

# Toward Greater Effectiveness in Community Change

## Challenges and Responses for Philanthropy

Prudence Brown  
Robert J. Chaskin  
Ralph Hamilton  
Harold Richman

*Series Editors*  
Patricia Patrizi  
Kay Sherwood  
Abby Spector

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# Executive Summary

Many foundations' community change efforts reveal a commitment to the work, but also a tendency to overreach or be unduly vague.

Philanthropies of all types seek to improve communities—for lots of reasons, and in lots of different ways. Their efforts have produced promising results and some beginning lessons about community change. But more remains to be done to ensure that philanthropic investments in community change meet expectations and that funders use the emerging lessons to move their agendas forward. Based on interviews conducted for this paper, many funders are eager to take on that challenge.

## Challenges to Foundation-Supported Community Change

Challenges surface within three core dimensions of philanthropic community change activity: how foundation representatives think about community change, how they do community change work, and how they learn from their efforts. Specifically, these include:

- The clarity and realism in foundations' goals, expectations, ideas, and strategies.
- The alignment between the goals and strategies, and foundations' means and modes of practice.
- The sufficiency and effectiveness of current methods to inform, assess, and revise foundation thinking and practice.

Addressing these issues is a “doable” task, one in which some foundations are already deeply engaged.

## Foundation Thinking

The goals, expectations, and ideas reflected in many foundations' community change efforts reveal a commitment to the work, but also a tendency to overreach or be unduly vague. The strategies foundations use to reach these goals also need further development in four areas: their understanding of communities' strengths and weaknesses, the attention paid to external forces that affect community outcomes, their tolerance for conflict and

risk, and the strength of the theories that shape foundation initiative design and drive the work.

Bringing greater clarity and realism to foundations' goals, expectations, and ideas for community change would strengthen the intellectual underpinnings for community-focused philanthropic investment. It would also provide a more effective basis for ongoing learning and improvement. In addition, grounding strategies in a more complete recognition of communities' internal capacities and the external dynamics that affect them, and specifying the pathway to community improvement more completely, would improve the chances that foundations' community change activities produce their intended results.

## Foundation Doing

Many foundations' relationships with communities are driven by a new interest in shared commitment, contribution, and action on both sides of the grantmaking table. The challenge is to ensure that the terms of the relationship are clear and consistent with both parties' goals, and translated into foundations' institutional structures and policies. In particular, foundations have increasingly invested in building community "capacity," in recognition that the most pervasive and sustainable change stems from a community's ability to envision, develop, and lead its own solutions. Efforts to develop local leaders, provide technical assistance on specific topics, build local supports for change, and connect community members to resources within and outside their neighborhoods have all helped to increase community capacity. But these efforts are still too often the exception rather than the rule, and even where they exist they are often incomplete and not yet well integrated into community change efforts.

Foundations have opportunities to influence community change in many ways that reach beyond the traditional role of grantmaker. They can facilitate relationships between the powerful and the disenfranchised, foster excitement around creative ideas, disseminate useful information, and advocate for difficult but necessary policy changes. Although some foundations are testing out these new roles, most continue to tread a more familiar path. In doing so, they miss an opportunity to leverage their clout, credibility, and institutional resources on behalf of community change.

## Foundation Learning

Over the years, philanthropy has recognized the need for good information to inform practice and policymaking. Foundations' investments in research and evaluation and in the distillation of practical lessons have established an important baseline of information and tools. As funders expand their efforts at community change, they also need to expand efforts to collect, analyze, organize, apply, and share knowledge.

Pervasive and sustainable community change stems from a community's ability to envision, develop and lead its own solutions.

Committing to learning about community change is only half the battle for foundations, however. How will they systematically and routinely interpret lessons and incorporate them into practice? How will they create safe, productive opportunities for staff reflection and debate? How can learning within one foundation contribute to the knowledge of foundations, practitioners, policymakers, and social scientists in general? And how can a foundation's learning methods spawn ongoing knowledge development? These questions point to the need for a more intentional system of learning about philanthropic investment in community change. Lacking an effective system, lessons about community change do not serve as the basis for cumulative knowledge or lead to changes in practice. People and institutions tend to repeat known processes without making necessary innovations.

## Implications for Action

More effective *thinking* about community change entails these actions:

- **Using more rigorous, diligent processes to assess communities.** Some funders now use demographic and administrative data to select investment targets, for example, or take extra time to understand community leadership and organizational dynamics, structural factors, and trends before making investment decisions.
- **Aligning goals with realistic expectations.** This requires a greater commitment to clarity and realism, both about what might be achieved in a community and about a foundation's preparedness to play the necessary roles; a more critical analysis of ideas and assumptions; and a willingness to treat progress as developmental.
- **Clarifying thinking about conflict and risk.** Change can be messy, especially when it occurs in the politically charged environments of communities. Foundations will need to acknowledge the inherent conflicts and risks that accompany social investment, specify their level of tolerance for them, and design their strategies accordingly.
- **Using a more disciplined, systematic process for strategy development.** Funders need both better theories of change and better ways of using the theories—processes that make goals explicit, define actions that will produce change, specify key change agents, recognize internal and external barriers, and address issues of intervention “quality, dosage, extent, and timing.”

Funders need to expand their efforts to collect, analyze, organize, apply, and share information.

More effective *doing* in philanthropic practice involves these actions:

- **Choosing an operating style.** Foundation representatives need to consider a range of potential working styles; select a style that matches foundation goals and strategies; understand the institutional capacities needed to implement the style; and secure support from the board.
- **Negotiating terms for community engagement.** Foundations and their community partners need to specify explicit roles, expectations, rules for engagement and decisionmaking, relationship boundaries, accountability measures, and processes for monitoring and improving their partnership.
- **Building community capacity to implement.** Foundation representatives need to understand what community capacity is and how it is produced, including the vital component of leadership development. Effective support for community capacity also means assuring long-term core operating funds for an array of key community institutions, efforts, and networks.
- **Expanding foundation potential as a nonmonetary resource for the community.** Externally, foundations can use their credibility and leverage to help communities make strategic connections to influential players in the private, public, and philanthropic sectors. Foundations also can leverage their financial power more creatively through direct investment, loan guarantees, access to favorable credit terms, and program-related investments.

More effective *learning* will require a different stance toward knowledge and learning. Two types of actions are especially important:

- **Fostering learning that supports change.** To achieve maximum long-term impact, funders need to treat learning as a core objective of philanthropic work. That will require the development of an intentional but loosely structured learning “system”—a collection of principles, commitments, and linkages that can be broadly and flexibly implemented by foundations and others. An effective system would emphasize an attitude of inquiry; a commitment to open sharing of knowledge; a belief that knowledge has multiple sources and is collected through multiple means; and a commitment to collecting and shaping knowledge according to users’ needs, both within and beyond foundations. Each of those characteristics implies new ways of thinking and doing within foundations.

- **Promoting learning within individual foundations.** Raising the profile of learning in foundations will require changes in individual foundation's organizational culture and behavior, new board practices, new reward systems for foundation staff, and new administrative practices and support structures. Grants may need to include support for learning, in addition to money for evaluation. Reporting requirements might be changed so they more directly contribute to learning. Foundations also could establish high-level staff positions for people who manage organizational learning, knowledge development, and knowledge dissemination to communities, as some have already done.

The philanthropic sector is at an important crossroads with respect to community change efforts. Many funders are impatient with the *status quo* and eager to achieve more complete, lasting results—and they have an increasingly rich and useful base of ideas and experience on which to build. That combination of factors may be what is needed to push the field forward. The challenges that foundations face are not reasons to avoid the work with communities, but opportunities to improve it.