

Foundation Frustration

Why are big-money philanthropies afraid of community organizers?

By Rob MacKay

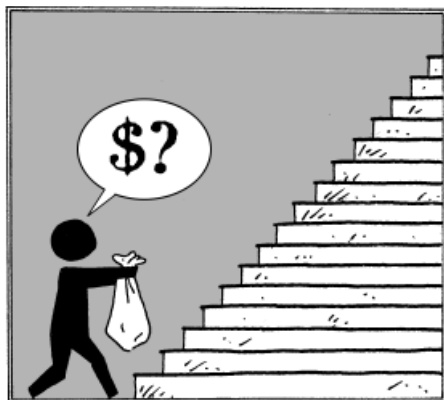
It just doesn't add up. Wealth generated by the stock market's unprecedented rise continued to skyrocket in 1999, and charitable donations to nonprofit organizations ballooned to an all-time high of \$190.2 billion. This wave of philanthropy brought marked increases in giving to education, art, health, human services and religion.

But according to a new report, community organizing has seen only limited benefits from this windfall.

Lack of money is nothing new in this profession; any veteran organizer can describe its low wages and long hours. Organizers persist because of their commitment to working with poor people despite the obstacles—with tenants to demand heat from landlords, or welfare recipients to call for fair treatment. But if the will is there, why isn't the money?

The report from National Center for Schools and Communities, a research and support center for grassroots organizing for school reform based at Fordham University, marks the first time a concerted effort has been made to find the answers to that question. While the study largely confirms what cash-strapped organizers already know, it does add facts and statistics to back up common complaints. For example: only two of New York City's 100 largest foundations list community organizing as a major interest, and grants to community organizing account for only 1.5 percent of the overall giving of those top 100 foundations. In fact, funding is so precarious that 15 of the agencies initially considered by NCSC went out of business before the study was completed.

"Philanthropy could play a great role in creating a democratic society, but we think it's not performing up to par," says NCSC Director Sally Covington, the principal writer of the report and former staffer of the National Committee for Responsive Philanthropy, a Washington-based group focusing on foundation reform. "With this study, we're trying to make foundations more responsive. We chose New York City because it's the foundation capital of the world and because these foundations give so much to agencies in other cities, while effective community organizing groups in their



own backyard are underfunded."

The NCSC study consisted of interviews with executive directors or high-ranking employees of 24 nonprofits in New York City that do community organizing exclusively. According to the anonymous interviewees, most foundations just don't understand community organizing. Another frequent complaint was the trendiness of the philanthropy world, described by one respondent as "a desire to fund the flavor of the month." Yet another lament was that foundations put too much emphasis on short-term results, ignoring community organizing's long-term effects.

Why are so many professional givers not supporting this truly nonprofit effort? "It's an invisible activity," explains Madeline Lee, executive director of the \$81 million New York Foundation, which gave out close to \$1.5 million to organizers in 1999. "It's an effective way to change policies and move money, but even if you see its results, you don't see that community organizing was what brought them about. Therefore it's not in the people's consciousness."

Victor De Luca, president of the Jesse Smith Noyes Foundation, which gives 75 percent of its annual largess to organizers, adds: "If you haven't done it or been a part of it, it's hard to understand the ways in which it changes life on a grassroots level and a long-term basis."

Most spokespersons for major foundations contacted by *City Limits* were not forthcoming with reasons for not supporting community organizers. George Soule of the Rockefeller Foundation was uncommonly direct. "We don't really fund community organizers," Soule says simply. "We like to fund things that can be backed with facts and evidence that change has happened. You want to see what the results are."

But what's so difficult to understand? The report points out that community organizing has led to billions of dollars in public and private sector investments in communities that wouldn't have gotten the funds otherwise. Organizers have also improved city services, removed incompetent school district superintendents, won back-wage payments, cleaned up toxic waste dumps and rehabbed

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housing, among other accomplishments.

“By filing lawsuits, you can get things done in the short term,” explains Nadia Marín-Molina, executive director of the Workplace Project, a Long Island-based agency that defends the labor rights of Spanish-speaking immigrants. “But community organizing changes things in the short term and empowers people to continue on after they leave your office.”

Marín-Molina enjoys support from various foundations, but she tailors her proposals for certain donors. For example, when seeking grants for Workplace’s landscaping and housecleaning worker cooperatives, she refers to the projects as “economic development”—not community organizing. “We talk about our work in a way that’s palatable to them, because we know they prefer service provision or education,” she says. “It’s a waste of time to try to change their way of thinking.”

Organizations interviewed for the report complained that grants were too small considering the time it takes to cultivate relationships with foundations. “It’s the smaller foundations that support community organizing,” says Mary Dailey, executive director of the Northwest Bronx Community and Clergy Coalition. “The larger foundations tend to go with what they are familiar with—direct social service provision. Even when they claim to venture out of that arena, they want to feel safe and fund community building initiatives on the part of those same social service organizations.”

Kim Klein, co-publisher of the bimonthly *Grassroots Fundraising Journal* and author of the book *Fundraising for Social Change*, believes activists will always get boxed out of this economy. “There are about 42,000 foundations, and between 400 and 500 identify themselves as progressive,” she said. “About 5 percent of them give away 90 percent of the money, and about 70 percent give away \$60,000 or less per year. The disparity is similar to the wage and wealth gap, and the progressive agencies are left out.” Klein’s theory is that community organizing is too threatening for people with power and money. “The big foundations come from excess wealth,” she notes. “They were set up to protect the interest of the founders. The idea that they are going to address the unfair distribution of wealth is ludicrous.”

Others argue that the foundations have nobler intentions but are hobbled by a cul-

ture of timidity. “Foundations are afraid of being criticized through the media,” says Pablo Eisenberg, a senior fellow at Georgetown University and former executive director of the Center for Community Change in Washington, D.C. “If community organizers picket the house of a rich and powerful person, it could get out that they got funding from X foundation. X foundation doesn’t want that.”

Local Tack

One reason foundations shy away from New York is that social problems in the city are perceived as too big, confusing and intractable. Earlier this year, a coalition of local grantmakers made a bid to improve New York City’s profile, going after a small pot of Ford Foundation cash earmarked for smaller foundations to “re-grant” to local organizing groups. Working together, they got input and suggestions from about 30 New York City organizing groups, and hammered out a proposal that they thought Ford would like.

No dice—the foundation turned them down. “We were somewhat surprised,” says Marlene Provizer, executive director of the Jewish Fund for Justice, one of the collaborating funders. “We thought we had reason to be optimistic. It wasn’t a huge amount of money, but we thought we were in good position to do some good things with it.”

Provizer and her collaborators—including the Jesse Smith Noyes Foundation, the New York Foundation and North Star—have been working to get bigger foundations more involved in New York City, both by lobbying friends at other organizations, and by issuing reports like the one from the National Center for Schools and Communities.

They also haven’t given up hope with Ford. “There are some folks within Ford who see this as a first and not as a last step,” she says. “We’re hoping they’ll generate more funds for it, and be able to do more. It’s not quite all over and done with.”

—Kathleen McGowan

But without funders, community organizing wouldn’t even exist. The 24 groups in NCSC’s study had a combined operating budget of \$7.4 million per year in 1997, of which \$4.6 million (63 percent) came from foundations. Five agencies got all their funding from founda-

tions, while 14 got 80 percent or more.

Covington laments the fact that only 37 percent of foundation donations to community organizing came in the form of general operating grants. “Small agencies really need core support so they can build their operations,” she points out. “Many interviewees said they would like more general operating funds so they could do things like hire a development director. These groups need an initial increase in foundation support in order to diversify their funding sources.”

The report concludes with a few recommendations. The first, not surprisingly, is for foundations to give more. That could be done by awarding multi-year grants or by increasing grant sizes. Doubling support to 3 percent of overall gifts would be a drop in the bucket for foundations, but it would flood community organizers with money.

Another suggestion is that foundations use their influence to tell the rest of the philanthropic world about the effectiveness of community organizing. This could be accomplished by including community organizers in networks, research and case studies. Another suggestion is that foundations help community organizers build visibility at city and state levels by facilitating coalition building, networking and strategy development.

Barbara Bryan, president of the New York Regional Association of Grantmakers, a 245-member group that strives to make philanthropy more effective, agrees. “Foundations are beginning to understand that it isn’t just money that they can give,” she says. “They have connections, experience, knowledge and the ability to validate an action. Those kinds of things will pay off more for community organizing groups, especially those that are isolated from other service providers.”

It remains to be seen whether this NCSC report will have an effect on philanthropy, but it might be a sign that the ship’s come in. “The report in itself is a good sign,” says Betty Kapetanakis, executive director of the North Star Fund. “Within the last five years there’s been more of an interest in community organizing, and this report is an acknowledgment of its importance.” ■

Rob McKay is an editor/reporter for the Times Newsweekly of Queens and a former community organizer. For copies of the NCSC report, call 212-636-6558.