

A Philanthropy at Its Best® Report

REAL RESULTS

Why Strategic Philanthropy *is* Social Justice Philanthropy

By Niki Jagpal and Kevin Laskowski

ACKNOWLEDGEMENTS

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ABOUT THE AUTHORS

Niki Jagpal has been NCRP's the Research and Policy Director since 2007. She came to NCRP from the research department at Media Matters for America, a web-based nonprofit progressive research and information center. Previously, Niki worked at Ipas, an international organization that works to enhance women's reproductive rights and health. Niki holds a bachelor's degree in history and cultural anthropology from Duke University and a master of public policy from Georgetown, with a concentration in education, social and family policy. She has studied community organizing and social change with Marshall Ganz at the Harvard Kennedy School of Government. Her thesis on racial inequality in the United States was accepted for an inaugural institute on race and wealth funded by the Ford Foundation at Howard University's economics department. At Georgetown, she assisted with research at the Center for Juvenile Justice Reform and Systems Integration and studied advocacy and social change with Pablo Eisenberg. Niki's research interests include structural racialization, which, she has studied with John A. Powell, director of the Haas Institute for a Fair and Inclusive Society and Robert D. Haas Chancellor's Chair in Equity and Inclusion at the University of California, Berkeley.

Kevin Laskowski is NCRP's senior research and policy associate. He joined NCRP in 2009 as field associate, successfully coordinating membership services and supporting the field department in national partnerships, collaboratives and other special initiatives. Prior to joining NCRP, Kevin served as a program coordinator for the National Center for Family Philanthropy. Kevin holds a B.A. in Government and International Politics from George Mason University.

Cover photos – Top left: Students at Gateway Math and Science Elementary School work on a census lesson during the St. Louis launch of the Census in Schools program. Courtesy of U.S. Census Bureau, Public Information Office. Middle left: As many as 5,000 people are estimated to have participated in Seattle's March and Rally for Health Care Reform on May 30, 2009. Photo Credit: Neil Parekh/SEIU Healthcare 775NW.

Bottom Right: "Don't Hesitate, Communicate," Shoulder To Shoulder City-Wide Youth Banner Project, 2000. In partnership with the City of Los Angeles Human Relations Commission, SPARC and UCLA.

REAL RESULTS

Why Strategic Philanthropy *is* Social Justice Philanthropy

The crises affecting our nation and the world have prompted philanthropists to become more organized, focused and, perhaps above all, “strategic” in their efforts. The movement toward “strategic philanthropy” has already contributed to greater philanthropic effectiveness. Yet, despite important contributions to education, health, the arts and the environment, it is clear that philanthropy’s ultimate impact is still limited. Great disparities along the lines of race, gender, class and other identity markers persist and, in some cases, are even exacerbated.

This suggests that something is missing from our sector’s understanding of what makes for truly strategic and effective philanthropy:

- A clear understanding of one’s goals includes not only the desired impact but also identifies who will benefit (or not) and how.
- A commitment to evidence-based strategy cannot ignore the tangible, positive

impact – and often the necessity – of influencing public policy.

- Keeping a philanthropic strategy on course requires the input of those who stand to gain or lose the most from grantmaking: the grantees and the communities they serve.

Truly strategic philanthropy is social justice philanthropy.

Philanthropy contributes a fraction of the needed monies to ameliorate great socio-economic inequities, but grantmakers have an opportunity to maximize the impact of their dollars by adding a “social justice lens” when developing their strategies.¹ Unless grantmakers intentionally prioritize and engage underserved communities and invest in various forms of advocacy, organizing and civic engagement to effect change, they are unlikely to achieve their goals, regardless of their mission or program focus. **The future of philanthropy lies in bringing together justice and strategy.**

High Impact Strategies for Philanthropy

In 2009, the National Committee for Responsive Philanthropy (NCRP) published *Criteria for Philanthropy at Its Best: Benchmarks to Assess and Enhance Grantmaker Impact*.² A call to increase investments in underserved communities, public policy engagement and general operating and multi-year support, *Criteria* was produced as a helpful tool for all grantmakers that could help maximize the impact of a foundation’s mission or issue focus.

Responding to questions from funders about how the metrics in *Criteria* applied to their grantmaking for particular issues, NCRP completed a series of research reports as part of its High Impact Strategies for Philanthropy (HISP) project. From October 2010 through February 2012, NCRP partnered with Grantmakers for Education, Grantmakers In Health, Grantmakers in the Arts and the Environmental Grantmakers Association to develop in-depth reports on education,³ health,⁴ arts and culture⁵ and the environment,⁶ respectively. Each report is available on NCRP’s web site at <http://www.ncrp.org/paib/high-impact-strategies-philanthropy>.

Authored by experts in each field, the reports included analyses of grantmaking trends, stories of success and recommendations for funders. The HISP series demonstrates powerfully that prioritizing underserved communities and social justice can help funders across all issues maximize their impact. Each report is summarized in sidebars of this publication.

DEFINING STRATEGY AND SOCIAL JUSTICE

What is strategic philanthropy? What is social justice philanthropy?

The concept of “strategic philanthropy” has gained great currency in recent years with the rise of donors demonstrating a renewed concern for maximizing the impact of their grants. A number of organizations, Grantmakers for Effective Organizations, the Center for Effective Philanthropy, TCC Group, FSG and Bridgespan Group, among others, have adopted the discourse and study of philanthropic strategy, effectiveness and impact, bringing interested donors and foundations together and further informing this movement. Substantial literature for donors and philanthropy professionals on philanthropic strategy has emerged as well, including works by Peter Frumkin,⁷ Thomas Tierney and Joel Fleishman,⁸ and Charles Bronfman and Jeffrey Solomon,⁹ among others.

As Paul Brest and Hal Harvey describe strategic philanthropy in their 2008 book on the subject:

Strategic philanthropy consists of: Clearly defined goals, commensurate with resources; strategies for achieving the goals; strategies that are based on sound evidence; and feedback to keep the strategy on course. Strategic philanthropy deploys resources to have maximum impact to make the biggest possible difference.¹⁰



Simultaneously, there is rekindled interest in “social justice philanthropy,” both as part of a long history of community-based and community-driven philanthropy and in response to strategic philanthropy’s often linear, technocratic view of social change. Albert Ruesga and Deborah Puntenney argue that social justice philanthropy draws on a number of familiar and related philosophical traditions and concepts, including universal human rights, fairness, the rule of law and community empowerment.¹¹

The National Committee for Responsive Philanthropy (NCRP) has long promoted and documented the work of these social justice philanthropists. While they may have varying understandings of what actually comprises “social justice” in the charitable sector and whether and how philanthropy can best advance it, it is possible to define and measure levels of such giving.¹²

NCRP helped to craft the Foundation Center’s definition of social justice philanthropy as “the granting of philanthropic contributions to nonprofit organizations based in the United States and other countries that work for structural change in order to increase the opportunity of those who are the least well off politically, economically and socially.”¹³

Most recently, NCRP’s High Impact Strategies for Philanthropy (HISP) series examined the role that social justice philanthropy can and could play in various issue areas. Perhaps the most important lesson of these reports is that when these two philanthropic movements are at their best, they are in fact one and the same.

THE LIMITS OF STRATEGIC PHILANTHROPY

Strategic philanthropy must grapple with its preference for linear, top-down, technocratic solutions to community problems.

Each of the HISP reports portrayed a philanthropic landscape in which there is much to praise but also much to be done. Persistent disparities keep certain communities from equal opportunity:

- While the public schools attended by some U.S. students are among the best in the world, other children are cast off into unsafe, unsupportive, unchallenging and under-resourced schools where their chances of academic success are minimal.¹⁴
- Despite medical advances that have increased life expectancy and quality of life for many of its citizens, the United States spends more money for its fragmented, unequal and inefficient health care system than any other developed country in the world (17.6 percent of our GDP) - only to have a less healthy population than similarly resourced countries.¹⁵
- A rich, dynamic nonprofit arts sector contributes billions of dollars to the economy,¹⁶ but the evidence suggests that most arts philanthropy is not meeting the needs of our most vulnerable populations, failing to nurture an essential means of expressing identity, overcoming difference and effecting social change.¹⁷
- Despite grantmakers' provision of \$10 billion in grants to environmental causes from 2000 through 2009, environmental initiatives have been stalled at the federal level for decades while existing regulations have been rolled back and undermined.¹⁸

Even as philanthropy has attempted to become more strategic, many of these disparities have only widened. Albert Ruesga, president and CEO of the Greater New Orleans Foundation, contends:

These disparities also highlight, in my view, the significant shortcomings of philanthropy-as-usual. To make the same kinds of grants year after year to the same communities, to see the same disparities persist and even widen, and not to question deeply one's whole approach to giving, is to do philanthropy in bad faith. Social justice philanthropy offers us a way of recommitting ourselves to philanthropy's great aims while holding ourselves accountable for its heretofore lackluster outcomes.¹⁹

TABLE 1: THE LIMITS OF STRATEGIC PHILANTHROPY

| STRATEGIC PHILANTHROPY | ITS LIMITS |
|-------------------------|---------------------------------------------------------------|
| Clear goals | Narrow foci, tunnel vision, silos |
| Evidence-based strategy | Burdensome paperwork, short-term goals, eschews public policy |
| Feedback | Linear, technocratic view of social change |

Kristi Kimball and Malka Kopell, former program officers at the William and Flora Hewlett Foundation, argue, "The strategic philanthropy movement has been a positive influence in recent years by encouraging foundations to clarify their goals and regularly evaluate their progress. But it has also fueled practices that undermine the nonprofit sector's impact, rather than amplify it."²⁰ The excesses of philanthropic strategy – narrow foci, burdensome paperwork and an overly technocratic view of social change – render foundations unresponsive to grantees and the wider community.

Strategic philanthropy requires substantive attention to issues of fairness and justice to achieve its vision of greater impact. Gara LaMarche writes that the strategic philanthropy movement "has strayed too far from why anyone should be concerned about effectiveness at all, from passion about the deep and tenacious societal inequities that move anyone to philanthropy in the first place."²¹

As Paul Connolly of the TCC Group wrote, the last 15 years have witnessed a trend toward a more technocratic philanthropy, which is often seen as the diametric opposite of humanistic philanthropy. He contends that the two approaches are part of a continuum and that the best elements of each should be balanced for foundations to be more effective: the disciplined strategies and results-focus from the technocratic side along with

the values and flexibility of the humanistic approach. “Staff and board leaders at foundations should articulate the humanistic-technocratic blend they desire, deliberately distill it into the organizational culture and everyday practices, and hire staff who possess multiple intelligences.”²²

Social justice philanthropy is strategic philanthropy:

- A clear understanding of one’s goals requires an understanding of who will benefit and how.
- A commitment to evidence-based strategy acknowledges the imperative of influencing public policy by funding advocacy, community organizing, civic engagement and other related activities.
- Setting and keeping a justice-driven strategy on course requires the input of those who stand to gain or lose the most from grantmaking: the grantees and the communities they serve.

It is this dual commitment to justice and strategy that has invigorated many successful philanthropic efforts. The HISP series details a number of such victories. Unfortunately, as LaMarche notes, “Even those relatively few

[foundations that] are comfortable supporting public policy advocacy tend not to talk about it, or make any effort to knit the disparate issues and problems they deal with into a larger frame.”²³

Those grantmakers that have attempted to influence public policy have voiced the frustrations that come when even the most sophisticated of strategies runs aground on the shoals of politics. As Paul Brest noted in his reflections on the Hewlett Foundation’s experience, “In retrospect, I should have known better ... Foundations that continue to deal with political polarization, not to mention the role of money in U.S. politics, will need to develop strategies based on a more realistic understanding of human nature and political behavior.”²⁴

Brest and Harvey have argued that “a sound strategy makes success possible; its absence virtually ensures failure.”²⁵ We contend that justice is integral to sound strategy, and that it is the absence of justice, particularly the game-changing influence of those most affected, from discussions of strategy that has diminished philanthropy’s ultimate impact.

When so many systemic disparities persist despite billions of philanthropic dollars being invested in various programs and communities, how successful have even the most strategic philanthropic interventions really been? Indeed, philanthropy’s relatively scarce resources will never by themselves solve the systemic problems that manifest themselves as disparities in our society. That is why philanthropy needs to leverage its limited resources by prioritizing and empowering underserved communities.

Figure 1 demonstrates the hoped-for trajectory of strategic philanthropy. As philanthropists have become more concerned with demonstrating effectiveness, they have tended to adopt the hallmarks of strategic philanthropy, e.g., standardized application and reporting requirements, grant evaluation and metrics. The emphasis on broader systemic transformation, prioritizing and including underserved communities and support of community organizing – stances and tactics long understood by social justice philanthropists – are comparatively neglected. These paths are

FIGURE 1. STRATEGIC PHILANTHROPY’S LEARNING CURVE: BRINGING JUSTICE AND STRATEGY TOGETHER FOR PHILANTHROPY AT ITS BEST



not necessarily opposed. Philanthropy is at its best when these twin movements are fused in the service of the common good.

Unless grantmakers prioritize underserved communities and invest in advocacy, organizing and civic engagement strategies to effect change, grantmakers are unlikely to succeed in their strategic goals, whatever they may be. **Justice and strategy must be brought together, so that whatever is just may be strategic, and whatever is strategic may be just.**²⁶

DEFINING GOALS: WHO BENEFITS?

Unless grantmakers intentionally prioritize or “target” vulnerable communities, they risk undermining their own efforts, reinforcing disparities instead of mitigating them.

The question of “who benefits?” must be central to any strategic vision. Social justice philanthropy, with its concern for and relationships with grantees and communities being served, provides a much-needed corrective to strategic excess. Strategic philanthropists are typically attempting to influence some sort of system. Funders might be working to improve a school, hospital, theater or wetland, or the larger networks – organizational, political, ecological – of which they are a part. Without an explicit lens of benefitting those at the margins, donors run the risk of reinforcing rather than mitigating inequities in any issue they fund. For example, funders combating diabetes, breast cancer or HIV would see greater impact if their grantmaking acknowledged higher incidence rates among African American and Latino communities.

By and large, philanthropists do not invest at significant levels with the explicit intention of benefitting underserved and marginalized communities.

Mary Vallier-Kaplan, vice president and COO of the Endowment for Health explains the foundation’s mission “to improve the health and reduce the burden of illness for the people of New Hampshire – especially the vulnerable and underserved” in this way:



Confronting Systemic Inequity in Education

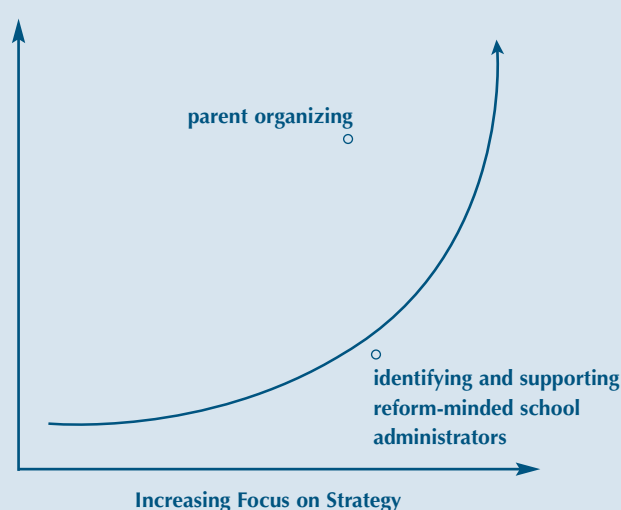
By Kevin Welner & Amy Farley

Many American students – especially those from underserved communities – remain trapped in a vicious cycle of educational inequities and poor outcomes. Education funders would more effectively achieve their missions if they addressed the root causes of intergenerational educational inequalities. They can do so by realigning their grantmaking strategies to meet the needs of communities they aim to serve as articulated by them.

FIGURE 2. STRATEGIC PHILANTHROPY’S LEARNING CURVE: EDUCATION

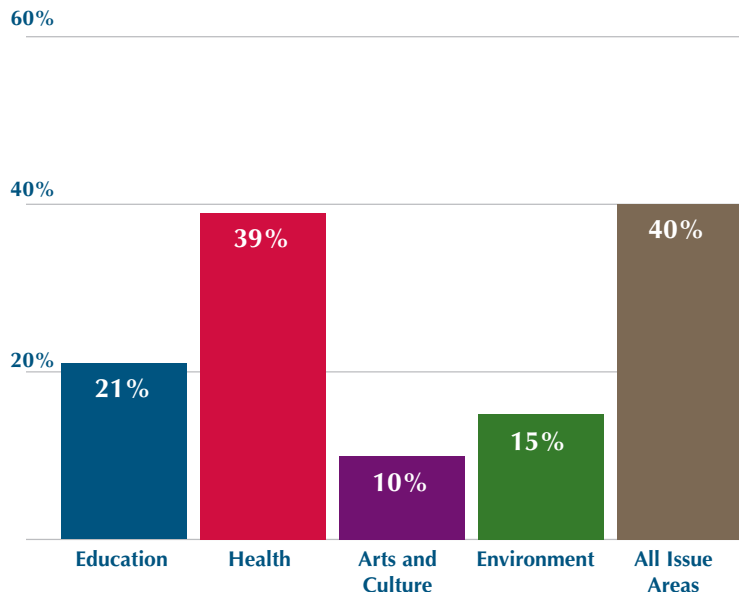
Increasing Focus on Social Justice

- Emphasis on social and systemic change
- Prioritizes and empowers underserved communities
- Advocacy, community organizing and civic engagement by those most affected



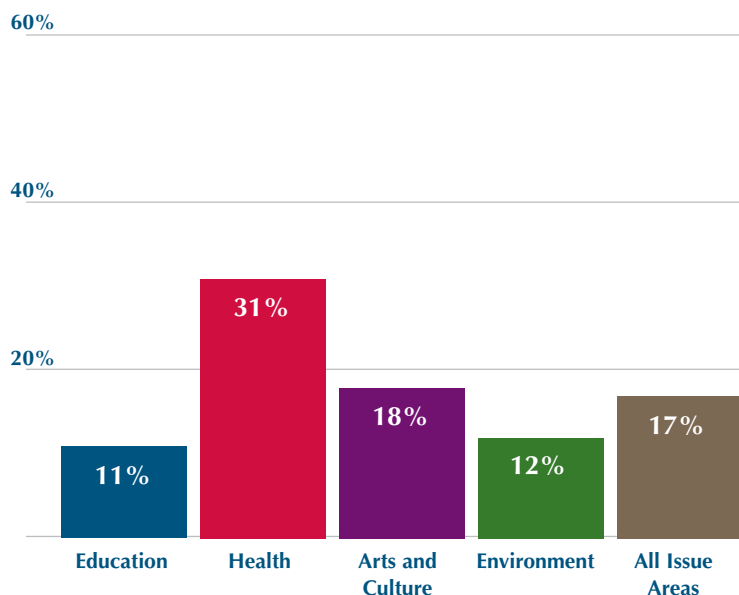
- Emphasis on measurable impact
- Evidence-based strategy
- Clear goals
- Feedback

FIGURE 3. WHAT PERCENTAGE OF FOUNDATION GRANT DOLLARS IN SELECT ISSUE AREAS WERE CLASSIFIED AS BENEFITTING MARGINALIZED COMMUNITIES?



Source: NCRP analysis of Foundation Center data, 2007-2010

FIGURE 4. WHAT PERCENTAGE OF FOUNDATIONS IN SELECT ISSUE AREAS ALLOCATED AT LEAST 50 PERCENT OF GRANT DOLLARS FOR THE BENEFIT OF MARGINALIZED COMMUNITIES?*



Source: NCRP analysis of Foundation Center data, 2007-2010, NCRP encourages funders to provide at least 50 percent of their grant dollars to benefit underserved communities, broadly defined. For foundations with missions that make this benchmark difficult to achieve, NCRP proposes a lower threshold of 20 percent. This chart uses the alternative benchmark for arts and culture and the environment.

Policy engagement work on behalf of vulnerable communities requires courage. We feel it's a responsibility and it's what philanthropy is uniquely able to do, compared to other sectors. While the money we invest in projects is important, leveraging our voice has become a tool far greater than we anticipated ... This is the core idea – it's the role of a foundation that realizes there's a population that doesn't receive fairness, respect and compassion. A foundation should take risks with a population that isn't one that people naturally want to deal with in an integrated approach. We invest \$400,000 a year to provide operating grants with five-year commitments to statewide advocacy, knowledge and capacity building organizations early on because these organizations shouldn't go off-mission. We trust them. Everyone else in the system needs them.²⁷

Universal programs will inevitably benefit some who remain underserved but targeted funding with a social justice purpose has universal impact. For instance, philanthropists often invest in local hospitals and arts institutions. Certainly, many will benefit from these investments, but what of those without health insurance or those who cannot afford admission or transportation to an iconic cultural center? Lack of access to community institutions, often along the lines of income and race, limits philanthropy's success.

In *Fusing Arts, Culture and Social Change*, Holly Sidford notes the work of Cool Culture, which helps “50,000 income-eligible families access and enjoy 90 of New York City's world-class cultural institutions for free, providing children with experiences that improve literacy and learning.”²⁸

The benefits of universal investments do not always trickle down to those that might need it the most; therefore, a truly strategic philanthropist will employ the social justice tool of “targeted universalism.” Targeting funding to benefit underserved communities acknowledges the specific needs of the intended beneficiaries while producing positive universal impact. Targeted universalism “supports the needs of the particular while

reminding us we are all part of the same social fabric.”²⁹ Targeting within universal programs has the potential to make positive contributions to our communities that accrue to each of us.

As Sarah Hansen noted in *Cultivating the Grassroots: A Winning Approach for Environment and Climate Funders*, acknowledging that geography, marital status and other factors serve as constraints that keep certain communities from equality of opportunity puts the onus on grantmakers to ensure that the benefits of grantmaking reach these communities often disproportionately impacted by various harms.³⁰

Further, when the conditions of vulnerable populations improve, there is a ripple effect through which all of us benefit. In *Towards Transformative Change in Health Care*, Terri Langston examines the work of the Campaign for Better Care, funded by the Atlantic Philanthropies and executed by the National Partnership for Women and Families in conjunction with Community Catalyst and the National Health Law Program. The campaign involves patients, their caregivers and consumer advocates in identifying models of coordinated care for people with multiple chronic conditions. The campaign focuses on those who are eligible for both Medicare and Medicaid because, in its words, “If we can make our health system work for them, we can make it work for everyone.”³¹

The Coalition for Educational Justice (CEJ) in New York City provides an excellent example of a coalition that began with a concern about one population of students identified as particularly vulnerable – in this case, low-income children of color – and undertook a campaign that resulted in positive change for all students. In one particularly compelling effort, CEJ built a constituency of predominantly low-income parents of color in Brooklyn neighborhoods who worked with researchers to identify significant educational problems in their community. These concerns grew into a citywide campaign, which led to “the establishment of a Department of Education Middle School Success incentive grant fund of almost \$30 million to support



Towards Transformative Change in Health Care

By Terri Langston

Americans rely on an inequitable, inefficient and expensive health care system where our health outcomes are overwhelmingly determined by social factors including geography, wealth, race and gender. Philanthropy must reconsider its strategies to maximize the impact of its limited contributions relative to those of the public sector and become the highest performing supplement to systemic and institutional reform efforts in health care.

FIGURE 5. STRATEGIC PHILANTHROPY’S LEARNING CURVE: HEALTH

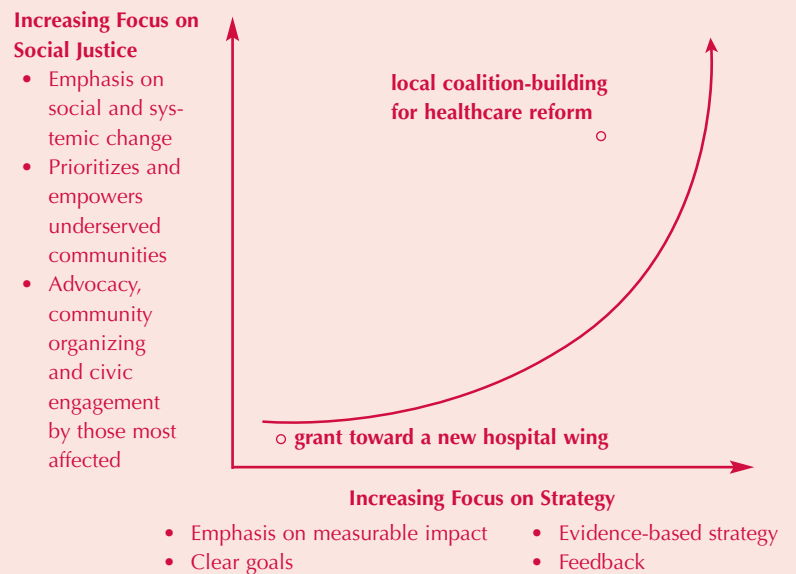
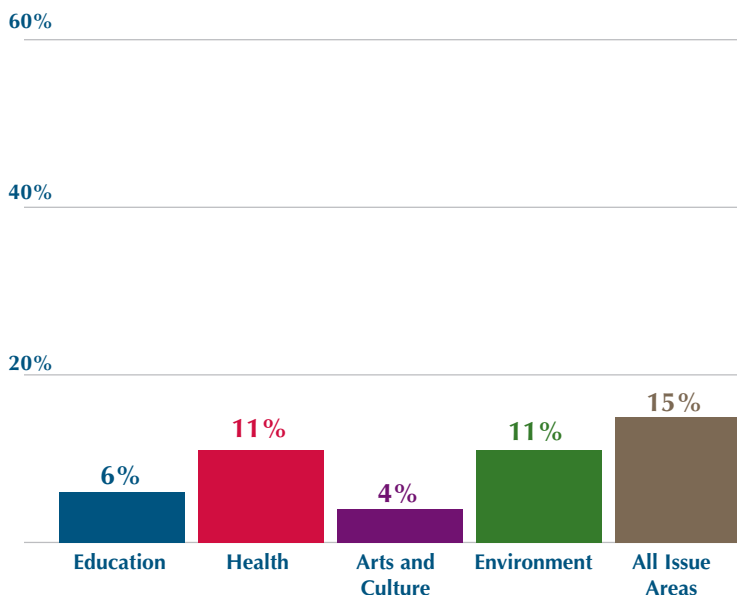
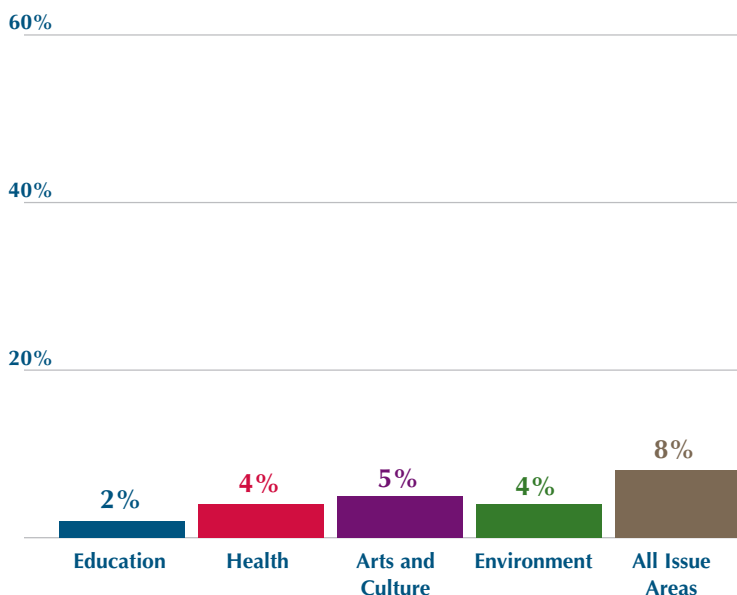


FIGURE 6. WHAT PERCENTAGE OF FOUNDATION GRANT DOLLARS IN SELECT ISSUE AREAS WERE CLASSIFIED AS ADVANCING SOCIAL JUSTICE?



Source: NCRP analysis of Foundation Center data, 2007-2010

FIGURE 7. WHAT PERCENTAGE OF FOUNDATIONS IN SELECT ISSUE AREAS ALLOCATED AT LEAST 25 PERCENT TO ADVANCING SOCIAL JUSTICE?



Source: NCRP analysis of Foundation Center data, 2007-2010. NCRP suggests that grantmakers provide at least 25 percent of grant dollars to advance social justice.

comprehensive reform in low performing middle grade schools.”

As Kevin Welner and Amy Farley state, the grant support provided by dozens of grantmakers to the CEJ and its members embodies the ideal of targeted universalism. The grants were designed specifically to target the needs of a vulnerable community, but the citywide campaign those grants made possible sought to improve the educational experiences and opportunities of all students. In a New York City Department of Education press release following the announcement of follow-up support, CEJ parent leader Carol Boyd explained that “[t]oday is a prime example of what can happen when the DOE and parents work in concert on behalf of the biggest stakeholders, the school children of New York City. ... CEJ has worked tirelessly to ensure that one day all of our children will have equal educational access and opportunity for success regardless of neighborhood economic status, or language of origin. These grants are one small step in that direction.”³²

Grantmaker goals, then, should be established so that they include an explicit identification of the communities that the foundation seeks to benefit.

EVIDENCE-BASED STRATEGY: ADVOCACY, ORGANIZING AND CIVIC ENGAGEMENT

Public policy affects everything we do. Without devoting at least some resources to shape it, we risk losing whatever we accomplish.

Changing systems requires strategies and tactics designed to affect systems as a whole. At the very least, philanthropists need leverage to influence other actors, e.g., governments, business and perhaps other grantmakers who can bring greater resources and influence to bear on an issue of interest.

Emmett Carson, CEO and president of the Silicon Valley Community Foundation, maintains:

The magnitude of societal change that is envisioned in these change-oriented mission statements cannot be achieved through the

support of direct human services. Change-oriented mission statements – by necessity – require a foundation to pursue public policy efforts that attempt to fundamentally change how the system operates.³³

Communities most affected by persistent disparities are ripe for engagement and are often building their own movements. With more philanthropic resources explicitly dedicated to these efforts, the opportunities for more advancement could increase significantly.

Regrettably, foundations are not investing in social justice or even public policy-related activities at significant levels.

A blanket prohibition on such activities is the very opposite of strategic. As NCRP's research has demonstrated extensively, advocacy, organizing and civic engagement efforts have substantial, measurable impact on the issues that grantmakers care about.³⁴ (See "Leveraging Limited Dollars" below.)

For instance, in education, Randi Weingarten, president of the American Federation of Teachers, points to a growing movement of parents and teachers across many school systems developing community schools, "neighborhood public schools that meet students' academic, enrichment, social and health needs by coordinating partners and resources. Using the school as a hub for need-

ed services and supports, community schools connect the school, students, families and the neighborhood."³⁵ The results are impressive, with higher attendance and graduation rates, lowered achievement gaps among different races and improved parent engagement.

The movement for more community-based health care is generating needed savings in a system with skyrocketing costs. A study done by Virginia Commonwealth University on a group of lower-income and uninsured people enrolled in a community-based primary care program for three years found that inpatient costs decreased each year, there were fewer emergency department visits and per-patient costs declined by 49 percent.³⁶

There is a nascent and growing movement linking the arts with social justice. Constituents engaged in this work, comprising the intersection of community activism and practice of arts, include community organizers, funders, artists and young workers. This movement works on a range of policy issues from prison reform to immigration and environmental racism. According to the Foundation Center, funding for arts and culture-based social justice work doubled from 2002 to 2006 (to \$26.7 million) and increased to \$28 million in 2009.³⁷ Regardless of socioeconomic level, students with significant exposure to the arts are more likely to graduate high school and go to college.³⁸

Leveraging Limited Dollars

Advocacy, organizing and civic engagement strategies are generating measurable impact in our communities every day. NCRP's Grantmaking for Community Impact Project investigated the work of 110 organizations in 13 states.³⁹ Over the course of seven reports, NCRP documented the \$26.6 billion in benefits for communities and taxpayers that these groups help to generate, often assisting some of the most underserved groups in society. For every dollar grantmakers and other donors provided for advocacy, organizing and civic engagement work, communities reaped \$115 in monetized benefits.

The groups affected hundreds of policies on a broad range of issues. Some efforts championed civil and legal rights. Others expanded vital government programs or made existing initiatives more efficient and effective. Still others actually helped generate public revenue. All leveraged the power of everyday citizens – more than 700,000 of them, enough people to fill the nation's seven largest football stadiums at once – to change their communities for the better. This engaged citizenry is an important tool for strategic philanthropy and an indispensable part of our democracy.

For a directory of all the documented impacts, visit <http://www.ncrp.org/gcip>.

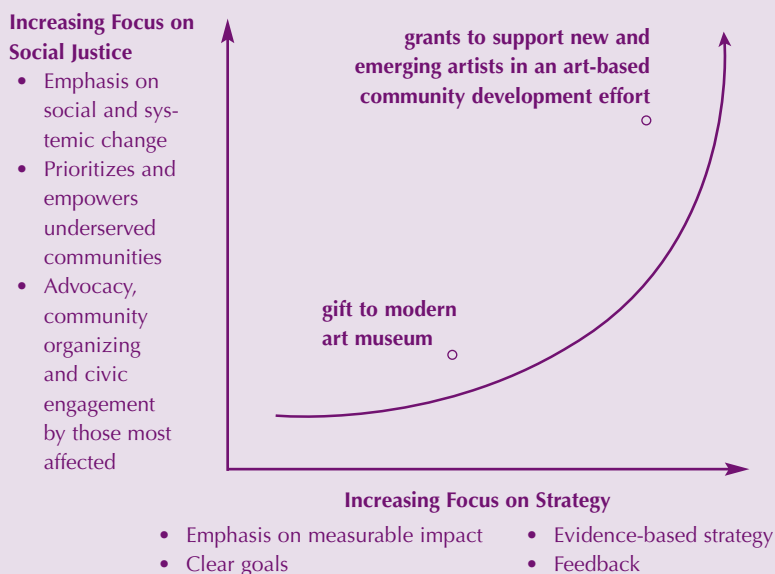


Fusing Arts, Culture and Social Change

By Holly Sidford

Arts and culture are essential means by which we identify and express ourselves, overcome differences and advance justice and democracy. Every year, foundations award about \$2.3 billion to the arts and culture, but the distribution of these funds does not reflect the country’s evolving cultural landscape and changing demographics. Foundations must stay abreast with changes in the cultural sector to continue to be relevant to the evolving needs of our communities. Grantmakers should consider making justice and equity a core principle of arts grantmaking. They can help create a more inclusive cultural sector and help advance our democracy by investing substantial funds in arts-focused advocacy, civic engagement and community organizing.

FIGURE 8. STRATEGIC PHILANTHROPY’S LEARNING CURVE: ARTS AND CULTURE



In a campaign led by Latina immigrant women and Latino high school students, Communities for a Better Environment (CBE) successfully stopped the city of Vernon in southeast Los Angeles County from building a 943-megawatt fossil fuel plant. The plant would have emitted 1.7 million tons of toxins and 2.5 million tons of greenhouse gases every year, harming residents well beyond Vernon. As Sarah Hansen pointed out, **“This suggests the power of underserved communities to challenge power when the grassroots are mobilized and well-resourced.”**⁴⁰

Philanthropy can be a democratic force when it works to advance community interests and prioritizes underserved communities working for positive change. When work reflects elite and grassroots interests alike and unites them through coalition building, it strengthens individuals’ and groups’ ability to act on their own as well as shared values. Without this wider democratic agency, it is difficult to imagine how we can improve our schools, our health, produce a vibrant culture or clean up our environment.

STAYING ON COURSE: AUTHENTIC ENGAGEMENT WITH GRANTEES AND COMMUNITIES

Ideas do not always advance solely on the merits. Mobilizing vulnerable and underserved communities is essential to achieving lasting change.

In the absence of broad public support, meaningful policy change is hard to achieve, and whatever changes do occur are unlikely to last or achieve broad-scale impact.

Strategic philanthropy is unlikely to succeed without direct engagement with the communities it seeks to serve.

Unfortunately, foundations seeking to affect broad-scale change frequently look for organizations that appear to offer significant capacity or prestige, and more often than not invest in larger, elite institutions, frequently overlooking effective but medium and smaller organizations. The HISP reports noted that, despite the valuable role these organizations

play in the nonprofit ecosystem, it is the largest nonprofits in each sector that receive the majority of charitable contributions, gifts and grants. These organizations are not always as connected to grassroots groups that often can better represent and communicate the voices of those closest to the problems at hand, i.e., the communities served, and an important perspective is lost. This imbalance in philanthropic giving often reflects and reinforces disparities of race, gender and class that mark our society.

Strategic philanthropists are on the right track in seeking “feedback to keep a strategy on course,” but this implies that authentic input can be obtained at arm’s length. Surveys of grantees and constituents provide an important window into how grants are serving communities, but the surest way of staying on course and learning from mistakes is to include the voices of change agents and the intended beneficiaries of one’s grantmaking in developing and refining strategy. To do otherwise is simply to adopt the “veneer of strategic philanthropy.”⁴¹

Anthony Thigpen, president of California Calls, an alliance of nonprofits that works to engage the state’s residents in advancing progressive budget and tax reforms, comments about the way that the funding collaborative California Civic Participation Funders works: “All too often, there is a disconnect between funders and practitioners in their perceptions of what’s needed to move the work forward. Having funders roll up their sleeves, meet with groups, determine where there are needs, and develop plans accordingly is a great advance.”⁴²

John Jackson of the Schott Foundation for Public Education explains how his organization measures impact:

We measure impact by, first of all, ultimately, looking at the policy change. How many children have access to early education today? Are there more children that have access to highly effective teachers? But we also look at are we engaging communities and the sector in a broad-based movement ... we’re engaging parents and students. So parents and communities

that are engaged are likely to have a better educational system. So we measure impact at the macro level by the systemic policy changes that lead to closing the opportunity gaps; we measure impact at the micro level by looking at the level of the broad-based movement that we’re building in order to build that public will, to build that opportunity to learn.”⁴³

It is precisely this lack of a diverse, broad-based movement that Sarah Hansen blames for a lack of progress on environmental issues, writing that **“any push for environmental change that fails to prioritize communities of color is a losing strategy.”**⁴⁴ Arguably, the same can be said of any movement that seeks to effect broad-scale social change in any issue.

Community organizing in communities of color was instrumental in defeating California’s Proposition 23. In 2006, the California legislature passed groundbreaking curbs on greenhouse gas emissions. Four years later, a group of Texas oil companies used California’s ballot measure process to attempt to stop their implementation.



Image courtesy of Communities for a Better Environment.



Cultivating the Grassroots: A Winning Approach for Environment and Climate Funders

By Sarah Hansen

From 2000-2009, grantmakers provided \$10 billion for environment and climate work, funding primarily top-down strategies and inside-the-beltway organizations. Yet, we have not seen significant policy wins at the national level since the 1980s. Any push for environmental change that does not engage and empower those most affected by environmental harms is a losing strategy. By investing heavily in grassroots communities and the nonprofits that serve them, funders can build on local successes and create the political will to achieve lasting change in environment- and climate-related policy.

FIGURE 9. STRATEGIC PHILANTHROPY’S LEARNING CURVE: THE ENVIRONMENT

Increasing Focus on Social Justice

- Emphasis on social and systemic change
- Prioritizes and empowers underserved communities
- Advocacy, community organizing and civic engagement by those most affected



- Emphasis on measurable impact
- Evidence-based strategy
- Clear goals
- Feedback

Environmental, economic and racial justice organizations in California joined forces to create Communities United Against the Dirty Energy Proposition to organize in the lower-income communities of color most impacted by environmental ills. Overall, the coalition had one-on-one conversations with more than 250,000 households across California, and organized events specifically designed to resonate with communities on the ground. Savvy community-based organizations working block-by-block in diverse neighborhoods were not only able to beat back millions spent by big oil to defeat the measure, but perhaps more importantly, engaged new, active constituencies supporting environmental change going forward.⁴⁵

Continuing to fund exclusively large, top-down advocacy organizations is a losing strategy because it fails to capitalize on the momentum among communities that are already mobilizing for change and securing important wins.

Further, our changing demographics are a sound rationale for confronting disparities and effecting lasting change. For example, race persists as a fundamental way that people identify themselves and each other, and non-white births surpassed white births in the most recent census and non-Hispanics whites will become the minority by 2040. Also, our population is younger, thus engaging the next generation of leaders is critically important for our sector to remain relevant. Strategies that benefit, engage and empower underserved communities are key to greater impact – whatever a foundation’s area of focus.

As Irene Frye, executive director of the Retirement Research Foundation states:

*You have to marry social services with advocacy in health grantmaking; the social determinants of health are far too important to use an either/or approach. Moreover, it isn’t just advocacy by one foundation that will result in long-term systemic reform that benefits our constituents. It’s collective advocacy that will ensure that the needs of vulnerable elderly community members are met in the future.*⁴⁶

CONCLUSION: BRINGING JUSTICE AND STRATEGY TOGETHER

Strategic philanthropy at its best is social justice philanthropy.

In an essay they wrote in *Power in Policy: A Funder's Guide to Advocacy and Civic Participation* in 2007, veteran change-makers Cynthia Gibson and Geri Mannion argue:

Foundations should not talk in the abstract about strengthening democracy; they should do it by funding projects that support their mission and add voices to the debate. If foundations view nonprofits as partners in solving problems and creating opportunities via public policy, then more can be accomplished.⁴⁷

Success in changing systems requires a healthy and well-coordinated nonprofit ecosystem comprising foundations, grantees and affected communities. When one part of the nonprofit system changes for better or worse, the entire system is affected. When strategic philanthropy overly favors large-scale organizations, it undercuts philanthropic impact, marginalizing smaller organizations that work with and on behalf of underserved groups. This failure to maximize the impact of limited contributions is a disservice to the foundations' own mission, and to the rich diversity of the nonprofit sector.

To increase grantee effectiveness and impact regardless of issue focus, foundations also need to provide them with the types of support that best equip them to succeed in achieving shared goals. For instance, despite the vast evidence demonstrating the importance of general operating and multi-year support to nonprofit success, including from grantees themselves, grantmakers overwhelmingly continue to disburse annually renewed project support. General operating support has not increased as a share of total grant dollars in a decade,⁴⁸ and multi-year support remains scarce.⁴⁹ Since the recession hit in 2008, nonprofits have experienced shrinking budgets in the midst of much higher demand for services. Grassroots organizations have

been particularly hard-hit – four out of ten organizations have depleting resources, and one-third are living month-to-month. In fact, at least one organization shuts down every month.⁵⁰ Yet, there are some hopeful signs: Grantmakers for Effective Organizations' recent survey of its members found that those foundations that listen to their grantees' needs are more likely to provide them with long-term core support.⁵¹

Different funders will have different interests and will be comfortable with funding different parts of the ecosystem. The suggested metrics for underserved communities and social justice are aspirational but achievable guidelines for funders to consider when developing their strategies. Just as each foundation will be comfortable with funding different parts of the nonprofit sector, each grantmaker should engage in critical self-reflection about investing more and more intentionally in underserved communities and in social justice.

Grantmakers should explore the possibilities that social justice philanthropy can add to their discussions of strategy with their trustees. Justin Laing, program officer of The Heinz Endowments, finds that boards are often ready for these conversations:

In my experience, board members may be more open to discussion of equity issues, including race and class, than would appear. Sometimes, it's the staff that gets in the way because we are hesitant to raise such sensitive issues, or we don't know how to change policies and practices if the board endorses a stronger commitment to equitable grantmaking.⁵²

Ultimately, it will be up to each foundation and its trustees to decide on the best strategy to realize its vision. However, the persistence of long-standing disparities amid the advent of strategic philanthropy suggests that something is missing from the current paradigm. We contend that, at their best, social justice philanthropy and strategic philanthropy are not at odds. Indeed, the two

are one and the same. To mitigate the tremendous structural barriers to equity and democracy, grantmakers should consider seriously adding a social justice lens to their strategy; not doing so diminishes philanthropic impact. If more grantmakers employ targeting and social justice in their strategy, a more just and democratic society is possible.

WHAT DOES THIS MEAN FOR YOU?

How might your philanthropy bring together strategy and justice for greater impact and a better world?

1. What is your vision of success? What is your strategy?
2. What are some of the barriers to making progress on issues of concern to you? How is your philanthropy working to address those challenges?
3. Who benefits from your philanthropy? What proportion of your philanthropy benefits underserved communities, e.g., economically disadvantaged persons, racial and ethnic minorities, women and girls, single parents, offenders and ex-offenders and LGBTQ communities? Are you comfortable with this level of funding for vulnerable populations?
4. How do you ensure that your philanthropy

- reaches those who might benefit most from it?
5. What role does public policy play in your theory of change that informs your grant-making strategy? What are some of the barriers to funding public policy and advocacy, community organizing and civic engagement at your foundation? How might greater public policy engagement among the nonprofits you fund advance your mission and complement your current efforts?
6. What proportion of your grant dollars influences public policy relevant to your issue focus? How much of your grantmaking supports advocacy, organizing or civic engagement on behalf of those who are the least well off politically, economically and socially? Are you comfortable with how much of your portfolio is dedicated to social justice work?
7. How does the foundation evaluate the impact of its grantmaking? How does this learning influence your theory of change, your strategy and grantmaking decisions?
8. How are grantees and the communities they serve involved in your foundation’s learning process? How do they inform decision-making? Are you providing grantees with sufficient general operating and multi-year support?

TABLE 2: STRATEGIC PHILANTHROPY AS SOCIAL JUSTICE PHILANTHROPY

| STRATEGIC PHILANTHROPY | ITS LIMITS | STRATEGY AND SOCIAL JUSTICE |
|-------------------------|---------------------------------------------------------------|-------------------------------------------------------------------------------|
| Clear goals | Narrow foci, tunnel vision, silos | Targeted universalism |
| Evidence-based strategy | Burdensome paperwork, short-term goals, eschews public policy | Advocacy, community organizing, civic engagement and other related activities |
| Feedback | Linear, technocratic view of social change | Grantees and the communities they serve drive the strategy |

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REAL RESULTS

Why Strategic Philanthropy *is* Social Justice Philanthropy

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The last several years have seen a shift in philanthropy: an emphasis on maximizing impact has grantmakers aiming to be more organized, focused and, perhaps above all, “strategic” in their efforts. While this admirable shift has made philanthropy more effective, our society and the nonprofit sector continue to confront significant disparities. Philanthropy contributes a fraction of the needed monies to ameliorate great socio-economic inequities, but grantmakers have an opportunity to maximize the impact of their dollars by adding a “social justice lens” when developing their strategies. Based on NCRP’s High Impact Strategies for Philanthropy (HISP) series of reports for issue-specific funders, this report posits that what is missing from the current technocratic practice of strategic philanthropy is justice. At their best, strategic philanthropy and social justice philanthropy are the same. Drawing on lessons learned from the HISP reports on arts and culture, education, the environment and health care, *Real Results* suggests that prioritizing and including underserved communities and support of community organizing – approaches long understood by social justice philanthropy – are important, even essential, components of successful philanthropic strategy regardless of issue focus. This report is written with the hope that philanthropy will consider the “social justice lens” with better outcomes for the entire nonprofit sector and the communities we seek to serve.