

Democratic Philanthropy: A Different Perspective on Funding

By Regina McGraw and Christine Reeves

There's an old saying: If you are a hammer, everything looks like a nail.

Wise words indeed.

CHARITY

If you are a funder — even the most altruistic and empathetic one — you may see low-income families, for example, as economic victims in need of help. So, your foundation might help these families through a strategy of direct service, i.e. funding food pantries. Good for you; you are definitely making a difference.

This activity comes under the heading of “charity,” which of course isn't a bad thing.

DEMOCRATIC PHILANTHROPY

However, we suggest that a democracy needs something beyond charity; we believe a democracy involves and even requires residents to confront challenges facing them and their communities. This is important, because the process and outcomes of charity — in addition to doing good work — can sometimes unintentionally reinforce victimization or paternalism. We cannot limit ourselves to relying on those who give philanthropically to also be the ones who identify which problems to prioritize and which solution strategies to pursue.

After all, shouldn't a democracy strive to be transformational, not merely transactional, in both outcomes and process? The tenets of what we call “democratic philanthropy” should address systemic roots of societal problems, serve as a vehicle and laboratory

for positive societal change, and include those who are most affected by the problems not merely as recipients of charity, but as empowered, engaged participants.

When people help solve problems facing them and their communities, they gain a sense of civic participation and pride. Additionally, they cultivate abilities to solve present and future problems. In the abstract, it's difficult to oppose values of democratic philanthropy. In application, though, challenges can arise.

We are not arguing for every foundation to immediately embrace democratic practices, as we define them. Yet, we hope more foundations will diver-

sify their funding strategies to include democratic components, similar to the way they diversify their endowments' stock portfolios. This article aims to help funders consider or reconsider a democratic model, answer questions their staff or board might pose and increase philanthropic dialogue.

Let's step back and consider the aforementioned example of funding food pantries. In addition to being helpful, this is an easily measurable direct service strategy to address hunger; a foundation achieves quantitative success if it grows from funding 100 lunches to 100,000 lunches daily. However, what about dinner? In addition to funding food pantries, why not also address hunger's root causes, such as entrenched and systemic educational, health, economic, racial and class disparities? What about inquiring if food is actually the most important community need? Perhaps the community considers job training more important than lunches, and the community, if asked, might prefer a foundation to innovate to be more responsive. Asking questions and avoiding assumptions can be a rewarding adventure that may lead to a deeper positive impact.

CASE STUDY: THE WIEBOLDT FOUNDATION

The Wieboldt Foundation in Chicago, founded more than 90 years ago, learned this lesson firsthand. The founders made their fortune through a chain of family-owned department stores that served Chicago's neighborhoods. The

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motto of the foundation was, and remains, to support “charities designed to put an end to the need for charity.”

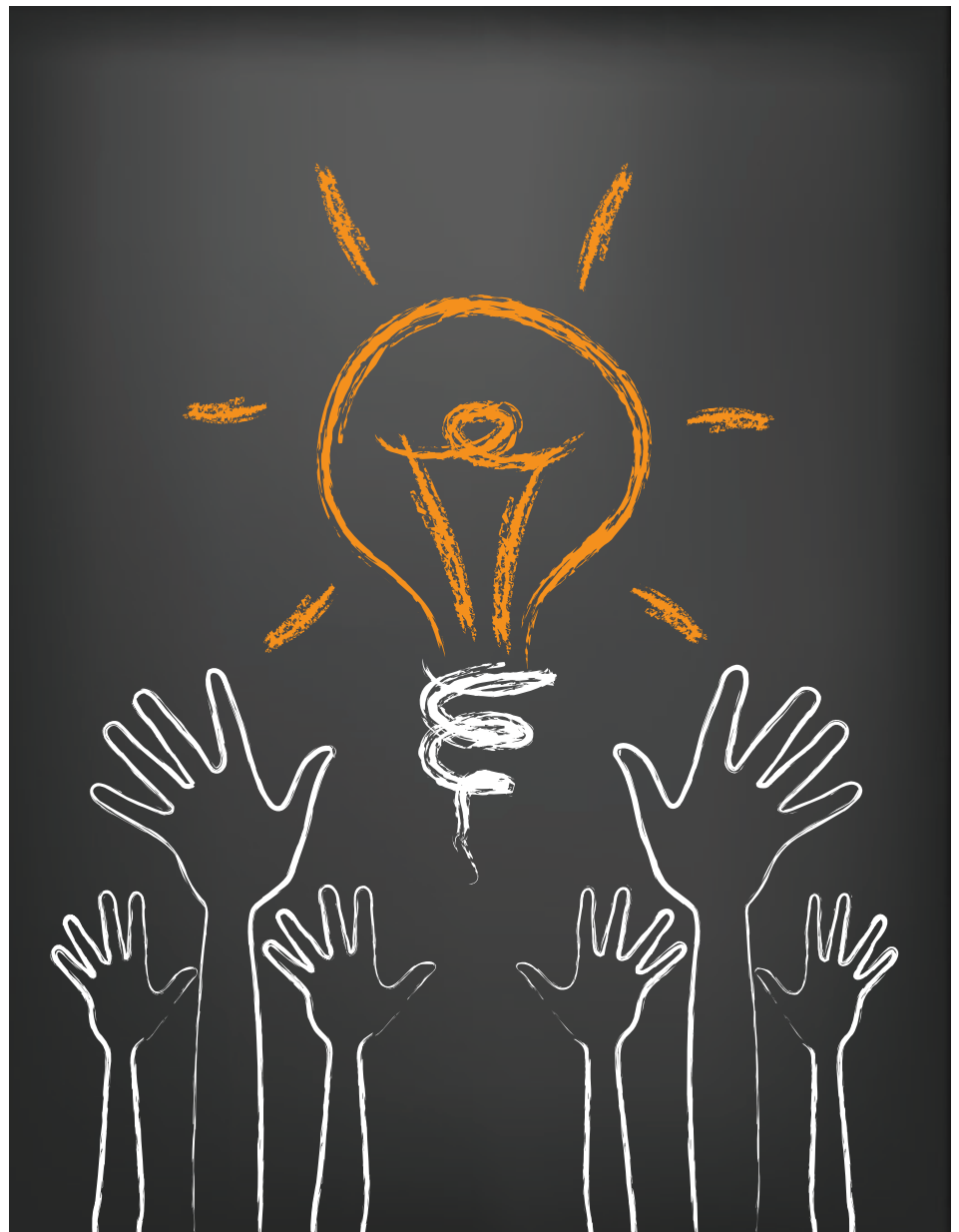
Originally, the Wieboldt family interpreted this motto as funding direct services (basic social needs). This type of funding ended in the 1960s, when the board changed its focus to funding community organizing, an application of the democratic philanthropy we just described.

The Wieboldt Foundation Board didn’t change priorities in a vacuum. Board members explored the world of community organizing by making on-site visits to meet community leaders and talk with talented organizers. Family members also elected community members to the board of directors, because they sought the perspective of those who had “on-the-ground” knowledge of Chicago communities.

The family believes funding the activities involved in organizing – issue identification, leadership development, collaboration among groups and innovative programming – is a way to encourage community cohesion and foster civic responsibility. Transitioning from funding direct services to community organizing was due to a foundation culture that embraced open-mindedness, avoided assumptions and valued stretching beyond comfort zones.

Board chair Jenny Straub Corrigan explains, “Empowering people to act on their own behalf is immensely gratifying. I feel I have learned more and grown more by interacting with our grantees than I might have by simply funding a service to them. Because we are a small foundation, the leverage and impact of our dollars is especially important.”

Community organizing generates public and private funds for affordable housing, holds hospitals accountable for charity care and registers thousands of new voters. The same entrepreneurial spirit that made the Wieboldt Stores



successful now infuses organizing. It is important to clarify that community organizing is not an issue; rather, it a strategy to address the many issues a foundation chooses to fund.

About nine years ago, a Wieboldt Foundation grantee studied the turnover rate of new teachers in Chicago public schools. In eight high-poverty schools, annual teacher turnover reached 50 percent or more. In response, community organizations involved in school reform gathered and developed an innovative idea to create a teacher-training program for mothers who were volunteering in classrooms and receptive to becoming teachers. These women came

from the surrounding communities and agreed to teach in their neighborhood schools after becoming certified. A special academic track was set up for this program and the state granted tuition assistance. This program continues to grow, and 70 people have now graduated.

ADDRESSING THE ELEPHANT & BANISHING THE SCARLET LETTER

Why do some foundation boards avoid funding community organizing and its public policy sibling, the scarlet letter of philanthropy: Advocacy?

Through our work, conversations and travels, we found 10 recurring reasons why foundation boards may

TABLE 1: 10 QUESTIONS ABOUT DEMOCRATIC PHILANTHROPY

Concerns About Democratic Philanthropy (advocacy, organizing, civic engagement, etc.)	Conversation Starters	Potential Resources
1. Is it too political?	Advocating for change is political, but so is not doing so (i.e. quietly advocating for the status quo). Reframe the question to “Should we be nonpartisan or non-present?”	Consider the work of foundations that joined Philanthropy’s Promise ¹
2. Does it threaten donor intent?	Most donors outline issues, communities or places they want to fund, not strategies on how to fund.	Find funders doing this work via funder affinity groups ² and funder regional associations. ³
3. What if I don’t know of nonprofits that do this work?	How can we reach out to more community members to get ideas?	Many funders use Community Advisory Committees. ⁴
4. Is it legal?	Yes, so how can we learn more?	Alliance for Justice resources ⁵ & NCRP’s Resource List of Funding Advocacy, Organizing and Civic Engagement ⁶
5. How can I measure it?	Is the goal to fund what can be measured, or to fund what is most needed and then find a way to evaluate?	Grantmaking for Community Impact Database ⁷
6. What if advocacy/community organizing makes me uncomfortable?	Even if your board members have mixed feelings about this, if these strategies can help further your mission, isn’t it worth a conversation? Let’s not fear words.	Grantmakers for Southern Progress: <i>Words Matter</i> and <i>As the South Goes</i> reports ⁸
7. What if my board isn’t ready?	Is the community already ready, and if so, how can the foundation be responsive to both the board and the community?	Consider site visits, learning tours, with funders that already do this, or sharing resources on definitions about these strategies. ⁹
8. Does it take a long time to measure results?	Or, should we ask, do we just need different tools to measure this?	<i>Leveraging Limited Dollars</i> ¹⁰ and <i>Real Results</i> . ¹¹
9. Are advocacy/organizing issues or strategies?	Advocacy and organizing aren’t issue areas. They are strategies, like direct service, to address issues.	High Impact Strategies in Philanthropy ¹²
10. Is it time-consuming and difficult to learn about this work?	Consider reverse engineering your mission statement, and see if one of these strategies can work.	Consider funding pilot project grant(s), or hiring a consultant who specializes in this.

not warm to the strategies under the democratic philanthropy umbrella (see Table 1). We believe foundation leaders who shy away from this work may not always align their visions of philanthropy with the entrepreneurial spirit and business acumen that generates the kind of wealth needed to start a foundation.

Think of your foundation's mission statement – the actual words, as well as the aspirations, inspirations and hours of heartfelt discussion that created it. At present, there are nearly 81,000 foundations in the country, and every single one strives to promote something worthwhile in the democratic process: end child neglect in Boston; achieve 100 percent literacy nationally; eliminate poverty globally. Mission statements trumpet audacious goals. So, let's ask ourselves: Are our current strategies sufficient roadmaps for reaching our missions?

Put differently, consider this: Would a women's foundation recruit an all-male board, no matter how compassionate they are or how many mothers, sisters, wives and daughters they had? Probably not. Similarly, if a foundation focuses on homelessness, it might be reasonable to inquire how many of their board members or staff have ever been (or have ever known someone who's been) homeless and impoverished. Not all foundations can alter board composition, as the Wieboldt Foundation has, but even a conversation about who is involved in the process can prove helpful.

When working in philanthropy, altitude sickness can become an occupational hazard; helping nonprofit grantee partners who then help communities keeps foundations one-step removed. So, just as elected officials meet constituents and CEOs meet customers, foundation board members can benefit from time in the field with grantee partners and community members.

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SOME IDEAS & NEXT STEPS

First, independent of the issue, geography or community that motivates your foundation's philanthropy, democratic strategies may help you better meet your mission and achieve greater quantitative and qualitative returns-on-investment.

Second, phrases like "social change philanthropy," "grassroots strategies," "economic justice grantmaking" or "advocacy and organizing funding" may put off some funders. Yet, before making up our minds about these phrases, let's take a moment to look beyond the language to see the definitions, applications, examples and people of democratic philanthropy.

Third, consider where your foundation falls on the continuum of traditional charity (transactional) to democratic philanthropy (transformational), both in terms of the outcomes you seek and the process by which you seek them. How would you define those two phrases, and where would you like your foundation to be in five years?

Last, we collected 10 recurring questions we hear from funders who might have concerns about democratic philanthropy and its applications. We also offer corresponding conversation starters and resources (see Table 1). ■

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Notes

1. See <http://www.ncrp.org/philanthropy-promise/who>.
2. See <http://www.cof.org/about/affinitygroups.cfm>.
3. See <http://www.cof.org/about/regionalassociations.cfm>.
4. Such as Con Alma Health Foundation's Community Advisory Committee: <http://conalma.org/who-we-are/community-advisory-committee/>.
5. See www.bolderadvocacy.org.
6. See <http://www.ncrp.org/campaigns-research-policy/communities/gcip/gcip-resources>.
7. See <http://www.ncrp.org/campaigns-research-policy/communities/gcip/gcip-impacts>.
8. See www.nfg.org/gsp_south.
9. See <http://www.ncrp.org/campaigns-research-policy/communities/gcip/gcip-resources>.
10. See <http://www.ncrp.org/files/publications/LeveragingLimitedDollars.pdf>.
11. See <http://www.ncrp.org/paib/real-results-strategic-philanthropy>.
12. See <http://www.ncrp.org/paib/high-impact-strategies-philanthropy>.