, and that giving is a vital—though often poorly understood—aspect of public service.

The Center on Community Philanthropy is unique, carrying out research, education, and service in community philanthropy. When we focus on what all people have to offer, whether through providing funding, offering leadership, volunteering, or sharing ideas, our communities have the best chance of improvement.

This collection of papers shows how community philanthropy can help address some of the biggest challenges facing communities across the United States. I encourage you to reflect on how these scholars' work can influence your approaches to creating equity and transformation:

- Draw inspiration from Tonya Allen's conclusion that radical love demands community philanthropy make society better by addressing the root causes of suffering, the historical, political, and social systems—compounded by racism and sexism—that perpetuate inequality and inequities.
- Learn from William C. Bell's insights on how the five sectors can work together to create complex, sustainable solutions to the challenging human conditions that so many children and adults experience in America.
- Consider Robin Ferriby's account of working on the innovative and historic philanthropic undertaking that became known as the Grand Bargain. This effort led to a commitment of \$816 million to help expedite the resolution of the City of Detroit bankruptcy and save the city for the benefit of its residents—and the residents of the region and all of Michigan.
- Ponder Earl Lewis's discussion of how philanthropy could promote inclusion and transformation by addressing grand challenges through the lens of the humanities with large-scale, innovative approaches.

We hope that you will use these scholars' work as inspiration as you strive to make your communities nurturing environments for all people. May they inspire you to consider new ways of giving, collaborating, training leaders, and engaging community members.

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



To submit applications and supporting documents,
or for more information about the Clinton School
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