

APRIL 2007

A Legacy of Leadership
and Support for **Grassroots
Grantmaking**



A Retrospective Assessment of the
Charles Stewart Mott Foundation's
Community Foundations and
Neighborhoods Small Grants Program

PREPARED BY
Tom Burns and Laura Downs for



grassroots
GRANTMAKERS™

WITH SUPPORT PROVIDED BY
Charles Stewart Mott Foundation



grassroots
GRANTMAKERS™

Contents	i
Summary of Report Findings, Conclusions, and Lessons	iii
1. Introduction to the Mott Program and the Assessment	1
The Program within a Changing Philanthropic Environment	1
The Mott Focus: Building Community Foundations' Capacity and Expanding Resources for Grassroots Neighborhood Organizations and Leaders	3
Purpose of the Retrospective Assessment	5
Guide to the Remaining Chapters	7
2. The Mott Program's Legacy	9
Current Small-Grants Programs within Mott-Supported Sites	9
"Next Generation" Sites	12
Evolution of the Network Linking Grassroots Grantmakers	14
3. Program Sustainability and Effectiveness	17
Broader Observations about Sustainability	17
Five Factors Affecting the Sustainability of Small-Grants Programs	19
4. Deepening the Effectiveness of Grassroots Grantmaking Activities	25
Different Ways of Positioning Small Grant Work	25
Connecting Technical Assistance with Small Grants	28
Issues to Consider in Assessing Program Opportunity	34
5. Conclusions and Broader Lessons	37
Key Conclusions from the Assessment	37
Implications for Grantmakers	39

Summary of Report Findings, Conclusions, and Lessons

This retrospective assessment focuses on the legacy of the Charles Stewart Mott Foundation's Community Foundations and Neighborhoods Small Grants Program, which operated from 1984 through 1994. Linking low-income neighborhoods with community foundations was a natural progression of Mott's longtime interest in building the capacity of local communities and their residents. In 1984, Mott launched the Community Foundations and Neighborhoods Small Grants Program to encourage community-based leadership and alliance building to resolve significant local problems. The program had the additional goal of encouraging community foundations to build their resources, skills and commitment to work with new and non-traditional partners in low-income neighborhoods.

Through 1994, Mott provided more than \$6.4 million in challenge grants and technical assistance to 25 community foundations across the country. The program had three explicit purposes: (1) increase the resources available to resident-based organizations in low-income areas and support them as they work to solve significant local problems, build alliances with other community institutions, and develop community-based leadership; (2) support community foundations in developing their proactive philanthropic capacities, particularly with and on behalf of low-income resident-controlled groups, thereby strengthening their community leadership role; and (3) strengthen the national network of neighborhood supporters, particularly by linking participating community foundations through information sharing, technical assistance and a common evaluation plan.

Over two rounds of grantmaking, the Mott program assisted 25 community foundations in establishing small-grants programs in their communities. In the first five-year phase (1984-1989), the Foundation provided program and administrative support to eight community foundations. In the second phase (1990-1994), 13 foundations were selected to receive similar support and four additional community foundations were designated as "adjunct" participants that did not receive Mott grant support but joined in the networking, technical assistance, and evaluation activities that were all managed by Rainbow Research.

Mott's support for participating community foundations included annual program funding ranging from \$20,000-\$50,000, along with \$20,000-\$30,000 per year for administrative costs. Each participating community foundation was required to provide a local match for Mott funding. In Round I the match requirement was 60% and in Round II the match requirement was raised to 100%. The program allowed participating community foundations considerable latitude to shape their own grantmaking practices and build local support for their programs. However, the program's guidelines did establish several common parameters:

- **Small grants.** The program's guidelines capped the maximum grant allowed to an individual, citizen-based project at \$7,500 in the initial three years and \$10,000 thereafter. The average grant size was close to \$4,000, well below this ceiling.
- **Resident-led groups and activities.** The program focus was on assisting community foundations interested in supporting emerging and established citizen-based associations, groups and organizations in low-income neighborhoods.
- **Capacity-building.** The program encouraged community foundations to combine their small grants with technical assistance to emerging neighborhood organizations. Up to 25% of the program funds could be spent on capacity-building assistance such as workshops, trainings, and mentoring.

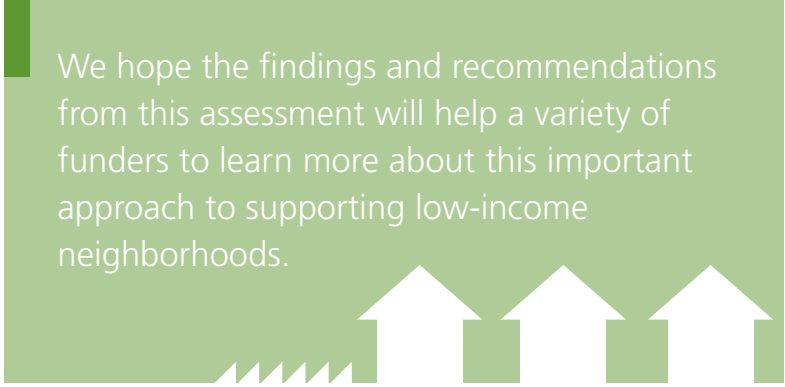
In addition to the idea of expanding the role of community foundations in supporting low-income, resident-controlled groups, the Mott program laid the foundation for a distinctive way of supporting neighborhood capacity-building. The unique grantmaking approach that emerged was different from the growing community development paradigm that favored more established community-based organizations such as community development corporations (CDCs) and neighborhood service providers, and different from the then politically charged community organizing approaches that had originated with the activism of Saul Alinsky and others two decades previously. The Mott approach advanced the idea that much good could be accomplished at the neighborhood level by channeling modest grant resources directly to smaller-scale, resident-led groups that were deeply rooted in their communities and that could, with access to technical assistance, bring a new perspective to how neighborhood needs are addressed and what is required to improve the quality of life of their communities.

Due to the scale of this multiyear national initiative and its dual focus on changing neighborhoods and community foundations, the decision was made to focus the retrospective assessment on learning about the program from the community foundation perspective, in terms of how a long-term involvement with this new type of grantmaking had influenced both the community foundation and the neighborhood participants. As a result, the assessment relied heavily on the perspectives and information collected from community foundation staff, rather than program beneficiaries or others at the community level.

Small grants from community foundations can bring people of all ages and ethnic backgrounds together for the common good.



The goals of the assessment were to investigate what happened to the small-grants programs launched by the participating community foundations in the years since Mott support ended; to understand how foundations that have more recently become engaged in neighborhood small grants work have drawn upon the Mott experience; and to explore how the practice of “grassroots grantmaking” has evolved. By grassroots grantmaking, we refer to a growing area of practice in philanthropy that includes three broad characteristics:



We hope the findings and recommendations from this assessment will help a variety of funders to learn more about this important approach to supporting low-income neighborhoods.

- A focus on reaching out to, and connecting with, smaller-scale, resident-led organizations rooted in lower-income neighborhoods and communities whose residents may be primarily people of color.
- The joining of small-scale grants with technical assistance, leadership development and other forms of training or coaching intended to build the capacity of resident organizations to undertake community building projects, engage community residents, and strengthen their ability to exercise voice and influence on issues of community concern.
- A willingness to commit substantial foundation staff time and other resources to leading and coordinating these grantmaking and technical assistance efforts.

We hope the findings and recommendations from the assessment will help a variety of funders to learn more about this important approach and answer practical questions as to how funders can support low-income neighborhoods through grantmaking to neighborhood groups and leaders. Additionally, we anticipate that the assessment will assist Grassroots Grantmakers in expanding its base of information about the variety of approaches funders are employing and how such programs have developed over time. We see the results of the assessment as a good start in learning about the evolution of small grants programs over time and an important resumption of the learning journey that Rainbow Research began during the Mott program years. We acknowledge that there are interesting unanswered questions about the impact at the neighborhood level that were beyond the scope of this assessment and encourage Grassroots Grantmakers to explore these questions.

Methodology

This assessment was conducted by a research team consisting of Tom Burns (Urban Ventures Group), Laura Downs (Morrison Downs Associates), and Janis Foster (Executive Director, Grassroots Grantmakers). The assessment drew on factual data gathered using several different methodologies:

- An environmental scan conducted by Grassroots Grantmakers during the planning phase;
- An on-line survey in the spring of 2006 that generated responses from 58 funding organizations;
- Several dozen follow-up telephone and in-person interviews; and
- Seven conference-call focus group conversations that involved representatives from 34 funding organizations.

The interviews and focus group conversations centered on grantmaking activities now under way across the 25 Mott sites and “new-entrant” foundations that began grassroots grantmaking programs after the close of the Mott Foundation program. The interviews and focus groups also explored shifts in program approach that have occurred at these sites and the reasons behind those shifts.

For each site, the assessment team gathered program information to address the following questions:

- Is the program still operating? If so, how is the program currently focused? What is its current scale of operations?
- How is the program structured? Is it operated by the community foundation in-house, or by an outside entity?
- How is the program currently staffed?
- Does the program include ongoing technical assistance activities in addition to small grants?;
- Does the program represent the community foundation’s entire commitment to neighborhoods or is it part of a broader program of support for neighborhoods?
- Is the program experience regularly used to inform or guide other community foundation program or strategic decisions?
- Is the program wholly funded by the community foundation or supported by additional dollars that community foundation funds helped to leverage?

Principal Findings

■ **Today small grants continue to be made to resident-led groups in 19 of the 25 sites participating in the Mott program.** Local grantmaking activities have evolved in different ways. In some sites, programs have remained within the community foundation – sometimes in a redesigned form and sometimes relatively unchanged since the time they were launched. In other sites, a small-grants program continues but is operated by another local entity, sometimes with ongoing support from the community foundation and sometimes with support from other local sources. In still others, grants continue to be made by the community foundation to smaller, resident-led groups but there is not a formal program structure in place for doing so.

■ **The Mott program experience also shaped the way many of the participating community foundations relate to, and think about, grantmaking to resident-led groups.** In the majority of sites where evidence of ongoing small-grants activities was found, participation in the Mott program is explicitly credited with changing the community foundation’s perspectives and approaches.

■ **With a few exceptions, the sources and overall levels of funding for neighborhood small grants have changed little.**

In the majority of sites where small grant activities are still in place, funding remains relatively modest. In a few sites, funding has increased, sometimes significantly.

In the majority of programs, the principal source of program funding continues to be the

community foundation’s discretionary grant dollars. In some cases, donor-advised funds are deployed as well. In several programs, support sources have broadened to include other private foundations, local businesses, and private donors. In a few sites, the total number of program partners has become quite substantial. In one site, an endowment has been established to ensure that the program has continuing support over the long term.

■ **The ideas and models developed during the years of the Mott program have provided a point of reference in the formation and operation of a sizable “next generation” of programs.**

New programs that have been formed in the U.S. and Canada are being operated by community foundations, as well as other private foundations, United Ways, local governments, and multi-organizational collaboratives. The majority of these newer programs have many characteristics similar to the programs formed during the Mott initiative. Many acknowledge being influenced by the Mott approach, whether through documents produced by Rainbow Research, or other small-grants programs already in operation, or advice offered by Grassroots Grantmakers. A few next generation programs were launched without knowledge of the Mott program but later adjusted to incorporate some Mott program characteristics. The number and diversity of these newer programs, in both the U.S. and Canada, have brought considerable new energy to the practice of grassroots grantmaking.



Participation in the Mott program is explicitly credited with changing the community foundation’s perspectives and approaches.

A small grant to a tenants' association at a public housing complex helped open a beauty salon for residents in Atlanta, Georgia.



■ **Grassroots Grantmakers is itself a direct outgrowth of the Mott Foundation's Community Foundations and Neighborhoods Small Grants Program.** As the Mott program evolved over its ten-year history, the participating community foundations experimented with different approaches to grantmaking, technical assistance, and resource development. One important quality of the program — an emphasis on peer learning and support through linkages among the participating foundations — gave rise to the network of grantees that ultimately evolved into Grassroots Grantmakers. In recent years the network has expanded to include grantmakers other than community foundations, offer practical program information, and serve as a locus within philanthropy for learning about grassroots grantmaking.

Conclusions

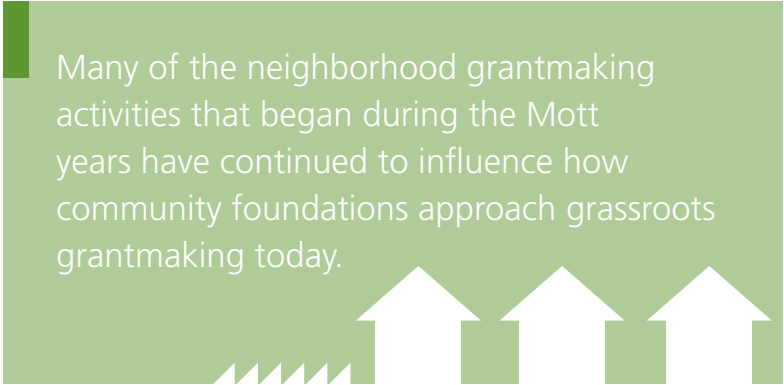
■ **The Mott Foundation’s investment in the Community Foundations and Neighborhoods Small Grants Program has left behind an impressive and lasting legacy.** The fact that so many of the original Mott sites have sustained their commitments to small-grants programs and activities is a clear indication that this work is yielding a variety of benefits – both within the communities where such grant dollars are flowing and, to varying degrees, for the community foundations themselves. In addition, the proliferation of next generation sites and the evolution of the original cross-site network into Grassroots Grantmakers are in large measure an outgrowth of the original Mott program.

■ **The practice of grassroots grantmaking appears to be healthy and expanding.** The number and diversity of funders now providing small grants and other forms of support to neighborhoods are further evidence of the soundness and appeal of the approach. Although community foundations continue to comprise the largest group of grassroots grantmakers, other place-based funders have joined the ranks, an indication that the idea fits with the strategies and interests of a broad array of philanthropic organizations that see value in connecting with, and supporting, smaller, resident-led groups. There is now a growing consensus on the value of small-grants work as a community-building strategy that benefits resident-led groups and neighborhoods while also strengthening and complementing other philanthropic goals.

■ **A number of common factors contribute to the sustainability of small-grants programs, despite significant differences in local settings.** These include: (1) programmatic goals that are realistic and in line with the scale of resources that have been committed; (2) an understanding that return on investment in the grassroots grantmaking setting is often best expressed as a way of hearing from, and being connected to, low-income residents and neighborhoods; (3) a stable source of program funding, often including both discretionary and donor-advised funding, and sometimes involving multiple funding partners; (4) higher-level institutional commitment to the program, usually consistent with an understanding on the part of senior leadership that a “relational” style of grantmaking takes time and requires sufficient staff resources; and (5) respect for the voices and involvement of residents in broader decision-making.


Despite differences among local settings, the presence of these common factors helps to explain why so many of the neighborhood grantmaking activities that began during the Mott years have continued to influence how community foundations approach grassroots grantmaking today.

■ **Programs now in operation vary significantly in their scale, overall effectiveness, and impact.** Some of the differences are a result of different opportunities and constraints in local settings. Although the overall level of investment is a factor, other factors are often of equal or greater weight. Among these are how the program is positioned within the funding



Many of the neighborhood grantmaking activities that began during the Mott years have continued to influence how community foundations approach grassroots grantmaking today.

organization and in the broader local environment, the kinds of working relationships that exist with neighborhood groups and leaders, the program's connection to other local programs and resources, the strategies guiding how grants are made, the level and type of technical assistance provided to neighborhood grantees, and the level and quality of staff engagement and leadership.



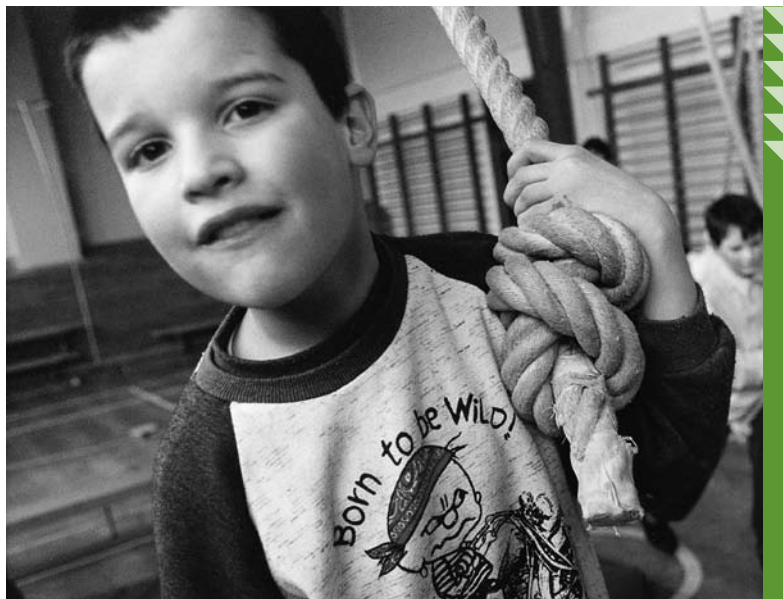
We hope the findings and recommendations from this assessment will help a variety of funders to learn more about this important approach to supporting low-income neighborhoods.

■ **As the practice of grassroots grantmaking matures, there continues to be opportunities for learning and program improvement.** For funders already engaged in or considering this kind of grantmaking, the potential for drawing lessons from others has never been greater. For individual funders, there may be value in undertaking a systematic assessment to help in determining how an existing or planned program compares with other small grant approaches now being implemented. For convening organizations such as Grassroots Grantmakers, there are untapped opportunities for encouraging more joint learning across programs, for undertaking additional research on issues of effectiveness and impact, and for expanding the conversation with other grantmaking groups.

Key Lessons for Grantmakers

This assessment has numerous implications for how grantmakers interested in supporting grassroots groups and leaders might expand, enhance, refocus or rejuvenate their efforts. The key lessons, discussed in greater detail in the report, are highlighted here:

- **For national foundations:** Several design elements in the Mott program contributed to the impressive legacy described in the assessment.
 - **A combination of clear parameters and flexibility.** One strength of the Mott program was the balance it struck between establishing some basic program parameters (e.g., maximum size of grants, types of groups to receive grants, and the required amount of local match), and permitting local program partners considerable flexibility in determining how the program would be structured, funded, and operated (e.g., sources of the required funding match, rural or urban focus, the technical assistance scope, and how grant decisions would be made). Allowing local partners to put their own imprint on the program design helps to increase the chances that the program can be sustained locally.
 - **Integration of evaluation and technical assistance roles.** In the Mott initiative, cross-site learning was encouraged by the decision to lodge evaluation and technical assistance in one entity. This approach supported local innovation by providing “real time” feedback and support for mid-course corrections. The entity selected to play this dual role was effective, because it understood and shared the program values, had a working knowledge of the partner organizations, and had the capacity to document and communicate the learning.
 - **A combination of technical and operating support.** It was well understood by the Mott program’s designers that successful implementation would require significant learning and change within local community foundations. The combination of both technical and core operating support resources made it possible for local funders to bring on staff and to integrate them into the foundation and the emerging funder network.



Small grants can help neighborhoods address problems of current and future generations.

■ **A local match requirement to reinforce the goal of program sustainability.** The Mott program's local match requirement helped to reinforce the expectation that the programs launched through the initiative would continue beyond the term of the funding. It also signaled that planning for how the program would be funded over the longer term ought to occur locally.

▼ **For foundations currently engaged in grassroots grantmaking:** There is a growing number of community foundations, family foundations, and United Ways now operating small-grants programs for whom this assessment offers lessons.

■ **There is no one best way to do this work.** Effective programs can differ in scope and complexity, but need to be well-suited to a local setting and fit within institutional constraints. More ambitious program goals require a deeper level of organizational support. Clarity about where you are and what you are trying to accomplish is critical to program success.

■ **Programs change as conditions change.** An engaged style of grantmaking requires considerable flexibility and often considerable time. The more complex the grantmaking approach, the more staff time and skill required.

■ **How a program is positioned is critical to longer-term stability and institutional benefit.** The more a program can be embedded into the organizational mainstream, the less likely it is to be marginalized as a distinct initiative or activity with little relation to other foundation work. When a program is more broadly embraced and enjoys leadership support, there are more likely to be opportunities for integration, expansion, and external credibility.

■ **Resident voices can reinforce a program's value and impact.** The goal of strengthening resident voice can be part of the rationale for repositioning small-grants programs within a foundation, and for repositioning the foundation within the broader community. This goal requires an institutional commitment to the value of resident voice in the foundation's business.

▼ **For foundations new to grassroots grantmaking:** For foundations considering how to connect with neighborhoods and new constituencies or who may be designing new programs, the assessment also offers a few particular lessons.

■ **Be clear about why you are considering a small-grants program.** Programs that have clear goals are more likely to be both sustainable and effective. Different situations suggest different goals and may lead to different program strategies. Goals and strategies should fit where you are on the continuum of grassroots grantmaking experience. For funders new to this approach, it is better to start out modestly and build relationships, and then later take on more challenging goals and a more ambitious program strategy.

Programs that have clear goals are more likely to be both sustainable and effective. Different situations suggest different goals and may lead to different program strategies.



A small grant helped fund an early childhood development program in Phoenix, Arizona.

- **Understand the kinds of capacity needed to implement a program well.** If your experience is limited in working with non-traditional grantees, it may make sense to work with a mentor from another funding organization. It may also make sense to invite residents to help design the program to ensure the program aligns with the needs and capacities of the resident groups you would like to support. It is important that the sponsoring organization consider whether the program staff and other resources available match a more relational style of grantmaking. The hands-on approach that is required is often a departure from traditional grantmaking and a plan for doing it well needs to be part of the overall program design.
- **Technical assistance and capacity-building need to be part of the core program.** A well-designed program should include an array of different technical assistance supports that may change as the program evolves. Technical assistance often requires significant foundation staff time in addition to other financial resources.

Introduction to the Mott Program and the Assessment

The Charles Stewart Mott Foundation's Community Foundations and Neighborhoods Small Grants Program was launched in 1984 as an initiative that combined two of the Foundation's long-term interests – supporting community foundations and strengthening neighborhoods. The program was designed to support emerging organizations with roots in low-income neighborhoods, and to explore the potential role of community foundations as vehicles for funding such groups and as advocates for neighborhood capacity building and resident voice. The program also sought to discover the key elements of sound community-building programs that employ small grants as part of a grassroots capacity-building strategy.

The program operated for a full decade, beginning with a three-year pilot phase involving eight community foundations that was extended for an additional two years through 1989, and then a second round of support for 13 additional community foundations (plus technical assistance for four additional “adjunct” community foundation participants) during the period 1990 to 1994. Over that ten-year period, the Foundation provided grants and other program support to the 25 participating organizations and to a national learning network linking the participating community foundations together. Program elements included a common evaluation plan, technical assistance, periodic meetings on neighborhood issues, and a newsletter.

Throughout the period, Rainbow Research, Inc., a Minneapolis-based nonprofit organization, provided evaluation, technical and networking support to the initiative. Rainbow Research staff interacted intensely with the participating sites and produced several reports that highlighted features of the programs that developed, as well as lessons learned. Rainbow Research's role encompassed more than is typically undertaken by program evaluators or technical assistance providers. Rainbow functioned more as an intermediary organization, working closely with Mott program staff and the network of community foundations to build a community of practice, setting and modeling the values and overall direction that have continued to be pursued by members of the network to this day.

The Program within a Changing Philanthropic Environment

The Mott Foundation's Community Foundations and Neighborhoods Small Grants Program began during a time of significant change in the Federal government's role in supporting state and local programs affecting neighborhoods and the poor. The Mott program was

National foundations have historically been on the forefront of emerging issues, and their investments often influence how other grantmakers think about and conduct their work.

part of a broader philanthropic response to the profound shift in the direction of federal policies after two decades of program expansion that began with the Great Society and War on Poverty in the 1960's.

Beginning in the Reagan administration and continuing throughout the 1990's, there was a steady and dramatic decline in federal revenue sharing with local governments. With the devolution of financial responsibility for

human services and economic development to local governments, decision-making shifted to the local levels about how best to allocate declining federal block grant dollars across an array of programs addressing social needs and maintaining the health and quality of cities and regions. These new burdens on local governments were significant, especially for the older industrial regions in the east and northeast, many of whom were continuing to see their economic strength and populations decline as jobs and people shifted to the Sun Belt. As federal government funding decreased, philanthropy and the private sector were increasingly looked to for help in filling the gap.

National foundations have historically been on the forefront of emerging issues, and their investments often influence how other grantmakers think about and conduct their work. Beginning in the early 1980's, several national foundations became interested in the potential leadership capacity of community foundations. These local philanthropic institutions were of growing interest because of their missions and their proximity to the lower-income neighborhoods and minority populations that the national foundations were interested in supporting. The Mott Foundation's neighborhood small-grants initiative was intended to support community foundations in developing their proactive philanthropic capacities, particularly in connecting with and supporting low-income resident-controlled groups and helping to strengthen leadership within these communities.

As a result of Mott's program and other national funder initiatives, neighborhoods emerged as a new locus for community change efforts. Several other national initiatives were launched in the late 1980's and well into the 1990's that included the active involvement of local community foundations as initiative partners. In response to these national and local neighborhood change efforts, the idea of community-building, often from a more comprehensive perspective, became a powerful force for refocusing attention on neighborhoods and engagement of residents in decision-making about the future of their neighborhoods. The Roundtable on Comprehensive Community Initiatives was established in 1992 to research and track the lessons learned from community-building work. The Roundtable became part of the Aspen Institute and continues to this day. During the same period, the idea of asset-based community development gained proponents, following the groundbreaking work of John McKnight and Jody Kretzmann at Northwestern University. Robert Putnam's influential book, *Bowling Alone*, helped increase recognition of social capital as a powerful contributor to community health and vitality.

These new ideas helped to stimulate and reframe the community change debate by drawing attention to the roles that people, assets, relationships and connections all play in improving the quality of neighborhoods. In addition, they gave new importance to ideas about community voice and the positive value of community engagement and organizing, particularly in lower-income communities, so many of whose populations were comprised primarily of people of

color. In addition to capturing the attention of funders, these ideas resonated with practitioners who were engaged with community-building work on the ground, reinforcing what came to be a new approach for working in and with neighborhoods.

In the world of philanthropy today, this new approach is increasingly referred to as grassroots grantmaking. Although the specific techniques employed by funders who think of themselves as grassroots grantmakers may vary, there are at least three common characteristics that help to distinguish this kind of grantmaking from others. Among these are:

- A focus on reaching out to and connecting with smaller-scale, resident-led organizations rooted in lower-income neighborhoods and communities whose residents may be primarily people of color.
- The joining of small-scale grants with technical assistance, leadership development and other forms of training or coaching intended to build the capacity of resident organizations to undertake community building projects, engage community residents, and strengthen their ability to exercise voice and influence on issues of community concern.
- A willingness to commit substantial foundation staff time and other resources to leading and coordinating these grantmaking and technical assistance efforts.

The Mott Focus: Building Community Foundations' Capacity and Expanding Resources for Grassroots Neighborhood Organizations and Leaders

In retrospect, the Mott Foundation's Community Foundations and Neighborhoods Small Grants Program played a pivotal role in nurturing this new grantmaking approach. The program not only helped shape new thinking about how philanthropy could contribute to neighborhood improvement work, but also provided an arena in which many ideas about community change were debated and tested locally. The program was conceived as a way of melding Mott's interest in supporting community foundations with its interest in strengthening neighborhoods. It had three explicit purposes:

- Increase the resources available to resident-based organizations in low-income areas and support them as they work to solve significant local problems, build alliances with other community institutions, and develop community-based leadership;
- Support community foundations in developing their proactive philanthropic capacities, particularly with and on behalf of low-income resident-controlled groups, thereby strengthening their community leadership role; and
- Strengthen the national network of neighborhood supporters, particularly by linking participating community foundations through information sharing, technical assistance and a common evaluation plan.

The program's appeal was its dual focus on increasing resources flowing into resident-led organizations in lower-income neighborhoods and strengthening the capacity of community foundations to be proactive in marshalling philanthropic and other resources for grassroots organizations in those neighborhoods. Neighborhoods were seen as essential building blocks of community, offering opportunities for strengthening the social fabric at the most basic

level, making physical improvements that contribute directly to improved quality of life, and creating momentum for additional change. Community foundations offered enormous potential as vehicles for channeling financial resources back into the places where they are rooted, being advocates for community voice, and providing the technical resources needed to enable residents to advocate for themselves and their communities.

In addition to bringing these two previously separate spheres of philanthropic activity together, the Mott program laid the foundation for a distinctive way of supporting neighborhood capacity. The framework that emerged was different from the growing community development paradigm that favored more established community-based organizations such as CDCs and neighborhood service providers, and different from the then politically-charged community organizing approaches that had originated with the activism of Saul Alinsky and others two decades previously. The Mott approach advanced the idea that much good could be accomplished at the neighborhood level by channeling modest grant resources directly to smaller-scale, resident-led groups who were deeply rooted in their communities and who could, with access to technical assistance, bring a new perspective to how neighborhood needs are addressed and what is required to improve the quality of life of their communities.

In the initial five-year phase (1984-1989), the Foundation provided program and administrative support to eight community foundations. In the second round of the program (1990-1994), 13 foundations were selected to receive similar support. Four additional community foundations were designated as “adjunct” participants in networking and technical assistance activities; however, these organizations did not receive grant support from Mott. The 25 community foundations that participated in the program are shown in **Table 1**.

Mott’s support for participating community foundations included annual program support ranging from \$20,000-\$50,000, along with \$20,000-\$30,000 per year for administrative costs. The program framework allowed participating community foundations considerable latitude to shape their own grantmaking practices and to build local support for their programs. A few broad parameters were established by the Mott Foundation’s program guidelines:

- **Matching funds.** As a way of encouraging community foundations to broaden their local base of support for small-grant programs, each was required to provide a local match for Mott funding. In Round I the match requirement was 60% and in Round II the match requirement was raised to 100%.
- **Small grants.** The program’s guidelines capped the maximum grant allowed at \$7,500 in the initial three years and \$10,000 thereafter. The average grant size was close to \$4,000, well below this ceiling.
- **A focus on resident-led activities.** The program focus was on assisting community foundations interested in supporting emerging and established citizen-based associations, groups and organizations in low-income neighborhoods.
- **Capacity-building.** The program encouraged community foundations to combine their small grants with technical assistance to emerging neighborhood organizations. Up to 25% of the program funds could be spent on capacity-building assistance such as workshops, trainings, and mentoring.
- **Cross-site networking and sharing of experiences.** The program also provided capacity-building support for community foundations and their partners through networking, technical assistance and evaluation activities coordinated by Rainbow Research.

Table 1 Mott-Supported Community Foundations	
Round 1 Sites	Arizona Community Foundation
	Community Foundation of New Jersey
	Greater Worcester Community Foundation
	Dayton Foundation
	San Diego Foundation
	Greater Kansas City Community Foundation and Affiliated Trusts
	Foundation for the Carolinas
	Oregon Community Foundation
Round II Sites	Metropolitan Atlanta Community Foundation (now Community Foundation for Greater Atlanta)
	Baltimore Community Foundation
	Community Foundation Serving Coastal South Carolina (now Coastal Community Foundation of South Carolina)
	Dade Community Foundation
	East Tennessee Foundation
	Community Foundation of Greater Flint (Michigan)
	Hawaii Community Foundation
	Community Foundation of Greater Memphis
	New Hampshire Charitable Foundation
	Community Foundation of Santa Clara County (now Community Foundation Silicon Valley)
	Seattle Foundation
	Community Foundation of Southeastern Michigan
	Tucson Community Foundation (now Community Foundation of Southern Arizona)
Adjunct Round II	Central New York Community Foundation
	Muskegon County Community Foundation
	Community Foundation for Greater New Haven
	Winston Salem Foundation

Purpose of the Retrospective Assessment

Over the last decade, the funding community has drawn heavily on the experiences of the 25 community foundations that participated in the Mott initiative for information on how to structure and manage an effective neighborhood small-grants program; Rainbow Research publications and one-on-one help from Grassroots Grantmakers and a handful of generous practitioners with experience in this area have been the primary sources of information. As Grassroots Grantmakers moves toward a new, expanded level of operation, its members are interested in building a more substantial base of information about the variety of approaches that funders are employing to support low-income neighborhoods and how such programs develop over time.

The idea for such a study first took shape in early 2005. An initial planning grant from the Mott Foundation that year enabled Grassroots Grantmakers to begin gathering

background information and develop the assessment design. The study was completed in 2006 with additional support from the Foundation. The principal goal of the retrospective assessment is to investigate what has happened in the period since the Mott program funding ended – in effect, the program’s legacy. 1) What have been the experiences of the different program participants and what have their experiences shown? Have programs continued to operate in the same ways they began, and, if not, how have they changed? What has been the impact on the sponsoring community foundations? 2) What funders have more recently become involved in this kind of grantmaking? How have they been influenced by the Mott experiences, and how they have contributed to practice?

Beyond helping to understand the Mott program’s legacy, the assessment has the potential of shedding new light on numerous other practical questions of concern to funders who are members of Grassroots Grantmakers. The design of the retrospective assessment, and the structure of this report, have been crafted to bring together a wealth of new feedback that may be of value to the Mott Foundation, former Mott program sites, funders who have more recently become involved in grassroots grantmaking, and potential funders of neighborhood small-grants programs.

Among the key questions the report addresses are:

- What are the most significant factors affecting *program sustainability*?
- What are the *key elements of sound community-building programs* that employ a small-grants approach – for example, staffing, technical assistance and leadership development activities?
- What are the potential *longer-term benefits* from such investments, for both communities and funding organizations?
- What *tools and strategies* are most effective in deepening the relationships between funders and residents to support neighborhood improvement grantees and in supporting significant community change?
- What are the *organizational costs and benefits* to funders of sustained support for grassroots capacity building?

Small grants can allow citizens of modest means to respond collectively to the needs of their neighbors.



Grassroots Grantmakers and its member organizations are particularly interested in understanding factors affecting program viability and sustainability – why some programs endure and remain fresh and relevant, and why others either fade away or become stagnant. A retrospective look at the grassroots capacity-building experiences of these 25 community foundations promises to provide insights that can help answer the questions that practitioners are now asking and significantly increase the shared understanding of what is required for funders to work effectively in this area. The insights from such a retrospective evaluation, when added to the documentation that Rainbow Research provided during the Mott program, will provide a unique perspective on how a national program – done with a substantial financial commitment from a leading national foundation – evolved after the initiative formally ended.

Conducting a retrospective assessment of a large national initiative that spans 20 years has some interesting challenges. It is important to remember that a lot of time has passed, particularly for those who participated in Round I of the program (1984-1989), and that the community foundation sector has grown and changed tremendously. In many cases, the institutional memory simply is not there to respond to questions about what influence the Mott program may have had. In some cases, few if any staff who were employed by the foundation during the years the foundation received Mott foundation support are still there. We suspect that in some of the places where institutional memory is limited, we may have missed information about the legacy of the program beyond the community foundation; we would not be surprised to learn that the program lives on in a city government-sponsored neighborhood grants program or that it contributed to the development of a technical assistance center after the Mott program years. While we lack the evidence we need to point to these influences, we are acknowledging that digging deeper may have surfaced such developments.

Due to the scale of this multi-year national initiative and its dual focus on changing neighborhoods and community foundations, we made the decision to focus this assessment on learning about the program from the community foundation perspective, with the hope of learning how a long-term involvement with this new type of grantmaking had influenced both the community foundation and neighborhood participants. Thus, the assessment relied heavily on the perspectives and information collected from community foundation staff, rather than program beneficiaries or others at the community level. We see the results that we are sharing as a good start in learning about the evolution of small-grants programs over time and an important resumption of the learning journey that Rainbow Research began during the Mott program years, but acknowledge that there are interesting unanswered questions about impact at the neighborhood level that were beyond the scope of this assessment.

Guide to the Remaining Chapters

Four additional chapters present the findings and key lessons from this retrospective assessment:

- **Chapter Two** examines more closely the “legacy” of the Mott Foundation’s ten-year investment in the Community Foundations and Neighborhoods Small Grants Program. The chapter begins by documenting what the assessment found about current grassroots grantmaking activities within the 25 community foundation sites that received financial and/or other program support from Mott. Then it describes some of the funders who have recently become involved with grassroots grantmaking, many of whom have modeled their program approaches on those adopted by Mott-funded sites.

Finally, it considers how the informal cross-site network, formed during the time the Mott program operated, has evolved into a more formalized network that now plays a more active role in promoting learning and practice improvements within a growing community of grassroots funders.

■ **Chapter Three** delves into the experiences of both Mott-supported and other sites in shaping and sustaining small-grants programs. It examines the factors that contribute toward the durability of those programs that continued after the Mott program funding ended. Drawing on feedback from focus group participants and respondents to a Grassroots Grantmakers member survey, it proposes a set of “sustainability factors” that contribute to the durability and effectiveness of small-grants programs.

■ **Chapter Four** considers issues of program effectiveness. It begins by offering a simple framework for differentiating among three distinct small-grants approaches encountered in the assessment. Each of the approaches appears to be both beneficial and sustainable, but there are significant differences in their goals, their programmatic complexity, the types of institutional and resource commitments they require, and the potential benefits they offer to their funders. Then it explores the relationships in these programs between technical assistance and grantmaking, again pointing to differences that have emerged in how technical assistance activities have been supported and integrated with grantmaking. Finally, it examines the different levels of institutional investment and benefit associated with the three grantmaking approaches identified, and the options that may be appropriate for moving from simpler approaches toward ones that are more complex and often require more resources to implement. It concludes with a short discussion of how individual funders might assess where they now fit along a continuum of small-grants approaches.

■ **Chapter Five** provides a synthesis of the main conclusions to be drawn from the assessment and offers a set of lessons that may have value for the different audiences for this report.

The Mott Program's Legacy

This chapter considers the legacy of the Mott Foundation's ten year program investment. It begins by sharing what the assessment found about current neighborhood capacity building activities within the 25 community foundations that received financial and/or other program support during the two rounds of grants. It then draws on information gathered from the member survey, interviews and focus groups to offer a perspective on the characteristics of the "next generation" funders who entered the world of grassroots grantmaking after the Mott program funding ended. Finally, the chapter reports on the evolution of the cross-site network that was formed during the time the program operated, describing the network's expansion and diversification of its membership and its more recent move toward a more active role in promoting learning and practice improvements within a growing community of grassroots funders.

Current Small-Grants Programs within the Mott-Supported Sites

Our examination of the current state of the 25 small-grants programs originally supported by the Mott Foundation draws on factual data gathered in several different ways. Some of what we know comes from information gathered by Grassroots Grantmakers in 2005 during the initial planning phase prior to this assessment. Some of the data is drawn from a member survey completed in Spring 2006. The remainder comes from several dozen interviews and focus group conversations recently completed by the assessment team. In our interviews and focus group conversations, we focused on grantmaking activities now under way across the 25 Mott sites, and on shifts in program approach that have occurred in these sites and the reasons behind those shifts.

Findings Regarding Current Programs and Activities

The most surprising finding from our study is that, to varying degrees, small grants continue to be made to resident-led groups in 19 of the 25 sites participating in the Mott program. Local grantmaking activities have evolved in several different ways. In some sites, the legacy of the Mott-supported work can easily be seen in programs that remain within the community foundations – sometimes in a redesigned form and sometimes relatively unchanged since the time they were first launched. In other sites, a small-grants program continues but is operated by another local entity, sometimes with ongoing support from the community foundation and sometimes with support from other local sources. In still others,

grants continue to be made by the community foundation to smaller, resident-led groups, but there is not a formal program structure in place for doing so.

For many of the community foundations who participated in the Mott initiative, the impacts of the Mott investment may have to do with more than specific grant programs; often the Mott experience also shaped other aspects of how the community foundations relate to, and think about, grantmaking to resident-led groups. In the majority of sites where evidence of ongoing small-grants activities was found, participation in the Mott program is explicitly credited with changing the community foundation's perspectives and approaches.

Table 2 below provides a summary of what we found about the current state of small-grants programs and grantmaking in those Mott program sites where resident-led groups continue to be supported.

Following are some additional findings and observations that are helpful in understanding the table:

- In five Round I sites (Arizona, Dayton, New Jersey, Southeastern Michigan and Worcester) and one Round II site (the Carolinas) there no current grantmaking activities for resident-led groups that can be traced back to the Mott program. Therefore these six sites are not included in Table 2. As noted earlier, staff changes at most of these foundations have left little institutional memory to draw upon in understanding the specific reasons why programs were not continued. It is interesting to note that so many of the above sites were Round I Mott participants – during this initial round, cross-site program activities were less intense and local fund match requirements were lower, both factors that may have affected the level of buy-in to the approach.

It is also worth noting that one of the sites, New Jersey, operated a small-grants program continuously through 2005; the decision to terminate the program was made only recently and may prove to be more of a hiatus to allow time for program review.

- In a total of ten sites, small-grants programs remain in place at the community foundations. These programs all include some form of technical assistance offered to grant recipients.
- In five more sites, small-grants programs are operated by an external local entity. In Memphis, Southern Arizona and Winston-Salem, the community foundation continues to provide grant support to the local program operators; in Kansas City, the community foundation serves as fiscal agent for the local program but does not support it directly; in Muskegon, city government is now providing grants to neighborhood groups and the community foundation does not provide financial support for the program.
- In four sites (San Diego, Oregon, Dade and New Hampshire) the community foundation seeks opportunities to support resident-led neighborhood groups, but does not operate a specific grantmaking program for this purpose.
- Small-grants programs continue to operate in all four of the Round II adjunct sites (sites that participated in initiative activities but that did not receive direct program support). In three of the sites (Central New York, New Haven and Winston Salem) the programs remain within the community foundations; in Muskegon, as noted above, the program is operated by the local government.

Sources and levels of program funding. Based on available data, the overall level of funding for neighborhood small grants remains modest in most programs. In some sites, there has been little change in the overall scale of program support since it was launched. In a few sites, total annual grant support has increased significantly since the program was first established.

Table 2 Current Small-Grants Programs and Activities In Former Mott Sites

	Current Status of Grantmaking for Resident-Led Groups			
	Active grantmaking program within the foundation	Grantmaking program housed at another entity; foundation supports the program financially	Grantmaking program housed at another entity; foundation does not support the program financially	Foundation supports resident-led groups, but does not have a specific grantmaking program
Round One Sites				
San Diego Foundation				▲
Greater Kansas City Community Foundation and Affiliated Trusts			▲	
Oregon Community Foundation				▲
Round Two Sites				
Community Foundation for Greater Atlanta	▲			
Baltimore Community Foundation	▲			
Coastal Community Foundation of South Carolina	▲			
Dade Community Foundation				▲
East Tennessee Foundation	▲			
Community Foundation of Greater Flint	▲			
Hawaii Community Foundation	▲			
Community Foundation of Greater Memphis		▲		
New Hampshire Charitable Foundation				▲
Community Foundation Silicon Valley	▲			
Seattle Foundation	▲			
Community Foundation for Southern Arizona		▲		
Round Two Adjunct				
Central New York Community Foundation	▲			
Muskegon County Community Foundation			▲	
Community Foundation for Greater New Haven	▲			
Winston Salem Foundation		▲		

The majority of new programs we have identified have characteristics similar to those originally funded by Mott.

In the majority of programs, the principal source of program funding continues to be the community foundation's discretionary grant dollars. In some cases, donor-advised funds are deployed as well.

In several programs, the sources of grant support have broadened to include other private foundations, local businesses, and private donors.

In Memphis, the local United

Way has been a long-time program partner. In Seattle a funder collaborative was formed to channel funds from several local foundations and corporate-giving programs. In Kansas City, the program's funding base includes 21 different sources. Local government contributes to programs in New Jersey, Coastal Carolina, East Tennessee and Winston-Salem. In Atlanta, an endowment of over \$1 million was established to ensure that the program had continuing support over the long term.

Program staffing. In the majority of Mott program sites where small-grants programs continue and are managed within the community foundation, the program is staffed by an individual for whom the program is one of several responsibilities. In at least one site, the Community Foundation for Greater Atlanta, management of the program is one program officer's primary responsibility.

The level of neighborhood experience of program officers managing small-grants programs varies considerably across the program sites. When many of the Mott programs began, they were the responsibility of existing foundation staff with generalist experience. Over time, the tendency was for programs to be staffed by people with deeper neighborhood experience and an ability to connect with other aspects of the foundation's grantmaking. In the second Mott funding round, program staff were generally new hires, and there was a deliberate effort to bring in people with neighborhood experience.

“Next Generation” Sites

The second dimension of the Mott program legacy is that ideas and models developed during the years of the Mott program have provided a point of reference in the formation and operation of programs introduced later. The majority of new programs we have identified have characteristics similar to those originally funded by Mott. In some cases, the designers of those programs were aware of and drew from the Rainbow Research documents produced during the Mott program years. In others, the program designers were influenced by programs already in place (in both Mott and non-Mott sites), or by thinking and advice offered via Grassroots Grantmakers. In some, programs were launched without knowledge of the Mott program or influence from one of the Mott program community foundations, but later on, after discovering the practitioners and body of knowledge from the Mott program years, adjusted their programs to incorporate some of the Mott program characteristics. Thus, it is not surprising that the characteristics of these “next generation” programs are similar to those of the Mott-supported programs reviewed earlier in this chapter.

The number and diversity of these newer small-grants programs, in both the U.S. and Canada, have helped to expand and invigorate grassroots grantmaking practices. Although quite a few new entrants are community foundations, a significant number are not. The idea of using small grants as a way to connect with and support neighborhood organizations is attracting private foundations, local United Ways and quite a few local governments. In addition, several new small-grants programs have been launched by local funder collaboratives.

A few examples of new programs that have incorporated the same basic characteristics as the Mott program sites (small grants to grassroots organizations along with technical assistance for capacity building or leadership development):

- The **Battle Creek Community Foundation's** Yes We Can! Neighborhood Mini-Grant Program provides grants of up to \$2,500 primarily to resident-led groups for bottom-up projects and to support smaller community organizations; annual program funding is in the \$100,000-\$200,000 range; grant decisions are made by a resident-led advisory committee.
- The **Cleveland Foundation's** Neighborhood Connections program operates city-wide and awards grants to a variety of groups involved in neighborhood improvement activities, with an emphasis on smaller, grassroots groups; over \$600,000 was awarded in 2005; grant decisions are made by a governing group of resident leaders.
- The **Denver Foundation's** Strengthening Neighborhoods Program (SNP) provides grants of up to \$5,000 to support resident-led projects in 11 different neighborhoods and sponsors a Neighborhood Leadership Development Program in partnership with a local technical assistance intermediary. In 2005, the Denver Foundation gave 178 grants totaling \$254,000 to resident-led groups in Denver.
- In Ontario, the **Hamilton Community Foundation's** program emphasizes community building and provides grants of up to \$1,700 to resident-led associations and block clubs for small-scale projects; funding is at the \$100,000-\$200,000 per year range.



A community foundation can serve as a catalyst for building local partnerships.



Healthy communities can help children flourish.

- In Chicago, the **Steans Family Foundation** has given priority for more than a decade to supporting revitalization efforts in the North Lawndale neighborhood. Its newly launched Neighborhood Grants program provided 45 grants totaling \$60,000 in Spring 2006 to smaller-scale resident-based organizations for a variety of projects and activities to strengthen neighborhood improvement.
- In California, the **Community Foundation for Monterey County** offers small grants and workshops aimed at strengthening the capacity of residents to act cooperatively to improve the well-being, safety, and overall quality of life in their neighborhoods. Support is available to neighborhood groups throughout Monterey County. Started in 1997, it is one of several similar programs initially supported with grants from the Packard Foundation and now by the community foundation.
- In Everett, Washington, a small grants program for resident-led neighborhood associations that was modeled after the Mott-supported program in Seattle was established by city ordinance and is managed by city staff. Over \$40,000 in grants ranging from \$250 to \$10,000 are awarded annually; grants are coupled with technical assistance, leadership training and convening.

Evolution of the Network Linking Grassroots Grantmakers

The third dimension of the Mott program legacy is the growth of the Neighborhood Small Grants Network, recently renamed Grassroots Grantmakers. This section looks at how that network has changed from a set of program grantees into a broader learning community that offers an opportunity for grantmakers involved in supporting grassroots groups in neighborhoods to connect with and learn from one another — to gather the kind of information needed to frame a sound grantmaking approach, and the collegial support needed to navigate the implementation of the various approaches.

Origins of the Network

Grassroots Grantmakers is itself a direct outgrowth of the Mott Foundation's Community Foundations and Neighborhoods Small Grants Program. As the Mott program evolved over its ten-year history, the participating community foundations experimented with different approaches to grantmaking, technical assistance and resource development. However, one unique and important quality of the program remained constant – an emphasis on peer learning and support, with careful attention given to creating linkages between the participating foundations that facilitated information exchange and support when participants hit bumps along the way. Annual gatherings and information-rich conference calls were orchestrated by Rainbow Research. More and more, as participants gained experience and developed relationships with their peers in other foundations, they turned to each other for help and support – and the seeds of the current organization were planted. Participants placed so much value on “the network” that they asked the Mott Foundation to continue to support Rainbow Research and the networking activities that had been the source of so much learning. Mott's support of Rainbow Research for this purpose continued through 1998, four years after the initiative formally ended. It was in the years following the conclusion of the Mott program that the circle of grassroots grantmakers began to grow wider and others were invited to participate in networking activities. With new people came new energy and new ideas – but also a reminder of the power of the small-grants concept and the value of a strong network that facilitates peer support and learning.

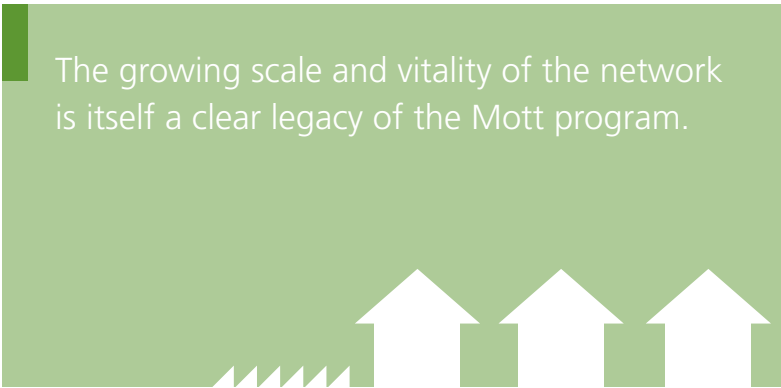
Grassroots Grantmakers Today and Plans for the Future

What began as a loose association of like-minded foundations and staff gained new members and energy. Members of the expanding network were also expanding their focus beyond how to make small-scale grants. Increasingly they came to share a new level of concern for how neighborhood residents and smaller-scale, resident-led organizations are given the support and opportunity to address local issues and build stronger voices in civic conversations and discussions. As a result, the network began to transition to a new level of operation, one that: (1) engages more grantmakers beyond the community foundations that continue to provide its core; (2) provides members with information useful to shaping and operating their programs; and (3) serves as a locus within philanthropy for learning about grassroots grantmaking. Increasingly, Grassroots Grantmakers is serving as a central entity within philanthropy that is knowledgeable about the variety of capacity-building approaches that funders can employ to strengthen neighborhood groups and leaders.

Over the past few years, the network has continued to expand its programs, while also stepping up its outreach to identify

and connect with funders that are interested in investing in grassroots grantmaking, and launching a strategic planning and branding project with support from the W. K. Kellogg Foundation.

The growing scale and vitality of the network is itself a clear legacy of the Mott program. What began as a process of connecting community foundations participating in the initiative has grown into a broadly based national network with a diverse roster of members,



The growing scale and vitality of the network is itself a clear legacy of the Mott program.

its own staff and governing structure, a national reputation as an affinity group of the Council on Foundations, and a new identity as Grassroots Grantmakers.

As the previous pages have shown, there continue to be payoffs from the Mott Foundation's investment – within most of the sites Mott originally selected, in new places where the ideas and approaches that emerged during the Mott program years continue to resonate with local funders, and within the network of grantmakers who are interested in finding the most effective ways of using philanthropic resources to support grassroots groups and leaders.

Program Sustainability and Effectiveness

It is easy to understand some of the reasons why the foundations that participated in the Mott initiative initially decided to do so. Being part of a new national initiative provided an opportunity to attract and leverage national philanthropic dollars, gain local attention, and experiment with a new approach. The new revenue also offered a chance to expand staff and program capacity. Was the return on investment sufficient and what are the reasons why so many of the original Mott program partners and others have continued to support a small-grants program? In this chapter we explore more deeply the factors and circumstances that have contributed to the sustained focus on small-grants programs.

Broader Observations about Sustainability

While many questions remain unanswered – especially about the many ways that small-grants programs have contributed to neighborhood change in these 25 communities – we have learned a lot about the legacy of the Mott program among community foundations and in philanthropy more generally. We now understand better how the small-grants programs have evolved and, in many cases, moved from a time-limited program to an integral part of how the foundation does business. Some programs have focused mainly on strengthening the organizations that are rooted in lower-income neighborhoods. Others have focused on those people in the neighborhoods with the idea that people working together on common goals will develop neighborly relationships that will have far-reaching benefits. Some have offered small grants to neighborhoods all across their city, while others have focused on one or two specific neighborhoods. Some programs have involved neighborhood residents as the key decision makers and designers of the effort, while others have used more traditional grantmaking approaches. The explanations for why they sustained their programs and, in many instances, refined them differ from place to place. Drawing on our conversations and our analysis of the information, we have identified a few overarching observations that are common across the programs:

- **Programs that are durable may have different levels of effectiveness.** The fact that so many of the community foundations are still operating a small-grants program is in itself an indicator of these programs' continuing value. Grantmakers can share literally hundreds of anecdotal stories about how the grants have made a difference – there is a garden where there was once an abandoned lot, neighborhood festivals are now an annual event. Some programs have remained simply because the level of resource commitment is comparatively small and the individual project results are reason enough to keep the program going. However, measures of effectiveness are

more about the collective impact of the grants over time, both within neighborhoods and in how the public and private sector invests in neighborhoods. Grantmakers who are thinking about effectiveness through this lens have sustained the program because the investment is a strategy for broader community change and because they see it as consistent with their mission.

■ **The overall level of funding may not in itself say much about institutional commitment or program success.** As was noted in Chapter 3, the level of funding for many small-grants programs is relatively small compared to the overall grantmaking budgets of the foundations. However, other indicators of institutional commitment need to be considered as well, such as the level of staffing for the program, the depth and breadth of technical assistance being funded and provided, and the degree to which the program influences other thinking and decision-making within the foundation. The fact that 17¹ of the original 25 sites are still operating a program is a testament to the positive role that such programs play in the overall grantmaking strategies of these funders. As is discussed below, the key ingredients that lead to continuing commitment appear to be explicit and reasonable expectations that are aligned with resources and institutional commitment to the value of citizen engagement. If all of these ingredients are present, where the program is housed (in the foundation or with an outside entity) and the size of the overall budget seem to be of secondary importance.

■ **Growth is contingent on how the program is positioned in the foundation.** One of the common characteristics of all the programs is an internal champion – someone who is passionate about the potential of the program for citizens, neighborhoods and the community foundation itself. While it is true that the role of the program champion matters, personality or person-driven programs face greater challenges in maintaining the program during staff transitions versus those that are organizationally driven. When champions stay in place, advance in the organization, grow other internal champions, and see it as their responsibility to connect the program with other foundation efforts, programs are not only sustained, but also flourish; examples of this are individuals like Terry Holley in East Tennessee and Donna Rader in Winston-Salem. When the program and its staff are not well connected to the foundation's primary mission, long-term program support is tenuous at best. These programs are more at-risk of shifting organizational priorities when the internal champion leaves, when leadership changes at the top, or when outside funding support decreases or terminates. A single program champion cannot sustain an effective program over time; it must be owned by the organization.

■ **Longer-term effectiveness depends on a willingness to learn from and build on program experience.** For a number of foundations (some examples follow in the next chapter), the Mott program set the stage for continuing experimentation and learning. One key area of ongoing learning has been in how to connect more directly with communities of color and low-income residents; where this has occurred, relationships with these groups have continued to grow and evolve in the years following the Mott investment. In sites where relationships have flourished, the focus has been on the collective outcomes of the program rather than individual project outputs, and on establishing connections to other foundation and community efforts. One area where this is most evident is the realization that technical assistance support needs to evolve as the number of repeat grantees increases, so that technical assistance activities broaden to include different kinds of technical assistance along with leadership training

¹We mentioned previously that in 19 of the sites the program continues. In two of these 19 sites, the program continues, but is not housed at the community foundation and is not financially supported by the foundation. The reference in this paragraph is to the 17 sites where there is still active community foundation support.



This Dayton, Ohio, neighborhood group established a community garden with the help of a small grant.

and organizational development support. Engagement with lower-income residents and communities of color is viewed as an ongoing process, not a short-term initiative. As a result, the programs have become broader and, more complex, and are seen as core vehicles for achieving the foundation's mission.

Five Factors Affecting the Sustainability of Small-Grants Programs

What factors contributed to the durability of the many programs launched during or after the Mott funding period? Why have so many funders chosen to maintain small-grants programs or become involved with grassroots grantmaking? We looked for the common factors evident across numerous local programs and in the end five factors emerged as potentially important parts of complex local judgments about the program's value and role. We think these factors have widespread applicability to grantmakers, regardless of the size or type. In offering these factors for consideration, we note that not all the factors were present in all the programs we looked at and that some sites placed more emphasis on some factors than others. In most cases, individual factors play off and reinforce one another – particularly for sites in which small grants are part of a broader and more ambitious capacity-building or change agenda. The five factors that contribute to a growing and sustainable and viable grassroots grantmaking approach are:

1. The Goals Are in Line with Resources

It is important that the foundation has explicit expectations about what the program can accomplish and not be naïve about the role of residents as volunteers and what they can do. A key variable is whether or not the goals are realistic and in line with the scale of resources that have been committed. For example, in sites where a small number of grants are made once a year, an unrealistic goal would be long-term neighborhood change, whereas a goal of connecting with residents to increase the foundation's visibility or to encourage active

citizenship would be more reasonable. If, on the other hand, a significant number of grants are made in a defined geographic area, the grantees receive technical assistance at every stage of planning and implementation and are linked to a broad community-development agenda, the goal of neighborhood change may be more feasible.

The following are examples of the program goals expressed by the focus group participants.

■ **Increasing visibility and credibility with diverse constituents.** For a number of sites, the program helped change the foundation's reputation as a resource for only more established civic groups, non-profit agencies and donors. The small-grants program gives the foundation a window into the community to hear the perspective of residents and groups of people with whom they may not have a relationship. The program has become an entrepreneurial way to build relationships with new communities and groups of people and to respond to their needs. For example, the small-grants program was an opportunity for the Seattle Foundation to connect with low-income communities of color and design a program that would respond to their needs. The Battle Creek Community Foundation's small-grants program has brought the foundation a view of reality from the neighborhood perspective and enriched its understanding of the state of the city.

The small-grants program gives the foundation a window into the community to hear the perspective of residents and groups of people whom they may not have a relationship with.

■ **Strengthening fragile neighborhoods.** In a majority of sites, the program focused on developing the leadership skills and capacity of grassroots leaders and groups and on improving the social organization of the neighborhood (social capital). These are seen as part of the work of reweaving the fabric of fragile neighborhoods that have experienced significant

periods of disinvestment or that are threatened with further disinvestment unless steps are taken toward neighborhood stabilization. The Central New York Community Foundation's small-grants program is coupled with a strong neighborhood leadership training curriculum; the foundation recently revamped its program and narrowed its focus to several neighborhoods that were identified through a study process that involved a review of demographic and economic data and input from community residents.

■ **Organizing for social change.** For a number of sites, the program helped to advance a social change goal and focused on increasing the level of civic engagement and on organizing residents so their voices could be heard. For example, in Baltimore, the foundation provides mobilization grants for residents to organize and increase involvement, as well as mobilization grants to develop and improve neighborhood strategic plans. In Denver, the small-grants program is a vehicle to organize and mobilize residents as advocates for social change. In Memphis, the Memphis Community Development Partnership recently retooled the small-grants program to have a stronger emphasis on community organizing and projects that connect to a strategy for neighborhood change.

2. Return on Investment Beyond the Impact of Individual Projects

For some of the Mott initiative sites, the program has been maintained primarily because it gave the foundation a way to hear from and be connected to low-income residents and neighborhoods. For these foundations, the modest investment in a small-grants program increased their understanding of community needs and issues. This grounding in community was seen as a way to “put the community back into the community foundation” and enhance the foundation’s core philanthropic mission. For other community foundations, the expected return from small-grants work included other benefits, such as complementing or enhancing other program investments or strengthening its capacity to exert institutional leadership on other civic issues. The following are examples of the different types of return on investment:

- **Creating stronger neighborhood organizations.** The small-grants program became an “on-ramp” for new groups and organizations. For example, the Cedar Rapids Community Foundation now has a door for every age and stage of organizational development. The number of resident-led organizations that have the capacity to make use of larger grants from the foundation has increased.
- **Adding value by reinforcing other program goals.** For several sites, the small-grants program was seen as a strategic way to expand or build on an existing area of focus such as their community development, leadership development or civic engagement agenda. For example, at the Cleveland Foundation the small-grants program fills a gap in existing community development efforts and is positioned as part of the foundation’s broader neighborhoods program area; the expectation is that this program will, over time, become a clear complement to the foundation’s larger scale support for community development organizations involved in neighborhood physical revitalization work.
- **Enhancing grantmaker capacity.** In some sites, the foundation views the small-grants program as an opportunity to build its organizational knowledge, skill and expertise. In the case of the Community Foundation Silicon Valley, the small grants gave them the background and experience to launch a large-scale community development initiative in a defined neighborhood. For the Central Indiana Community Foundation, the small-grants program experience increased the foundation’s risk-tolerance and comfort level to make grants to new or emerging organizations. For the Community Foundation of Greater Flint, the small-grants program taught the foundation how to include grassroots groups and people in their community engagement efforts.

3. A Stable Source of Program Funding

In nearly every site where a program has remained, the level of funding has not decreased since the initiative ended; in a few sites the funding has increased and the funding base has been broadened. Although the amount of funding that is directed to the small-grants programs for all sites is relatively modest compared to overall assets and other grantmaking programs, the fact that funding has remained in place over the long term or, in the case of funders who have more recently become involved in grassroots grantmaking, has even been allocated, is a key factor for sustainability. The more durable programs are in part, or wholly, supported by dedicated foundation funding (including both discretionary and in some instances donor-advised funding), and have multiple funding partners. In some sites, the small grants became an opportunity to establish funding and program partnerships with governmental entities, other foundations and the business sectors by aligning with the self-interests of these entities (i.e., the city’s neighborhood planning process). Sites that did not have funding partners at the beginning of the initiative have been challenged to bring in partners to an ongoing, foundation-sponsored program. Examples of different funding strategies include:

■ **Broadening the ownership base.** Several sites have created and sustained a funding collaborative to support the program. In the case of the Seattle Foundation, the collaborative includes corporations, family foundations and the United Way, and the community foundation serves as the convener and fiscal agent. The Southern Arizona Community Foundation in partnership with the United Way, the city and county created PRO Neighborhoods, an intermediary organization, to manage the small-grants process and provide technical assistance. The funders continue to serve as investors and advisors.

■ **Securing a dedicated funding stream.** Sites have used a variety of strategies to create dedicated funding streams including: endowments, donor-advised or field of interest funds, and support organizations. The Community Foundation for Greater Atlanta and the Community Foundation of Greater Flint have set up endowments for the small-grants program. The Denver Foundation has earmarked a share of its unrestricted dollars to the small-grants program. The Board of Directors at the Hawaii Community Foundation designates their donor funds to the small-grants program and specific projects. In the case of the Calgary Community Foundation an anonymous donor made a 10-year commitment to fund 50% of the small-grants program with unrestricted foundation funding covering the other half of the program.

■ **Positioning the program for multi-year support.** Other ways of ensuring stable funding for small grants programs involve working within individual foundation program funding parameters to increase the likelihood that funding for such programs is protected and not subject to year-to-year uncertainties and fluctuations. In the case of the Cleveland and Hamilton community foundations, unrestricted funding has been allocated to a multi-year (but time-limited) foundation-sponsored initiative. In both cases, the programs include an independent evaluation. In the case of Cleveland, there are periodic opportunities to inform the board about the program's performance and offer stakeholder feedback about its impacts.

4. High-Level Institutional Commitment

A key factor that distinguishes the various program approaches is the depth and breadth of the organizational leadership (Board, CEO and senior management staff) commitment to the values of diversity and resident engagement. As was stated in Chapter 1 of this report, the Mott Foundation's program was designed to change community foundations as well as communities – challenging established policies and practices that had historically kept them at arms length from the grassroots community. Change at this level – within the organizations that sponsor small-grants programs – has resulted in some profound shifts in the way that funding organizations see themselves and utilize their resources. The leadership acknowledges that a relational style of grantmaking takes time and requires sufficient staff resources to achieve both the program and institutional goals; there is a commitment to support resident-led groups at every stage of their organizational development; and an infrastructure for the small-grants program to inform and influence a range of foundation activities including program grants and donor development. The more durable programs (those that have sustained leadership and staff transitions) appear to be those where the program values are embedded into the organizational culture and there are champions at every level in the organization. For others, small grants have become a platform or organizational strategy for all areas of interest such as arts and education. Examples of how institutional commitment is expressed and infused into institutional practice include:



Neighborhoods and community foundations face the challenge of changing demographics.

■ **Engaging the Board of Directors.** Members of the foundation Board of Directors are actively engaged in the small-grants program. Board members at the Hawaii Community Foundation routinely promote the program, identify potential projects for staff consideration, seek donors for the program, and direct their personal giving to the program. The East Tennessee Community Foundation board members participate in site visits. This exposure has helped the board become more knowledgeable about low- and moderate-income neighborhoods, thus increasing their ability to make informed decisions. In Atlanta, the board chairman personally raised funding for the small-grants program. Additionally, the board participated in a full day retreat to discuss the impact of the small-grants program and recommitted the organization to grassroots engagement.

■ **Positioning of staff support.** The foundation leadership explicitly acknowledges the amount of staff time needed to engage with low-income resident groups, since it requires a hands-on approach that is often a departure from traditional grantmaking, and ensures that the small-grants work is connected with other program endeavors and that the program is mainstreamed in the foundation. The Community Foundation of Greater New Haven has a full-time program officer assigned to the neighborhood small-grants program who manages two geographically based programs and conducts grant reviews of any general program requests that are received relating to neighborhood improvement and/or citizen engagement.

■ **Influencing other grantmaking.** In a number of sites, the small-grants program informs the foundation's core program efforts by serving as the "on-ramp" for other civic initiatives, an entry point for larger grants to resident-led groups, or the formation of a comprehensive community development agenda. At the conclusion of the Mott program, the Dade Community Foundation decided to continue the small-grants program by creating an open door to emerging, resident-led groups to the foundation's unrestricted fund, and made the modifications that were needed to create that access. In Seattle, experience with the small-grants program demonstrated the need for operating support for community-based groups, and the foundation created a vehicle to provide this type of support. In the case of the Winston Salem Foundation, what began as a modest program commitment in the small-grants program has led to a multi-pronged investment approach that includes the creation of community development

corporations through a partnership with Local Initiatives Support Corporation, funding for community organizing in partnership with Industrial Areas Foundation, and a high-level investment in a social capital initiative.

■ **Increasing investments in technical assistance.** As with other aspects of the programs, there are significant differences among the sites in the levels of investment being made in technical assistance, in the kind of technical assistance made available, and in the manner in which it is provided. There is an organizational commitment to support resident groups at varying developmental phases. The program officer or program manager is the critical link between grantees and the available technical resources, whatever they may be. In a few instances, those local technical assistance providers are also foundation grantees, increasing the ability of the program officer to make meaningful connections and ensure there is follow through on technical assistance commitments. In Seattle, the local funding collaborative that supports the small-grants program worked together to create a local technical assistance center for emerging resident-led groups. Technical assistance centers in Silicon Valley, Omaha, Tucson and Winston-Salem also had their roots in small-grants programs at community foundations in these areas.

5. Valuing Resident Voice and Influence

The final sustainability factor is one that extends the organizational commitment beyond resource allocation. It is the keystone for sustaining changed organizational behavior and is a prerequisite for going deeper and broader. The foundations that institutionally value resident voice acknowledge that the small-grants program is a means to change the power dynamics in a community. They recognize that the work of developing and supporting resident voice is not a one-time activity but an ongoing process that is never done. These values become the DNA for how the organization does and approaches its work. Examples of how this organizational value may be expressed include:

■ **Delegating decision-making to residents.** In several sites, the foundation has delegated the small-grants program grantee selection process to resident-led groups. In this instance a resident leadership group, supported by foundation staff, sets the program guidelines, reviews applications and makes grant decisions. In the case of the Steans Family foundation, the small-grants program is focused in one neighborhood, and the residents of the neighborhood make all program and funding decisions.

■ **Equalizing voices at policy tables.** In some sites, residents and traditional decision-makers are working side-by-side and have the opportunity to influence and learn from each other. At the Central Alabama Community Foundation, small-grants program participants are members of the foundation Board of Directors. In East Tennessee and New Haven, foundation board members sit on the small-grants program advisory committees with residents and other community representatives.

■ **Promoting resident voices in the broader community.** Several foundations have become champions for resident voices in other community efforts. For example, the Central New York Community Foundation from the beginning established a neighborhood leadership curriculum and then provided grants to leaders to undertake projects that make use of their skills. This is true in Denver, where the focus is on resident organizing, and in Baltimore, where the TA partner is the Citizens Planning and Housing Association. These foundations encourage others to involve neighborhood residents in the design and implementation of programs and initiatives.

Deepening the Effectiveness of Grassroots Grantmaking Activities

What makes a small-grants program or strategy effective? How can the investments be maximized? Effectiveness can be looked at through two lenses — the direct impact on the community and residents as a result of the grants and the impact on the foundation and its overall effectiveness in accomplishing broader philanthropic goals and as an institutional leader within whatever context it is operating. Answers to this question, depend on where you are, where you have been and the intended outcomes of your chosen strategy. In this chapter, we consider some specific examples that show how different sites have addressed important issues of program effectiveness while crafting approaches that are well suited to the particular opportunities available in different local settings.

We begin by offering a way of grouping the various approaches we encountered during the fieldwork. Then we look at how different grassroots grantmaking programs have dealt with the all-important linkages between grants and technical assistance. Finally, we look at issues to consider in assessing program opportunities and managing the array of institutional factors to be considered in choosing how to frame program goals, the appropriate level of investment, and expected outcomes.

Included throughout this chapter are profiles of individual small-grants programs that represent different approaches that have evolved in relation to particular local conditions. Some of the examples are sites that were part of the Mott initiative and others are not. Some are relatively large in scale while others operate with much more modest budgets. In each case highlighted here, we found one or more features that were unique, providing further evidence of the many different ways that neighborhood small-grants programs are evolving.

Different Ways of Positioning Small-Grants Work

Looking across the original Mott sites and several of the newer entrants, we saw that local program efforts clustered into three approaches. Not every site we examined fits neatly into one of the approaches. However, each approach has distinct program characteristics and organizational features. Each approach can be more or less effective depending on how goals and outcomes are defined and what level of financial and institutional investment is made. Table 3 summarizes three approaches and provides a framework to look at effectiveness across both the program and organizational dimensions.

Our assessment found that there is a certain amount of ebb and flow to small grants work, depending on changing circumstances in the broader community setting and within the funding organizations. Shifting opportunities and constraints present challenges for sustaining programs and sometimes also affect their effectiveness. Simply surviving for a long period of time should certainly not be the primary means by which the value and contribution of a program are measured. Program longevity is not necessarily a measure of its effectiveness. What have we learned about what makes these programs effective? How have funders grappled with the issue of effectiveness?

Table 3 Three Grantmaking Approaches

Grantmaking Approach	General Characteristics	Organizational Features
Supporting neighborhood self-help activities	<p>The foundation administers or supports a small-grants program that awards grants to small scale, resident-led projects. Organizationally, the program involves a relatively small commitment. There are tangible project results for residents but not neighborhood change goals.</p> <p>The main value proposition for maintaining the program is knowledge about neighborhood needs and issues. Additionally, the foundation gains visibility and public attention based on the project results.</p>	<ul style="list-style-type: none"> • Part-time program staffing. • Grants of \$500 to \$5,000 to resident-led groups for specific neighborhood projects. • Modest technical assistance support, often provided directly by foundation staff, and primarily geared to assisting groups with the grant application and award process. • Minimal connection to or influence on other aspects of foundation work.
Strengthening grassroots groups and leaders	<p>The community foundation views the small-grants program as part of a broader capacity-building or neighborhood reinvestment portfolio. The dual program goals are to support resident-led projects and to strengthen the skills and organizational capacity of individual resident leaders and neighborhoods.</p> <p>The value proposition for the foundation goes beyond neighborhood improvement goals to include engagement of residents in shaping the future of their neighborhood. Programs may be focused on specific target areas within a geographic area or may be citywide. A structured multi-dimensional technical assistance component is a critical element of the effort and is funded as part of the program.</p>	<ul style="list-style-type: none"> • Program staff (part- or full-time), have experience working with grassroots groups or with capacity-building initiatives. • Grants of \$500 to \$5,000 to resident-led groups for projects are supplemented by extra funds for coaching, training, and individualized support. • A relationship with a technical assistance provider to build the infrastructure of grassroots groups. • Convening of grassroots grantees to jointly problem-solve, and share their growing expertise. • Efforts to assess impact beyond grantee reports.
Fostering a broader change agenda	<p>Small grants are a way to actively promote a broader civic-change agenda. The investment is intended to strengthen the voice of neighborhood leaders in broader decisions, thereby leveraging substantially more resources for low-income neighborhoods and residents.</p> <p>The value proposition for the foundation is increased institutional effectiveness and credibility. The foundation is viewed as a partner, leader, and convener by other citywide institutions and groups. The collective voice of residents is evident in a broader array of resource decisions both inside and outside the foundation.</p>	<p>All the components of the previous two approaches plus:</p> <ul style="list-style-type: none"> • Inclusion of grassroots leaders in planning and policy-setting for other community change initiatives of the foundation. • Multiple program partners • Stable, longer-term funding to support the grassroots grantmaking program's grant pool, staffing levels, and technical assistance. • Small grants are a platform for multiple program areas (i.e., education, arts).

Integration of Smaller and Larger Grants within an Overall Community-Building Approach

The Dade Community Foundation's current community grantmaking program is the outgrowth of a planning session that occurred some years ago with grassroots, civic, business and political leaders to determine the role it should play in the Greater Miami community. That session established the direction that has now become the foundation's distinctive community-building mission. The foundation approaches all of its program activities with a focus on building community. It conducts activities and supports efforts that build community assets and relationships among individuals, organizations, and communities that connect people with resources and opportunities to improve their quality of life. In setting its mission, it established a permanent endowment and an unusually inclusive process of grant making.

The goal of each grant funded is to strengthen relationships between and among the diverse residents of the Miami-Dade community; all grant proposals from nonprofit agencies are considered in the context of the Foundation's commitment to bringing the area's diverse ethnic and social groups together in constructive relationships. This philosophy of reducing cultural and social fragmentation and strengthening the community fabric frames how the Foundation chooses to work with a diverse array of local organizations that includes smaller community-based organizations that are closely connected to residents of particular communities, as well as larger and more established nonprofits whose focus is consistent with program guidelines. It seeks grantees that have a deep understanding of the needs, interests and resources within the communities they serve, that clearly understand their unique role and contribution in responding to these needs and interests, and that work to form partnerships that can connect the wealth of resources that exist in Greater Miami with those who can benefit from them the most.

Its Community Grants Program, the most general of the foundation's grants programs, is supported by its unrestricted and field of interest funds. Grants are made annually to organizations that fit the above philosophy and approach. The average grant size is \$7,500. In addition to its Community Grants Program, the foundation also manages several grant making programs in partnership with other local and national funders that address significant community issues. The foundation also looks to integrate grassroots organizations in special initiatives whenever possible, because it recognizes board participation by diverse stakeholders is critical across all programs to build and grow a strong, vibrant community. Special initiatives are usually time-limited but enable the foundation to provide additional funding opportunities and bring to Miami-Dade County national resources that would otherwise not be available to the community.

To inform nonprofit organizations about available funding opportunities, the foundation periodically conducts information workshops that are free and open to the public. The workshops are conducted by foundation program staff and typically include an overview of the foundation, how it operates, what grant programs it runs, and then specific information about how to apply for a particular grant program. The most significant of these is held in the first week of November, when the foundation conducts FYI Miami – a community forum that serves as a platform for a community dialogue on current issues facing the community – and provides information about the foundation's community-building philosophy and grant making programs including the Community Grants Program priorities and application requirements. According to Betty Alonso, Senior Director of Programs, "at the end of the day we understand that it all boils down to relationships, and the more we make ourselves available to the community at large, the deeper our reach is into neighborhoods, and the more new relationships we make that allow residents to learn how they may help shape the future of our community."

The key ingredients of effective programs appear to be explicit and reasonable expectations that are aligned with resources and institutional commitment to citizen engagement. Marginalized programs rarely have enough resources to prove impact, and are not positioned to have other influence — essentially the program is flying under the foundation’s radar screen. Grantmakers who embrace grassroots grantmaking as an integral part of a broader institutional commitment to community accountability and accessibility, and connect it to the broader infrastructure for neighborhood support in their communities — rather than as a time-limited special program of the foundation — appear to be better positioned to reap the community and institutional benefits that such programs can offer.

The three grantmaking approaches offered above provide a way of thinking not just about how the goals, potential benefits and organizational forms associated with small-grants programs may differ. The framework also suggests that the type of program introduced and pursued depends on a variety of strategic factors that reach well beyond the scope of the program itself. Among these are how small grants are related to other foundation grantmaking activities, how the foundation relates to and connects with lower-income and minority populations in its community, and how it enables grassroots leaders to gain greater voice in broader civic discussions and decisions.

Connecting Technical Assistance with Small Grants

One of the unique characteristics of the Community Foundations and Neighborhoods Small Grants Program was the combination of small grants coupled with technical assistance. The sustained focus on technical assistance as a mechanism to build the leadership capacity of individuals and neighborhood groups is a significant legacy of the Mott initiative. Community foundations who continue to operate a small-grants program acknowledge that when technical assistance is linked to the grants the results are greater. Several sites indicated that the technical assistance component is more important than the project grant in that it is more marketable to a wider array of partners and it has longer-term benefits to the neighborhood residents.

There are differences among the sites in terms of the level of investment, the kind of technical assistance, the manner in which it is provided, and how the technical assistance is connected to the project grants. However, the goals are consistent — to empower residents through the acquisition of new skills and competencies. Our review identified three models for how technical assistance is connected to grants, how the technical assistance is provided, and how it has become embedded in the institutional practice of the foundation and the community at large. The three models are:

1. The foundation staff provide technical assistance directly to grantees;
2. The foundation makes grants to existing community-based organizations to provide technical assistance; and
3. The foundation and/or a funding consortium create and support a technical assistance center that assumes responsibility for delivering technical assistance.

The following section provides an overview of the three technical assistance approaches and a few illustrative examples of the technical assistance and grant relationships involved.

1. Foundation Staff Provide Technical Assistance

For many programs, a modest level of technical assistance is provided directly by foundation staff, and primarily geared to assisting groups with the grant application and award process. In other sites, a range of capacity-building opportunities are offered by the foundation including: one-on-one problem-solving assistance, workshops, and institutes. The following are some examples of the different staff-delivered approaches.

EAST TENNESSEE

Leveraging Connections and City Government Partnerships

The East Tennessee Foundation's Neighborhood Small Grants Program consists of two components, one for inner-city low- to moderate- income neighborhoods in Knoxville and the other for rural communities. It provides grants from \$500 to \$5,000 along with technical assistance to resident groups. The foundation's involvement in neighborhood grantmaking grew out of a concern over the lack of organizing capacity within neighborhoods. Knoxville and the rural communities were never a part of national infrastructure-building initiatives undertaken by organizations such as the Local Initiatives Support Corporation (LISC). The foundation's early efforts included outreach to individual residents to create neighborhood watches. This was the first time that many neighborhoods had organized anything. Fiscal sponsors tended to be churches as there were no neighborhood based 501(c)3 tax exempt organizations in these communities. The East Tennessee program is small in scale, with an annual grant allocation of \$60,000. The foundation has a very modest unrestricted endowment (73% of funding is donor-designated). However, its influence is significant as a broker of relationships and resources, a technical consultant to neighborhoods, and a champion with city and county government for sustained neighborhood capacity.

One distinctive feature of the East Tennessee program is its long-term partnership with the City of Knoxville to build the leadership and organizational capacity of low- to moderate-income neighborhoods. A new initiative, Transforming Neighborhoods Together (TNT), was launched in 1993 and led to a partnership with the City of Knoxville's Community Development Department. The city gave the foundation \$30,000 to support comprehensive planning efforts in three neighborhoods. A resident planner was hired by the neighborhood and received a stipend of \$5,000 from the foundation to facilitate a planning process and prepare a written multi-year neighborhood plan that serves as the "road map" for neighborhood improvement and public accountability. The plans, once presented to the Metropolitan Planning Commission and approved, became the city's plan for those neighborhoods. TNT neighborhoods then receive "target area" funds for plan implementation over a five-year period, with assistance from the City of Knoxville. In this arrangement, the City of Knoxville becomes an implementation partner with the neighborhood and provides access to a variety of city departments and resources including: code enforcement, police, data, and physical improvement supports. Along with direct neighborhood grants, the East Tennessee Foundation and the City of Knoxville have made a joint commitment to ensure neighborhoods have access to ongoing technical assistance to continually build the capacity of new leaders. Funding for a technical assistance entity and neighborhood grants are a line item in the city budget. This initiative has now expanded to six neighborhoods in Knoxville, and the East Tennessee Foundation continues to provide small grants to other neighborhoods to organize and build their base capacity to eventually be eligible for TNT.

The foundation's work with rural communities has also leveraged a variety of resources and partnerships. The rural community projects have focused more on community economic development. In these projects, the foundation has brokered relationships with the Resource Conservation Council, the National Forestry Service, the state Agriculture Department's cooperative extension service, and the County Department of Neighborhoods under the County Mayor.

■ **Central New York Community Foundation** – The Leadership Classroom is a training program run by the foundation for active and potential neighborhood leaders. Four neighborhood teams (five residents per team) from different neighborhoods participate in a series of six interactive training sessions offered once a month to learn advanced leadership skills. Training topics include: building powerful organizations, asset-based organizing, individual and group leadership skills; making effective public presentations; managing community projects; building new leaders and fundraising strategies. Upon completion of the leadership classroom, each team receives up to \$2,500 to implement a community project and obtain technical assistance as needed. Teams then hold neighborhood forums to discuss issues and stay connected.

■ **Community Foundation for Greater Atlanta** – The Neighborhood Fund is a special initiative of the foundation and provides small grants and technical assistance to resident-led projects. The Neighborhood Fund Leadership Institute (NFLI) teaches individuals how to build strong, organized and resourceful communities through a structured curriculum delivered over five months, with up to two sessions per month. NFLI is open to any resident or neighborhood group, and groups do not have to be grantees to participate. Participants who complete NFLI are encouraged to apply for a planning, project or community-investment grant in order to apply their leadership capabilities in a concrete way that will benefit their neighborhood. A requirement for receiving any Neighborhood Fund grant is that at least two representatives of the group attend four courses of the NFLI. Courses include: grant and financial documentation, asset-based community development, project planning, and family economic success. All grantees of the Neighborhood Fund receive technical assistance to help in setting project goals, evaluating neighborhood assets, organizing the community and managing the project. The community foundation staff, volunteers and paid consultants provide the assistance.

2. Grants to Existing Community-Based Organizations

In this approach, the foundation utilizes and maximizes the expertise of existing community resources. The type of groups varies and may include community-based organizations who already have experience working with residents, or a technical assistance entity or resource center that has experience in leadership development, organizing or training. The following are examples of how foundations are working with community-based organizations to provide technical assistance to grassroots groups and residents.

■ **The Baltimore Community Foundation** – In Baltimore, Citizens Planning and Housing Association (CPHA) receives a grant from the community foundation to provide technical assistance to neighborhood grantees and applicants. CPHA has a 60-year history of training, supporting and mobilizing residents on issues they identify. CPHA operates a resource center for neighborhoods that offers information, customized training and technical assistance, workshops, handbooks and leadership programs. For the small-grants program, CPHA offers a range of workshops; some are required by the foundation for grant recipients, and others are designed to be community-sharing opportunities. The required workshops include topics such as effective organizations, developing a work plan, fundraising, and leadership development. The community sharing topics typically include: preserving and promoting homeownership, improving neighborhood safety, and neighborhood greening.

A Focus on Neighborhood Capacity-Building and Leadership Development

The Denver Foundation's Strengthening Neighborhoods program was launched in 1998 after several years of planning and development. The program offers small-grants support and leadership training to grassroots groups in ten target communities (including eight Denver neighborhoods plus two other communities to the south – original Aurora and Commerce City). The program began with a strong commitment to an asset-based community development approach. It has been refined over the years to incorporate closer linkages of small grants with larger grants to organizations in the area that provide leadership training and other capacity-building supports.

Denver Foundation staff acknowledge the important value added by the Grassroots Grantmakers network as a source of information and advice in making program refinements. The Denver program is large in scale. Grants since 1998 in its ten target communities have totaled over \$1.5 million. In 2005, it made 178 grants totaling \$254,000. Projects supported have included literacy and after-school recreation programs, block parties, neighborhood fairs and carnivals, education reform campaigns, block clean-ups, community gardening activities, sports leagues, neighborhood-wide art showcases, development of neighborhood plans, large-scale community organizing efforts, publication of neighborhood newsletters, and many other activities and events.

The Denver Foundation's involvement in neighborhood grantmaking grew out of a recognition in 1994 that, despite its rapid growth, its involvement in neighborhood work was limited. Consultations with local community stakeholders identified neighborhood and community capacity building as a top priority. As a result, the trustees decided to earmark 15% of the foundation's discretionary funds for more pro-active grantmaking in eight Denver neighborhoods. (A more recent bequest enabled the program to be expanded to the two additional communities noted above.) Beyond its own grant dollars, the foundation has also served as a conduit for other resources that have supplemented the program. These additional dollars have come from the Annie E. Casey Foundation's Making Connections initiative, the LISC donor-advised fund, and American Century Investments.

The program's goals were reviewed and revised in 2004. They are currently: (1) to support positive relationships among residents in our partner neighborhoods based on equality and the valuing of everyone's contributions; (2) to support resident leaders in our partner neighborhoods; (3) to help residents organize to create positive change in their communities; (4) to connect residents and resident-led groups across neighborhoods so they can learn from one another and take action on common concerns; and (5) to bring new partners to the work of resident-centered community building.

Program oversight is by the Strengthening Neighborhoods committee, a sub-committee of the board. Originally comprised entirely of board members, the committee has added community representatives over the years. Currently it includes six board members and six non-board members. Foundation staff are authorized to make grants of \$5,000 or less. Grants over \$5,000 go to the committee for approval. As the program has grown, so has the level of staff support. Staff is now estimated to be four FTEs, including one consultant who works full-time on the program.

Since 2004, the foundation has been evaluating the program's impacts. Among the significant findings is the number of community members of the Strengthening Neighborhoods committee who have moved into other leadership roles. Three individuals (including the foundation's current board chair) are now on the Denver Foundation's board. Five sub-committee members have moved onto other Foundation advisory committees, and two have moved into city council positions.

■ **The Denver Foundation** – The Denver Foundation’s program provides larger grants to five local nonprofits that deliver organizing, leadership training and TA support to community-based organizations in ten designated target areas. An eight-month leadership program, offered since 2002, helps residents develop their leadership skills in the context of specific neighborhood-building projects. When needed, individual technical assistance consultants are also funded through the program to provide additional implementation support to grantees.

3. Creating a Technical Assistance Center in the Community

Foundations that have adopted this approach are interested in building a broader community infrastructure and tend to have a longer-term view of the recurring needs of grassroots groups. Typically, the foundation has taken this direction after convening the philanthropic sector in its community and making an assessment of what exists and what is needed to continuously support existing community leaders and replenish the pool of new leaders. Community partners that come together to support an ongoing resource center understand that building resident leadership is like “mowing the lawn; it always needs to be done.” The center is created to ensure that someone is there to do it. The following are some examples of how funding consortiums have implemented this approach.

■ **Central Alabama Community Foundation** – Building Our Neighborhoods for Development and Success (BONDS) is a not-for-profit grassroots organization that provides financial assistance (small grants) and technical support to neighborhood leaders to build stronger neighborhoods and become an active voice in city government. BONDS is housed in the community foundation and an advisory board oversees the program. Grant recipients attend a leadership training course that includes a skill-based curriculum that teaches consensus building, shared group leadership, communication, visioning and problem solving. Technical training is also offered to neighborhood leaders on topics they identify including: planning effective programs, developing relationships with elected officials, creating newsletters, establishing organizational governance, and financial management. Monthly Gathering of Leaders (GOL) meetings are offered for resident networking and sharing of strategies to overcome challenges. An annual two-day Mayor’s Neighborhood Conference is held in the fall and features panel discussions with city government and the awarding of neighborhood grants. The resource center provides residents with computer and copier services, information on building healthy communities, and how-to handbooks with step-by-step instructions for building neighborhood associations. BONDS has two full-time employees who participate in the community foundation staff meetings and program planning.

■ **The Seattle Community Foundation** – The Neighbor To Neighbor (NTN) program in Seattle, a funding collaborative that includes the Seattle Community Foundation, five family foundations, corporate foundations, and the city department of neighborhoods manages the grant program. Five years ago the funding collaborative raised \$1 million to establish the Nonprofit Assistance Center (NAC). The Center, housed at the community foundation, was established in response to growing concerns that many small nonprofits, especially in communities of color, were not accessing available technical assistance resources. Yet these organizations were growing in importance as populations – including African Americans, Latinos, a diverse range of Asian and Pacific Islander communities, and Native Americans – were growing. NAC has three staff, and a pool of over 100 consultants (close to half of whom come from a community of color). NAC provides four forms of assistance: 1) information and referral to other capacity-building resources; 2) a “helpline” providing ad hoc advice and guidance to people on a call-in or walk-in basis;

A Citywide Grants Program Guided by Citizen Volunteers

The Cleveland Foundation's Neighborhood Connections program, launched in 2002, provides small grants (from \$500 to \$5,000) and technical assistance to neighborhood groups for a wide array of improvement activities and projects. The program has three main goals: (1) stimulate the development of new projects designed by grassroots groups; (2) encourage new and stronger relationships among grassroots organizations and more established community-based organizations; and (3) provide support and opportunities to develop community leadership and organizational capacity. Neighborhood Connections operates citywide and is one of the largest and most comprehensive programs of its kind in the country. In its first three years the program awarded 335 grants totaling \$1.275 million.

One of the program's distinctive features is the role that Cleveland citizens play in its governance. In designing the program, the Foundation saw an opportunity not only to strengthen its own connections to neighborhood leaders, but also to create a new grantmaking approach by establishing a committee of Cleveland residents to make grants and help shape the grantmaking process. The 16-member Grantmaking and Monitoring Committee (GMMC), in place since the program began, helps ensure fairness and integrity in the grantmaking process. Selection and support of the committee has been a top priority. To ensure the GMMC was a diverse group representative of Cleveland's different neighborhoods, foundation staff undertook a rigorous selection process that resulted in over 100 nominations; the candidate pool was narrowed to 56 nominees who were interviewed prior to choosing the committee's initial members. Those members received training to become familiar with Neighborhood Connections and the grantmaking process.

Members serve three-year renewable terms and are broadly representative of neighborhoods throughout the city of Cleveland. After the first four grantmaking cycles, the GMMC added two more members to accommodate the program's growing scale; alternates were also added to make the transition easier as new members are brought on when vacancies arise. Now, after more than three years of experience, the process and guidelines are well established and the committee works judiciously to ensure their decision making is fair and that grants are broadly distributed throughout the city.

Neighborhood Connections has two grantmaking cycles annually. Each cycle takes about three months to complete. When each new program cycle is announced, Neighborhood Connections' two-person staff convenes grantseeker orientations at public facilities located in neighborhoods throughout Cleveland. These sessions provide an opportunity to explain the program and application process, answer questions, and provide information on where prospective grantseekers can obtain help in putting their proposals together. Each proposal submitted is first checked by staff for completeness and then distributed to the committee for review. The four-week review process is intensive. Proposals are divided among committee teams, an approach that helps avoid conflicts of interest and ensure varied perspectives. Team members review proposals individually and then meet to discuss each one and choose those applicants who will be invited for a short interview. The interviews, scheduled in groups over several evenings, provide an opportunity for applicants to explain their proposals and GMMC team members to raise questions. When the interviews are finished, the teams convene to discuss and rank the proposals; team differences about individual applications are typically resolved by consensus. The following week, the GMMC meets to make their final funding decisions. Throughout the process Neighborhood Connections staff is available to provide support to the committee; however, final decision-making authority always rests with the GMMC.

Both foundation staff and committee members are enthusiastic in their support for this approach to awarding neighborhood grants. In addition, participation on the committee has led several members to move on to other civic leadership roles.

3) topical training workshops and 4) individual consultancies. Groups can apply for short-term TA grants of \$2500 or less, and an intensive technical assistance program provides extended training and mentoring, usually beginning with a comprehensive organizational assessment that forms the basis for a capacity-building plan. In both of these programs, NAC matches a group with a consultant.

■ **The Southern Arizona Community Foundation** – In 1994, the Arizona Community Foundation (formerly the Tucson Community Foundation) provided leadership to develop a funding consortium with the United Way and the City of Tucson to support neighborhood capacity building. PRO Neighborhoods (People, Resources, Organizations in Support of Neighborhoods) was created. PRO Neighborhoods serves as an intermediary for the funding consortium by managing the neighborhood small-grants program and providing technical assistance to low-income neighborhood groups on a county-wide basis (urban and rural). PRO Neighborhoods has six staff and assists groups working together to mobilize and build upon existing talents and resources within the community. PRO Neighborhoods maintains a resource library, organizes workshops, and assists groups with project development. Assistance is provided in the running of a grassroots neighborhood group (such as fundraising and managing money) and in gaining skills needed for the day-to-day work of grassroots groups. Skill areas include basic community organizing, how to get people involved, working with diverse people, project planning and management, designing newsletters, and getting the word out to the media. Grants are made three times a year and staff members work with grantees to foster partnerships between residents and neighborhoods.

Issues to Consider in Assessing Program Opportunity

There are larger institutional factors to be considered in choosing how to frame program goals, the appropriate level of investment, and expected outcomes. More ambitious goals call for a deeper level of investment – which may involve levels of grant dollars invested, the scale of staff and other organizational resources required, and the degree to which the support of other partners and investors becomes crucial to achieving the desired result. In principal, with deeper investment, there ought to be bigger rewards, whether measured in levels of resources attracted and leveraged, or neighborhood improvements achieved, or policy changes brought about, or enhanced institutional effectiveness and credibility for the funder within a local civic decision-making setting. In principal too, more ambitious goals often entail increased risks, the most common of which is the potential that results will fall far short of expectations.

All these strategic institutional factors suggest that decisions about how best to define and position a neighborhood grantmaking strategy for optimal effectiveness need to be made thoughtfully and with considerable attention to the “art of the possible.” The assessment uncovered several instances in which changes in local conditions or within the funding organizations had significant implications for whether and how small-grants programs were sustained and how they were focused. Clearly these changes are a critical aspect of the ebb and flow that seems to be characteristic of small-grants programs.

Taking these various factors into account, we think a case can readily be made for periodically reviewing the goals, strategy, level of investment, and expected outcomes of all small-grants programs, with an eye to spotting opportunities for increasing program effectiveness and impact. Whether a funder chooses to position small grants as a freestanding program or to use small-grants activities as a platform for a broader strategy,

An Incubator for Neighborhood Supports

Participation in the Mott initiative enabled the Winston-Salem Community Foundation to increase its efforts to provide leadership and financial support to “build community.” In the 1990s the foundation’s assets were less than \$75 million, and there was no community infrastructure. Although the Winston-Salem Community Foundation was not selected to receive an operating grant from the Mott Foundation, they chose to move forward with plans they had developed and participated as an adjunct site. The benefits of that decision are now evident in the community.

In 1991, the foundation began the Neighbors for Better Neighborhoods (NBN) program for low-income communities. It provided technical assistance and small grants to neighborhood associations working to improve the quality of life where they live. Its premises were that human resources could be reclaimed and healthy neighborhood leadership developed, and that improvements in both physical and human assets would contribute to the vitality of the whole community.

Neighbors for Better Neighborhoods offers neighborhoods the first steps to empowerment by providing assistance to communities in identifying potential community leaders, and then building relationships among residents in order to develop the necessary climate of cooperation that will advance a community’s identity and lead to more formal associations and organization. The Neighborhood Institute for Community Leadership (NICL) is the leadership development program of NBN. Its goal is to provide access to professional training and skill-building opportunities in an atmosphere where leaders can establish relationships, exchange information, and increase individual and organizational capacity to improve community life.

As NBN evolved, it became apparent that the physical infrastructure of the neighborhoods needed to be developed as well. In 1997, the Winston-Salem Community Foundation led the effort to bring LISC to Forsyth County. As a result, community development corporations were established in the neighborhoods that were receiving small grants from NBN. The NICL curriculum was divided into two major disciplines – Leadership Development and Community Development. The Leadership Development discipline focuses on developing the skills of grassroots leaders participating in neighborhood and community development organizations that address community issues. The Community Development discipline is designed specifically for board members of CDCs, nonprofits, and neighborhood associations that may be involved in development or revitalization efforts. The latter discipline is more technical and emphasizes a knowledge base in real estate, urban planning, program development, and community economic development. Today NBN is an incorporated supporting organization of the Winston-Salem Foundation and is governed by a volunteer board of directors. NBN receives financial support from the Winston-Salem Foundation, Mary Reynolds Babcock Foundation, the City of Winston-Salem, Sara Lee Corporation, Z. Smith Reynolds Foundation, and from individual and community contributions.

In 1999, the Foundation took its program learning to the next level and launched a new social capital initiative called the ECHO Fund (Everyone Can Help Out). In 2003, the most ambitious ECHO initiative was launched when the Winston-Salem Foundation served as the incubator for the ECHO Council. The ECHO Council is a diverse group of community leaders from various segments of the community including resident groups, businesses, nonprofits, clergy and government. The ECHO Council has been charged to work as a promoter, facilitator and advocate for social capital and diverse and inclusive leadership. Although the ECHO Council was convened by the Winston-Salem Community Foundation, it is an autonomous body with its own purpose. The \$2.5-million initiative to grow social capital through ECHO grants was completed in 2005; since then the foundation has integrated what it has learned about social capital and community into its regular grantmaking.

there are several queries that ought to be made as part of the process of assessing what kind of approach is most appropriate.

- **Level of funder experience and capacity.** It is important to start where you can start, gain experience and then plan to go deeper. If you are considering an opportunity to reframe an existing program to achieve expanded scale or a more ambitious goal, what additional skills may be needed? Are they readily available in-house; if not, how will they be secured?
- **The local support system for neighborhoods.** What is already in place in the local context that can be drawn upon to support and strengthen resident-led groups and leaders? Who are the players? Where are the gaps in funding, technical assistance, and advocacy? What is your best opportunity for strengthening the system of support for resident voices in your community? What level of investment will be needed to support this opportunity?
- **Values alignment.** What is the fit between grassroots grantmaking values and your organization's external image and internal culture? Where is there alignment? Where will there be tension? What will be required to create alignment if it's not there already? Given all these factors, what level of institutional support will be available?
- **Potential investment return and associated risks.** What are the possible benefits of entering into or expanding a grassroots grantmaking initiative? What are the potential risks? What is the best way of defining and communicating the investment return?

If there is one idea that emerges from the above discussion, it is that the investment a funder chooses to make in small-grants work will only prove effective if is based on clear thinking about strategic questions such as these, and if there is a willingness to revisit the overall program strategy from time to time as external and internal conditions change.

Conclusions and Broader Lessons

In this final chapter, we step back from the findings and observations offered in the previous chapters and begin to draw together the important ideas that have emerged during the assessment. First, we frame several of the larger conclusions to be drawn about the legacy of the Mott Foundation's investment, and the sustainability and effectiveness of grantmaking aimed at resident-led neighborhood groups. Then we consider the assessment's implications for national and local funders who may already be involved in grassroots grantmaking or who may be contemplating joining their ranks. Finally, we consider a few specific lessons for Grassroots Grantmakers to consider as it looks for additional ways to advance the practice of grassroots grantmaking.

Key Conclusions from the Assessment

By way of summary, we would offer the following general conclusions from the previous chapters of this report:

- **The Mott Foundation's investment in the Community Foundations and Neighborhood Small Grants program has left behind an impressive and lasting legacy.** The evidence uncovered in this assessment provides ample proof of the soundness of the Foundation's notion that its interests in community foundations and neighborhood revitalization could be brought together to benefit both fields. For reasons that may be difficult to fully explain, both the idea and the time were right. The idea that community foundations were well positioned to undertake a new kind of smaller-scale grantmaking to support resident-led neighborhood groups gained strength during the years of the program and has continued to attract interest ever since. The fact that so many of the original Mott sites have sustained their commitments to small-grants programs and activities is a clear indication that this work is yielding a variety of benefits – both within the communities where such grant dollars are flowing and, to varying degrees for the community foundations themselves.
- **The practice of grassroots grantmaking that originated largely with the advent of the Mott program is itself healthy and expanding.** Also part of the Mott program's legacy is the growing number of funders involved in neighborhood small-grants work, and the expanding role of Grassroots Grantmakers. The number and diversity of funders now providing small grants and other forms of support to neighborhoods is further evidence of the soundness and appeal of the approach. Although community foundations continue to represent the majority of funders involved in grassroots grantmaking,

other place-based funders have joined their ranks, an indication that the idea fits with the strategies and interests of a broad array of philanthropic organizations who see value in connecting with and supporting smaller, resident-led groups. The expansion of neighborhood small-grants work suggests that the Mott investment is continuing to yield dividends well beyond the scope of the original program. There is now a growing consensus on the value of small-grants work as a community-building strategy that benefits resident-led groups and neighborhoods while also strengthening and complementing other philanthropic goals.

■ **A number of common factors contribute to the sustainability of small-grants programs, despite significant differences in local settings.** Among the factors that emerged as important in our conversations with funders engaged in this work are: (1) programmatic goals that are realistic and in line with the scale of resources that have been committed; (2) a perceived return on investment, often expressed as a way of hearing from and being connected to low-income residents and neighborhoods; (3) a stable source of program funding, often including both discretionary and donor-advised funding, and sometimes involving multiple funding partners; (4) higher-level institutional commitment to the program, usually consistent with an understanding on the part of senior leadership that a “relational” style of grantmaking takes time and requires sufficient staff resources to achieve both programmatic and institutional goals; and (5) respect for the voices and involvement of residents in broader decision-making. Expressed differently in the specific strategies evident across different local settings, these factors do help to explain why so many of the neighborhood grantmaking activities that began during the Mott years have continued to this day.

■ **Small-grants programs vary significantly in scale and the scope of their community impact.** Some program differences are the result of different opportunities and constraints in local settings. Although the overall level of investment being made does affect their impact, other factors are often of equal or greater weight. Among these are how the program is positioned with the funding organization and in the broader institutional environment, the kinds of working relationships that exist with neighborhood groups and leaders, the program’s connection to other local programs

*Small grants
can be a key
to building
healthy
neighborhoods.*



and resources, the strategies guiding how grants are made, and the level and quality of staff engagement and leadership.

■ **As the practice of grassroots grantmaking matures, there are numerous opportunities for learning, leading to improvements in the effectiveness of small-grants programs.** For

funders who are already engaged in this work, and for funders who are thinking about this approach to grantmaking, the potential for drawing lessons from others has never been greater. For individual funders, there may be value in undertaking a systematic assessment of the kind described earlier to help in determining where a current or planned program falls among the different kinds of small-grants approaches now being implemented. For convening organizations such as Grassroots Grantmakers, there are untapped opportunities for encouraging more joint learning across programs, for undertaking additional research on issues of effectiveness and impact, and for expanding the conversation with other grantmaking groups with overlapping interests.

Philanthropy is increasingly seeing the value of and the need for rebuilding the civic infrastructure — engaging residents of low-income neighborhoods as citizens.

Implications for Grantmakers

Philanthropy is increasingly seeing the value of and the need for rebuilding the civic infrastructure — engaging residents of low-income neighborhoods as citizens as a way to address growing economic and racial inequity. For many foundations, these are the issues that drove their original formation and to this day shape their mission and work. The following section examines the implications of this assessment for how grantmakers might expand, enhance, refocus or rejuvenate their efforts.

Lessons for National Foundations

There were several design elements in the Mott program that contributed to the legacy described in this assessment. As national foundations continue to think about how their investments can contribute to resident-led neighborhood improvement efforts, the following lessons could be considered:

■ **Find the right balance between prescription and flexibility.** There is usually some value in establishing a few prescriptive elements to be sure that new programs are aimed in the right direction. In the case of the Mott program, there was clarity about a number of basic program parameters (e.g., maximum size of grants, types of groups to receive grants, the required amount of local match). But there was also considerable flexibility permitted, leaving local program partners the latitude to determine how the program would be structured, funded and operated (e.g., sources of the required funding match, rural or urban focus, the technical assistance scope, and how grant decisions would be made). If every detail of program implementation is pre-defined, the incentives for local partners to participate tend to be focused solely on the money. If local partners have room to put their own imprint on the program design within their

Women work together at the Native American Connections Guiding Star Lodge in Phoenix, Arizona.



particular local context, and are challenged to step outside of their comfort zone, the chances for sustained local ownership increase.

■ **Create a learning community within the initiative you are supporting.** In the case of the Mott initiative, cross-site learning was encouraged by the decision to lodge evaluation and technical assistance in one entity. This approach supported local innovation while at the same time providing “real time” feedback and support for mid-course corrections. In the Mott case, the entity selected to provide this coaching role fit well because it understood and shared the program values, and had a working knowledge of the partner organizations, and a capacity to document and communicate the learning.

■ **Be explicit about the level of institutional commitment and change by local partners that is needed for success.** In the case of Mott, it was well understood by the program’s designers that successful implementation would require significant learning and change within local community foundations. As a result, the program offered not only core program support, but also technical assistance to the community foundations to enable them to learn how to make the necessary changes. This support made it possible for local funders to bring on staff and get them integrated into the organization and also the emerging funder network. The broader lesson from the Mott experience is that it is critical to acknowledge the internal barriers that local partners face in introducing program innovations and provide sufficient resources to ensure the program can be introduced successfully.


■ **Look for opportunities to establish a solid longer-term financial basis for whatever new program or activity is being encouraged.** In the case of Mott, this was accomplished through the local match requirement – a requirement that was tougher in the second round. There was a clear expectation on the part of Mott that the programs would continue beyond the term of the funding and a clear signal that planning ought to occur locally for how the program would be funded and continue to operate (in fact, there was an emphasis on strategies for raising money locally in one of the cross-site meetings.) There are numerous ways of encouraging thinking early on about how to

build longer-term financial stability; for example, a national foundation may want to encourage the establishment of an endowment and/or multiple funding partners to ensure there is a base of consistent local funding for grassroots groups over time.

Lessons for Foundations Currently Engaged in Grassroots Grantmaking

Based on the current composition of Grassroots Grantmakers' membership, there are a growing number of community foundations, family foundations and United Ways now operating small-grants programs. Some lessons that could apply to these efforts include:

- **There is no one best way to do this work.** Significant results can be achieved from program approaches of different scope and complexity, as described in Chapter 3. The important thing is to find and trust your own way of working. This means knowing what stands a chance of working within your local setting and within your own institutional constraints. More ambitious program goals require a deeper level of organizational support. As was argued earlier, it is critical to be clear about where you are and what you are trying to accomplish.
- **Allow for the possibility that conditions change and plan for some degree of ebb and flow in the work.** In order for a program to grow and not become stagnant, the funding organization needs to acknowledge that an engaged style of grantmaking requires considerable flexibility and often takes a great deal of time. The more holistic and multi-faceted the grantmaking approach, the more engagement will be needed and the more staff time and skill will be required. Seldom can program approaches that involve a significant commitment to capacity building and leadership development, or that encompass broader social change goals, such as were described in Chapter 3, be done as a portion of one person's job.
- **Look for ways of embedding the program within the foundation and community to ensure its longer-term stability and institutional benefit.** The more a new program can be embedded, structurally and relationally, in a web of supportive relationships with many allies and partners, the less likely it is to be marginalized as a distinct initiative or activity that has no relation to other aspects of the foundation's work. Some sites reviewed in the assessment showed that if the program is being championed only by the person responsible for it, and the foundation leadership is not systematically promoting the program to donors and community partners, the program is considerably more vulnerable to shifting organizational priorities and funding decreases. However, when it is embraced more broadly within the organization and enjoys the support of its leadership, there are more likely to be continuous opportunities for integration, expansion and external credibility.



It is critical to be clear about where you are and what you are trying to accomplish.

- **Resident voices can reinforce a program's value and impact.** As can be seen in some of the sites included in the assessment, the goal of strengthening resident voice can be part of the rationale for repositioning small-grants programs within a foundation,

and for repositioning the foundation within the broader community. Some foundations we talked to appreciate and value the opportunities associated with this strategy, and their program approaches are consistent with this goal. For this type of strategy to be feasible, there needs to be an institutional commitment to the value of resident voice as an ongoing part of the foundation's business (whether the program is operated by the foundation or housed elsewhere in the community and supported by the foundation).

Lessons for Foundations New to Grassroots Grantmaking


As more foundations are considering how they can connect with neighborhoods and new constituencies and are in the process of designing new programs, there are some particular lessons from the assessment that could apply to their efforts. These include:

- **Be clear about why you are considering a small-grants program.** The assessment found that programs that have clear goals are more likely to be both sustainable and effective. Are you responding to a particular gap in the community? Are you a community impact United Way and looking for ways to expand your civic engagement goals beyond traditional volunteerism? Are you a community foundation looking for ways to change your institutional image? Are you a family foundation with younger family members joining your board who may have a particular interest in community organizing? Each situation suggests somewhat different goals and may lead to a different program strategy. In addition to specifying goals that fit your unique situation, it is also helpful to define where you are on the continuum of grassroots grantmaking experience. If you are just starting out with this kind of work, it doesn't make sense to undertake more than you are ready to do. It is far better to start out modestly and build relationships; later it will be easier to move toward goals that are more challenging and a more ambitious program strategy.
- **Understand your own organizational capacity and the kinds of capacity you will need to develop in order to implement a program well.** What experience does your foundation have working with non-traditional grantees? If your experience is limited, it may make sense to work with a mentor from another funding organization who can guide you through key decisions and provide coaching when you need it. It may also

The Arizona Community Foundation has helped address issues such as early childhood development and education.



make sense to invite residents to help you think about how to shape the program so that it aligns with the needs and capacities of the kinds of resident groups you would like to support. Do you have staff with the appropriate skills and experience to both work side-by-side with residents in church basements and also to present the program to your board of directors?



A well-designed program may include an array of different technical assistance supports that may change as the program moves from launch to implementation.

Can your organization commit the various types of staff and other resources needed for more ambitious programs requiring a relational style of grantmaking? In these and other ways, it is critical to align your resources with the practical requirements of the program you choose, and ensure there is sufficient staff to manage the program well.

■ **Think through how you can best invest in technical assistance and capacity-building as a core program element.** The assessment feedback from the majority of sites confirms the centrality of technical assistance activities (which might be staff support in proposal writing, or training programs and convenings, or leadership development activities, or more specialized technical support.) A well-designed program may include an array of different technical assistance supports that may change as the program moves from launch to implementation. The technical assistance component often requires significant time on the part of foundation staff, in addition to other external TA resources. The hands-on approach is often a departure from traditional grantmaking. A clear plan for how these activities will be delivered should be present from very early in the overall program design.

Lessons for the Grassroots Grantmakers Network

As Grassroots Grantmakers evolves as an affinity group and its membership continues to grow, it has an opportunity to play a larger and more central role in sharing practical knowledge, shaping the development of existing and new programs, and encouraging new foundations to expand the ranks of funders interested in supporting neighborhood groups and leaders through small grants and related community-building activities. This assessment also has implications for Grassroots Grantmakers in where it chooses to focus its efforts and how it positions itself to advance grantmaking practices. Following are several lessons that may be of particular interest:

■ **Continue to reach out to funders and explore new ways of strengthening connections within a growing community of practice.** The fieldwork undertaken for the assessment provided further confirmation of the interest that individual grantmakers have in understanding how grantmaking practices are evolving and what their peers are doing to sustain their programs, refine their approaches, and deepen their relationships with grassroots organizations. Grassroots Grantmakers has recently focused much of its effort on convening activities such as topical conference calls and annual conferences. There is every indication that these activities are valued by members and well worth continuing. But there are other opportunities that could also be explored for deepening the peer relationships that now exist within the network. Depending on its ability to attract additional organizational support for staff and programs, Grassroots

A small grant helped in the development of this playground.



Grantmakers should continue exploring how best to expand its program to include an array of learning tools (guidebooks, self-assessment frameworks, program-planning tools) as well as professional learning activities such as cross-site study visits, practice workshops, and peer consulting assistance in reviewing, comparing and critiquing individual programs.

■ **Become an advocate for excellence in this kind of grantmaking, raise the bar, promote best practices.** The cross-site program knowledge and the variety of sustainability and effectiveness factors identified in the assessment provide plenty of new material for Grassroots Grantmakers to use in pursuing opportunities for further promotion of best practices, success measures and other techniques for communicating what is working and how common program positioning and implementation problems are being solved by members of the network.

■ **Invest in more research on effectiveness and impact.** This assessment has provided an initial foundation for what might be a continuing research program that Grassroots Grantmakers is well positioned to undertake for its members and others in philanthropy. Such a program would help to deepen understanding of how small-grants programs are being received by neighborhoods and groups, and the kinds of impacts they are producing. A clear limitation of the fieldwork undertaken for this study is that it did not reach beyond the community of funders who are now engaged in small-grants programs. The perspectives of grantees and other community observers would yield another level of qualitative feedback on current programs and their interconnections with other kinds of community building and neighborhood improvement investments. Such a research agenda would have value for Grassroots Grantmakers and its members in informing best practice and for making the case for the value and role that small-grants programs play as part of a broader agenda of strengthening resident voice and leadership and improving the quality of life of urban and rural communities.

■ **Understand the broader philanthropic context and other places where deeper knowledge of this type of neighborhood grantmaking may be relevant.** One of the opportunities that Grassroots Grantmakers has yet to explore is whether it could add value beyond its own membership by better understanding how small-grants work fits

within a broader array of community-building efforts that generally focus on lower-income neighborhoods and rural communities. Small grants work is just one part of a much broader sector of philanthropy, and as knowledge of best practices within the ranks of its own members continues to grow, and as the size of the network continues to expand, Grassroots Grantmakers is increasingly well positioned to act as a bridge between the specific interests of its membership and broader philanthropic interests that encompass community change, community organizing, and other aspects of urban revitalization. Pursuing this opportunity would require that Grassroots Grantmakers and its members be willing to invest in being more engaged in broader arenas that include other convening organizations and national funders with agendas that encompass resident engagement and community change. Such engagement could lead to increased joint learning projects and convenings, as well as new affiliations and even mergers that would significantly expand the potential for influencing both philanthropic and public-policy trends.

Credits

Text: Tom Burns, Urban Ventures Group, *Philadelphia, Pennsylvania*
Laura Downs, Morrison Downs Associates, *Milford, Connecticut*
Janis Foster, Grassroots Grantmakers, *Hallettsville, Texas*

Photos: Pages iv, 13 – Rick Smith, Rochester, Michigan
Pages viii, 23 – Parker Smith, *Avondale Estates, Georgia*
Pages xi, 38 – George Waldman, *Detroit, Michigan*
Pages xiii, 40, 42 – Saul Bromberger/Sandra Hoover Photography, *Alameda, California*
Pages 6, 16 – David-Lorne Photographic, *Owosso, Michigan*
Page 19 – Mike Inderrieden, *The Dayton (Ohio) Foundation*
Page 44 – Lee Malis, *Spectrum Pictures*

All photographs are from “*Sowing the Seeds of Philanthropy: Two Decades in the Field of Community Foundations*” (March 2001) and used with permission of the Charles Stewart Mott Foundation, *Flint, Michigan*

Design: Olmsted Associates Inc., *Flint, Michigan*

Printing: Riegle Press Inc., *Davison, Michigan*

Contact information: **Grassroots Grantmakers**
P.O. Box G
Hallettsville, TX 77964
Tel: 361.798.1908
Fax: 361.798.1809
Web: grassrootsgrantmakers.org
e-mail: info@grassrootsgrantmakers.org



grassroots
GRANTMAKERS™

P.O. Box G
Hallettsville, TX 77964
Tel: 361.798.1908
Fax: 361.798.1809
Web: grassrootsgrantmakers.org
e-mail: info@grassrootsgrantmakers.org