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Shown (l-r): Cedric Brown, Mitch Kapor, Freada Kapor Klein, Carmen Rojas, and Tiffany Price of the Mitchell Kapor Foundation. Photo by Sean Aquino, courtesy of the Mitchell Kapor Foundation.



Small Foundation, Big Impact

The Mitchell Kapor (KAY-por) Foundation, though relatively small and young, has drawn attention recently in the philanthropic community for its fresh and innovative work. The foundation's executive director, Cedric Brown, received the 2010 Emerging Leader in Philanthropy award from the Association of Black Foundation Executives, for example. NCRP's Aaron Dorfman interviewed the foundation's

founders, Mitchell and Freada Kapor, to shed some light on their approach to philanthropy.

Aaron: *Why did you decide to start the foundation?*

Mitchell: I would say I was fortunate to have made a lot of money early in my career in the 1980s because of starting the software company Lotus, so the habit and practice of philanthropy was already very well established. When Freada and I got together, both in a joint personal relationship and working relationship in the mid-1990s, it just made a lot of sense to create a philanthropic vehicle that would represent our interests, and that would bring together the kinds of lifelong commit-

ments she had with my interest in having a fairer society.

Freada: I've been sort of a social justice person my whole life, but I think what's also important is that there are precursors, if you will, of all of this. Mitch and I met at Lotus, although we weren't an office romance. I was the first employee relations person at Lotus, and the only reason I took the job is that Lotus had an explicit goal to be the most progressive employer in the U.S., which is what I was interested in. At a point in time, I also ran Lotus philanthropy, and so Lotus, as a company, did a bunch of things that are completely consistent with what we do now. For instance, Lotus was the first company in its industry to sign onto *(continued on page 13)*



challenging grantmakers
to strengthen communities

A Message From the Executive Director



Dear Readers,

Midterm elections have passed. My mentor Paul Wellstone often said that politics is about improving people's lives. Philanthropy, too, has an important role to play in improving the lives of marginalized people. This issue of *Responsive Philanthropy* features four articles that showcase how effective philanthropy benefits those in need.

For the cover feature, I had the pleasure of interviewing Mitch and Freada Kapor of the Mitchell Kapor Foundation. The Kapors describe their strong commitment to equality and helping low income communities of color. Mitch says, "The fundamental premise of a democracy has to be that there is equal opportunity for all. Otherwise government of, by and for the people actually can't live up to its promise."

Phillip Henderson, president of the Surdna Foundation, explains how the foundation responded to the economic crisis. "The work of the future was to foster the growth of communities that would be resilient in the face of recession, that would be inclusive and fair to all community members, and that would balance economic, environmental and cultural needs. This, for us, was the answer to the recession," he writes.

In "Wanted: Better Evaluation Practices for a Better Philanthropy," Steven Mayer of the Effective Communities Project explores the need for better evaluation in philanthropy to increase effectiveness. He calls for a "reframing" of both evaluation and philanthropy to improve the quality of both.

Lisa Ranghelli, director of NCRP's Grantmaking for Community Impact Project, looks at the policy accomplishments of several community groups in the Northwest region and what helped them win despite having less money and less political clout than their adversaries.

Finally, our member spotlight profiles The Kirwan Institute for the Study of Race and Ethnicity at the Ohio State University. The Kirwan Institute encourages the engagement of issues of race in ways that create and expand opportunities.

We appreciate hearing from our readers; I invite you to send your comments and suggestions for future stories to readers@ncrp.org.

Sincerely,

A handwritten signature in orange ink, appearing to be 'A Dorfman', written over a light orange background.

Aaron Dorfman
Executive Director
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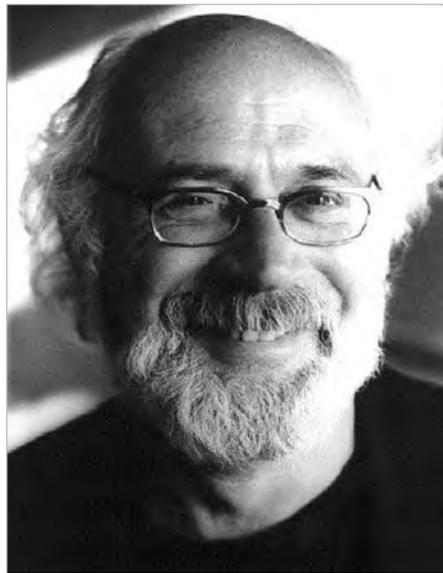
Wanted: Better Evaluation Practices for a Better Philanthropy

By Steven E. Mayer, Ph.D.

Philanthropy, by definition, is a noble endeavor. Generous gifts of time, talent and treasure have no doubt improved the world in countless ways. Whether the motive is to provide immediate relief of suffering, to support people in their development or to change systems' ground rules to improve outcomes for even more people, philanthropy enjoys visibility and growth.

And yet, people want to know what good comes from their gifts. They want to know their gifts are in fact helping to make the world a better place. Congress, which covets the sector's considerable assets, wants to know how to justify tax-exempt status. The pressure's on to "show results." Unfortunately, there's a big disconnect between the knowledge of results we crave and the "knowledge" we get back from formal evaluation inquiries.

It seems simple enough. People want the data, knowledge and wisdom that assure we're making progress on the big issues – issues like hunger, homelessness, injustice, ignorance. We want to know that the institutions we give to – our educational, arts and culture, social service, advocacy and justice institutions – are delivering. Does evaluation of results show our gifts make a difference? Are the measures of quality of life going up or down? Are we "moving the needle" and "bending the trend lines?" Unfortunately, the field of evaluation, itself an evolving profession with noble intentions, has not geared its practices to answer these questions in a way that satisfies our hunger to know.



Steven E. Mayer, Ph.D.

THE PROBLEMS WITH EVALUATION ARE ROOTED IN PROBLEMS WITH PHILANTHROPY.

A concern for funding the well-being of individuals can prevent us from seeing the larger systemic problems that keep people suffering. When we see a hungry person, we want to feed him. When we see a homeless person, we want to house her. When we see an injustice done, we want to right it. However, this practice of rescuing casualties one at a time keeps our vision too close to the shore where casualties are found, without enough focus upstream where casualties are created (see "Saving the Babies: A Clash of Philanthropic Approaches").¹ Funding the rescue of one person at a time evokes evaluation practices that score success one person at a time, however temporary. Evaluation, asked to give

an accounting of these rescue efforts, gives adequate information on how many people received soup, or affordable housing, or their day in court. These data may answer the question well enough, but they say nothing about the bigger question, "Are we stemming the flow of hungry, homeless or wronged people?" Both charitable *and* structural reform efforts are needed to stem these flows, with evaluation practices that honor the difference.

The typical practice of grantmaking – making one grant at a time, to one organization at a time, for one project at a time, for one year at a time – is a good way to keep order, but a poor way to support progress on the bigger issues. It keeps grantees' efforts fragmented and focused on the small and the short-term, just so that they can report immediate results. But the short-term outcomes of a single grant can't possibly resolve the big issues. One soup kitchen's outcomes will not move the hunger needle beyond the meal just served, and neither will the efforts of all soup kitchens combined.

Making nonprofit organizations compete for relatively small amounts of cash puts them in competitive rather than cooperative modes. To survive in the marketplace of institutional philanthropy, nonprofit competitors play their cards close to the chest, choking innovation and stalling momentum and consolidation of effort that could solve real problems.

The Lady Bountiful attitude that prevailed at the birth of American philan-

thropy still exists and still gums the works. An attitude of righteousness can creep into the philanthropic transaction, in which those seeking money to make the world a better place are made to feel like common beggars. This attitude is well-established in institutional philanthropy, as evidenced in the kinds of criticisms leveled at funders by their nonprofit supplicants: arrogant, tardy, distant, uncommunicative, condescending, etc. As a colleague says, "Philanthropy is what allows a nonprofit to stand on its own two knees."

Who owns philanthropy? For the answer, look at the board of directors of any philanthropic organization. Today's form of philanthropic organizational governance comes directly from the private sector, drawing on forms from the early 20th century. "Scientific management," all the rage then, took over American industry and from there, the institutionalization of human welfare and philanthropy itself. Scientific management advocated a standardized approach to the production of goods, managed from the top down, leading to consistent outputs that easily can be stamped out, measured and accounted for. And if it works for the production of goods, why not services? This put evaluation firmly into the hands of the bean counters. Business managers on philanthropic boards today continue to focus on organizational goals, organizational outcomes and the organization's bottom line. The organization's contribution to solutions to larger problems is off the books and not considered. The field of evaluation, born under the same signs that birthed scientific management, serves up what it can, resulting in the big disconnect between the answers we get and the knowledge we want.

TO IMPROVE THE QUALITY OF PHILANTHROPY AND EVALUATION, WE HAVE TO REFRAME BOTH.

1. Let's start with recognizing that a better world doesn't get built in a

Finding and adopting a good set of metrics is no small task, but it's important for anchoring a serious effort, for engaging community support and for keeping eyes on a jointly held prize.

day. If we accept this, then we can escape the limitations of short-term management thinking, and go directly to problem-solving how the bigger issues can be addressed productively. Evaluation should redirect its focus in turn.

2. For any given problem, like hunger, regional leaders of all kinds should adopt a set of metrics that reflect current progress. For example, they could adopt number of kids coming to school unfed, spoilage of healthful and nutritious food in stores, parts of town not getting enough and other related measures. Both charity *and* justice are reflected in those metrics. The goal of regional philanthropic efforts against hunger then becomes to move the metrics – "moving the needles and bending the trend lines." Finding and adopting a good set of metrics is no small task, but it's important for anchoring a serious effort, for engaging community support and for keeping eyes on a jointly held prize. It also

relieves individual nonprofits of unrealistic data demands. The point is to reflect productivity at the community or regional level, rather than the organizational level.

3. Identify what moves these needles, and what keeps them from moving, to make clear what kinds of efforts to support. The social and institutional mechanisms that affect a needle's movement and a problem's solution are complex. Fortunately, most communities have people with a good view of the various working pieces of those puzzling mechanisms, and they can be engaged.
4. Look beyond the capabilities and performance of one organization, and look instead to supporting a more organized and intentional effort. Getting metrics to change isn't the work of just one organization. Moving the needle requires organizations that identify, advocate and move solutions; leadership that bridges divides; financial and technical resources; organizing a growing base of support – fit together over time in ways that can move the needle. Currently dismissed by both philanthropy and evaluation as "process" rather than "impact," the successful implementation of *each piece* of needle-moving infrastructure must become legitimized; doing so recognizes the realities of improving the world and encourages specialized capacities to be developed and deployed in the service of community betterment. Productivity in philanthropy could become defined as the work required to move a needle, and be measured *across* contributing organizations.
5. Think of evaluation as a human activity more than a scientific one. Noticing and naming simple signs of progress is the first and most important step in measuring it. We have to measure what's important,

not just what's easily countable. Can we measure what's important? The answer is "Yes," though much depends on what is meant by "measure." There's merit in the old phrasing "to take the measure" of an effort – to size it up, sift through the evidence, get peoples' judgments, compare notes and reckon where we've made progress and where we still need to push.

6. The field has to recognize the truth about funder-grantee relationships – an awkward dance tending to belittle the supplicant and glorify the donor. Things would improve if donors constructed their job as creating cooperative partnerships, helping others succeed and building on lessons learned. Evaluation in this context means getting feedback on the better qualities of grantmaking practice, and paying attention to the results. Nonprofits should get up off their knees.
7. Connect the dots. Just as funders should be assembling pieces of trend-changing infrastructure, evaluators should be building methods that connect organizational-level outputs with community-level impact on the adopted metrics. Can a case be made that the efforts of organization X, when joined with the efforts of organizations Y and Z and perhaps A through W, connect to the needles we're trying to move? If not, funders have to redouble their efforts to put more pressure on the mechanisms that maintain the problem at problem levels, and to improve their ability to notice results.

Some parts of this vision are forthcoming. At the Community Foundation of Greater South Wood County in Wisconsin, staff position descriptions are geared to foundation goals and indicators of community vitality. At several

large private foundations, such as the Bill and Melinda Gates Foundations, Packard Foundation, W.K. Kellogg Foundation and Hewlett Foundation, evaluation staff work to construct evaluation as a "core learning practice," helping program staff make sense of measured experience with foundation grants and initiatives. The Boston Foundation and Community Foundations of Canada make good of public data to guide philanthropic strategy. Foundations using the Center for Effective Philanthropy's Grantee Perception Report can compare their performance with others'. Examining the root causes of social problems, inequities and injustices is becoming acceptable. But assembling actionable pieces to apply pressure on a set of community-held problem indicators, yielding a wider view of productivity, is an approach in need of promotion. ■

RESOURCES

- Some of the above themes are sounded admirably in Grantmakers for Effective Organizations' 2009 publication, *Evaluation in Philanthropy*.

- The complexity of the world and its implications for philanthropy and evaluation in support of change is well-noted in Blueprint Research & Design's (2005) publication, *The Challenge of Assessing Policy and Advocacy Activities: Strategies for a Prospective Evaluation Approach*."
- FSG Social Impact Advisors' "From Insight to Action: New Directions in Foundation Evaluation" (April 2007), spotlights emerging approaches to evaluation in philanthropy.
- The website www.JustPhilanthropy.org shows how the arena of racial inequities is approachable by philanthropic practice that deliberately tries to close the disparity gaps.

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Notes

1. <http://www.justphilanthropy.org/resources/SavingBabies.pdf>.



Reflections on Sustainability in a Period of Economic Upheaval

By Phillip Henderson

The past two years have been a terrible economic time for the United States. Nearly every segment of the economy has shrunk, and the job statistics have been dismal month after month. While Americans of all walks of life have suffered, people of color, and African Americans in particular, have been beaten up disproportionately by this economic downturn. For them, this Great Recession feels more like a Great Depression. The Surdna Foundation's aim to foster the development of just and sustainable communities has never felt more timely or more right than at this moment.

Surdna did not come to work on just and sustainable communities by accident. Several years ago, we began a process of retooling our grantmaking, sharpening the focus, and looking again at what it was we were trying to achieve. Surdna, a 93-year-old family foundation, looked back to our roots and values, reexamining our grantmaking strategies over the past twenty years, in particular, in an effort to distill the most essential elements of the foundation and help us focus on our core strengths and history even as we moved forward. What we saw from this process were significant historical threads of work building strong communities, helping those who have struggled to keep pace with the changing world, giving voice to those without power and celebrating the diversity and creativity in society. In addition, Surdna always has had a strong set of programs focused on people and the environment. So it's not surprising that out of this examination



*Phil Henderson, President
Surdna Foundation*

emerged a newly-framed mission for the organization – fostering just and sustainable communities with a focus on strong local economies, healthy environments and thriving cultures.

As we were in this process of refining our programs, the economy went into a tailspin. Not only were those we served – both our nonprofit grantees and the communities they worked with – in great distress, but our own endowment had shrunk by nearly a quarter. This unfolding emergency added greater urgency to our efforts to be clear about what it is that we were trying to do with our funding, our presence and our reach. Many foundations in this period significantly increased giving and attempted to fill the gaps that were emerging as corporate giving and government dollars were declining. This was particularly true in the case of funders working directly on social service provision or for community foundations whose core funding for local food banks and shelters was an important part of their mission.

The Surdna Foundation did some emergency funding, with grants to help national groups respond to the foreclosure crisis, off-cycle grants to key local partners that were facing budgetary shortfalls, and grants to help fragile arts groups make it through this difficult market. But, overall, Surdna did not respond to this crisis with a package of emergency measures. Partly, this was because our national focus meant that we were not the first line of defense against the massive local trauma faced by nonprofits and community members. But our response also was reflective of where we were in our mission conversation. Instead of focusing our minds on the immediate catastrophe, we were focusing on different aspect of this recession. We were most intrigued by the confluence of two remarkable events: the massive infusion into the economy of resources from the Obama Administration's economic stimulus package and the gathering momentum behind the concept of sustainability as key to our economic future.

Our internal work had led us to the conclusion that the work of the future was to foster the growth of communities that would be resilient in the face of recession, that would be inclusive and fair to all community members, and that would balance economic, environmental and cultural needs. This for us was the answer to the recession, and it was remarkable to see both that these basic ideas were percolating out in society, and that the federal government was infusing unprecedented amounts of

money not just to short-term job creation and tax cuts but into longer-term investments in a sustainable future for our communities and our country.

In our new work around social justice and sustainability, Surdna's emphasis has been on understanding and responding to the complex *interconnectedness* among the cultural fabric of our communities, the difficult environmental challenges locally and globally, and the deep economic needs of the most vulnerable segments of our society. While we now have three freestanding grant making programs – Strong Local Economies, Sustainable Environments, Thriving Cultures – we have spent a great deal of time seeking to understand the intersections of these three spheres. So, issues like the growth of the green economy, land use, transit and transit-oriented development, the cultural economy, community driven design and the role of food systems have captured our imagination. We have come to see that future communities, those that will afford residents economic opportunity even during difficult economic times like these, not only need to be places of economic vibrancy, but also require strongly reinforced cultural and environmental systems, too. And, perhaps most importantly, we have come to see that without social justice, no community is truly sustainable.

Over the past two years, Surdna has begun to reshape our grantmaking towards this sense of social justice and sustainability. Our work with groups like Green for All and Partnership for Working Families to explicitly link the budding green economy to employment opportunities for the urban poor has been one clear example of where social justice is infused directly into our work on sustainability. We have retooled our work on community revitalization to a focus on building strong local economies by connecting the worlds of community development,

economic development and workforce development to demonstrate how both investing in people and places promotes greater economic opportunity for all. Our participation in the remarkable coalition of funders and nonprofits working on an inclusive economic development strategy for the Central Corridor light rail project linking Minneapolis and St. Paul is a great example of our efforts to tie together transit, local small business development, and diversity and affordability into one project. Similarly, we have been hard at work with our partners in Baltimore on the planned Red Line transit corridor to help ensure inclusiveness and local community engagement and leadership are imbedded in this important project. We also have been working with groups like WIRENET and the Fund for Our Economic Future in northeast Ohio to help both businesses and workers in older industrial economies of our nation retool to take advantage of the new economic opportunities emerging from the demand in renewable energy and the push into green manufacturing.

We see projects like these not only as immediate sources of local jobs for

hard-hit communities, but investments in a new kind of future for long neglected places. This is a perspective we see resonating strongly in the choices the Obama Administration made early on, especially through the 2008 stimulus package. The stimulus, to be sure, had two important aims. The first was to pump significant resources into the economy immediately to ensure a shorter and shallower recession. The jury is still out on that, and we will have to leave it to historians to argue whether the stimulus achieved that aim. But the second aspect of the stimulus, a massive set of investments into transit, high speed rail, solar and wind power, and countless other programs is only now kicking in, and this portion of the stimulus may well represent the lasting impact of this administration.

This parallels the two kinds of action that philanthropy has taken in response to the sharp and deep economic contraction. One kind of action was the short-term emergency funding described above, while the other, which is where Surdna finds itself, was to see the crisis and the remarkable energy of the Obama Administration as a once-in-a-generation *(continued on page 11)*



Green Jobs Day of Action, Oakland, Calif., September 2008.

PHOTO COURTESY OF GREENFORALL.ORG

Fighting Moneyed Interests with People Power: How Northwest Nonprofits Took on Influential Adversaries and Won

By Lisa Raghelli

On September 29, NCRP released the fifth report in our series, *Strengthening Democracy, Increasing Opportunities: The Impacts of Advocacy, Organizing and Civic Engagement in the Northwest Region*. It documented the impressive policy accomplishments of 20 organizations in four states: Idaho, Montana, Oregon and Washington. Collectively, they achieved more than \$5 billion in benefits for vulnerable communities and the broader public over five years. Many other policy victories were just as important but could not be quantified. For every dollar invested in these organizations for their advocacy, the return on investment was \$150.

These achievements are all the more impressive when one considers what the groups were up against in their policy battles. Often, advocates faced formidable opposition from those most vested in maintaining the status quo. These opponents frequently had much more money and political clout than the groups in our research sample did, yet in many cases the nonprofits won. What kind of muscle did each side bring to the fight? And how did community groups win despite the seeming power imbalance?

Some policy reform efforts are contentious because they touch on hot button social issues, such as immigrant rights and rights for lesbian, gay, bisexual, transgender and questioning (LGBTQ) individuals. Basic Rights Oregon was formed in 1996 in the wake of an onslaught of anti-LGBTQ campaigns. “We’ve seen more anti-



This volunteer handmade all these Montana Women Vote signs and banners

LGBTQ ballot measures than any other state,” noted executive director Jeana Frazzini. According to the Basic Rights Oregon web site: “For the past two decades, Oregon has been a testing ground for anti-LGBT policies. Through five statewide and more than 25 local anti-LGBT ballot measures, the far right has long used this state to assess public resonance with anti-equality policies, test messages and build infrastructure. Since the first ballot measure in 1988,

the right wing has spent well over \$8 million on statewide ballot measures alone [through 2007].”

Basic Rights Oregon started out being reactive to these attacks, but as it built its leadership and capacity, it became more proactive. Our report described how Basic Rights Oregon ultimately succeeded in winning two major victories in 2007: the Oregon Equality Act, banning discrimination based on sexual orientation, gender identity and gender expression, and the Oregon Family Fairness Act, creating domestic partnerships for same-sex couples. In 2008, Basic Rights Oregon successfully defended the nondiscrimination and domestic partnership laws against repeal attempts at the ballot.

In order to take on these well-financed and persistent opponents, Basic Rights Oregon adopted a number of strategies. Over time, it developed an organizational structure that allowed it to be politically nimble and to raise large sums of money, including a 501(c)(4) lobbying organization; a 501(c)(3) nonprofit, the Basic Rights Education Fund; a ballot measure political action committee (PAC); and a state candidate PAC. This structure enabled Basic Rights Oregon to use an array of tactics to achieve its goals, including getting more pro-equality legislators elected to office. The ability to raise money from multiple sources allowed Basic Rights Oregon to begin to level the playing field financially.

Basic Rights Oregon also credits its organizing, leadership development

and alliances. Coalition building among business, labor, religious and other organizations to publicly support the campaign, grassroots organizing to bring constituents' views to legislators, and helping leaders tell their stories to the media and testify at hearings all were highly effective tools.

Finally, Basic Rights Oregon learned from its past defeats that it needed to transform itself into a fully inclusive organization. Frazzini reflected, "We had our moment in realizing that an LGBTQ movement that is led by white folks, primarily engaging white people, was not building relationships across race, or doing work to make sure we had relationships where we could support each other when these issues come up." Now Basic Rights Oregon is an anti-racist organization that integrates people of color as true leaders and partners in its work. Basic Rights Oregon makes broader connections to immigrant rights and other issues and explains why they matter to the LGBTQ community.

Other policy battles are hotly contested because they threaten the existing power and profitability of large institutions and groups, whether for-profit landlords, big business, predatory lenders or insurance companies. Washington Community Action Network (WCAN!) won the Washington Prescription Drug Card, a multistate purchasing pool that makes prescription drugs much more affordable, despite significant opposition from pharmaceutical companies. The Idaho Rural Council forced big dairy agribusinesses to negotiate stronger regulation of their toxic waste, and Northern Plain Resource Council in Montana successfully fought the efforts of coal bed methane companies to usurp water rights.

The Statewide Poverty Action Network (SPAN) took on certain parts of the banking and finance industry when it tackled predatory mortgage and payday lending practices. In 2009, SPAN's coalition, the Alliance to Prevent Predatory Lending

(APPL), overcame powerful and well-resourced industry lobbyists when the legislature enacted Washington's first law to rein in predatory payday lenders. The law set a maximum loan amount, capped the number of loans an individual can take out in any one year, included a repayment plan of up to 180 days, and created a statewide database to ensure compliance by payday lenders. Before the law passed, typically a borrower's only option was to repay the loan in its entirety, plus 391 percent interest, or pay only the exorbitant interest and roll over the full principal, contributing to a spiral of debt.

According to the national Center for Responsible Lending (CRL), payday lending volume is \$1.5 billion a year in Washington; \$1.1 billion of that is from churning, which is when the same customer takes out new loans repeatedly. Payday lending fees incurred by Washington consumers total \$194.5 million annually. With that much profit at stake, it was no surprise that the industry fought hard against the bill. "They did anything and everything to stop regulations that would impede their profit making ability," said SPAN

executive director Beverly Spears. "We were up against an industry with billions of dollars to pay lobbyists and make media buys. They circulated false information in low-income communities, and they even bought the loyalty of community organizations."

Spears said that APPL's broad and diverse membership and the ability to mobilize its base were important in combating the opposition. APPL included military, faith, labor, human services agencies and other community organizations. APPL also refined its message over the course of the five-year campaign. "At first, we were very timid with our message, but then we took the gloves off and started talking about 'legal loan-sharking,'" recalled Spears. Finding the right message, launching an aggressive media campaign and coming back bigger and stronger against the industry year after year made all the difference.

This year, Montana Women Vote, Montana Human Rights Network and other advocacy groups also are battling payday lenders, but through the ballot initiative process. With leadership and seed funding from the Montana



Members of Basic Rights Oregon rally for immigrant rights.

PHOTO COURTESY OF GREENFOKAL.ORG

Community Foundation and its Women's Foundation, advocates gathered enough signatures to get a measure on the ballot curbing exorbitant interest rates. Their opponents in the payday lending industry immediately filed two lawsuits in the Montana Supreme Court. Montana Community Foundation president and CEO Linda Reed observed, "This is not work for the timid. ... They will use anything they can think of. They claimed we collected signatures incorrectly and that the attorney general's ballot language was incorrect. It is just a tactic to take our eyes off the ball and scare some of the participants."

CRL has helped advocates in many states enact anti-predatory lending laws, and its staff prepared Montana leaders for likely industry tactics. "We knew the industry would challenge us as they have in other states, so we were extra careful with our documentation during the signature gathering process," noted Alysha Jannotta, executive director of Montana Women Vote. "We did strict tracking of who gathered signatures, how signature gatherers were

trained on the issue and documented it all with affidavits from them. We always thoroughly prepare our signature gatherers during ballot campaigns, but we wanted to have even better record keeping this time." The campaign planners also budgeted for legal counsel, knowing that the industry would use legal tactics to challenge their effort.

The campaign also has adjusted its tactics to protect individuals and organizations that could be targeted by the opposition. MWV encourages people most affected by a problem to share their stories publicly, but quite a few people have chosen to share their negative experiences with pay day loans anonymously. And the campaign is focusing on getting a thousand individual endorsers rather than organizational endorsements, so that nonprofits can be shielded from potential nuisance legal threats. Organizers remain confident that the courts will throw out the allegations of signature-gathering fraud, since there is no evidence of any, and that the measure will be approved by voters in November. "The Montanans we've

talked to about this immediately support capping these predatory interest rates," said Jannotta. "It's a no-brainer."

The Washington Low Income Housing Alliance and its allies have garnered \$300 million in the last two bienniums for the state housing trust fund, which in turn has leveraged an additional \$1.2 billion for affordable housing. While banks can be important partners in affordable housing development, the alliance has championed other causes such as foreclosure protections and tenant protections that put it at odds with lenders and for-profit landlords – two interest groups that have deep pockets to both pay lobbyists and contribute to state legislators' campaigns.

Like SPAN, the alliance has learned that strong, aggressive messaging is important before the opposition can get to legislators with their own talking points. In 2005, the alliance won approval of the "Slumlord Accountability Act" to provide stronger tenant rights and protections. The bill's title and the framing of the issue were so effective that for-profit landlords were shouted out of the legislature when they tried to defend unfair practices.

The media stories and testimony of tenants who had lost their homes and rent deposits also were persuasive. "We ask legislators over and over who are the most effective messengers, and they always tell us that hearing from the people who are directly impacted gets their attention," commented Michele Thomas, the alliance's policy director. Legislators also value the knowledge and expertise of service providers. "It helps that we are statewide. We have members all over the state who have developed relationships with elected officials and can educate them about housing and homelessness issues."

These legs on the ground – and in the state capital – are all the more important when the opposition's lobby-

PHOTO COURTESY OF STATEWIDE POVERTY ACTION NETWORK.



Young volunteers participate in a voter registration drive.

ists resort to blatant lies to confuse their own constituency and legislators, as when for-profit landlord lobbyists painted a bill to curb discrimination based on renters' source of income as a "rent control" bill. "We are combating these tactics by bringing in national experts who can help our members and allies in the legislature understand complex topics," said Thomas. "And our long-term hope is that we can better educate elected officials about the challenges the poor, tenants and the homeless face, so that legislators are less vulnerable to being confused and manipulated."

Advocates urge grantmakers, when making funding decisions, to keep in mind what communities are up against. Thomas noted, "It's labor intensive and costly to get service providers and affected constituents to Olympia to tell their stories to legislators. That's who elected officials want to hear from. We



Photo by Bill Wartley, Washington State Housing Finance, courtesy of the Washington Low Income Housing Alliance.

need more money just to do that."

Legislators also have confirmed what advocates already know – that nonpartisan voter registration and education are critical if advocates want to break through the wall of paid lobbyists who spend 24/7 at the Capitol.

Funders who want to see progress on issues that require challenges to entrenched and well-financed interests need to make a long-term commitment

to their nonprofit partners and provide flexible resources so they can get the job done. SPAN's Beverly Spears added, "It took us five years to win. That's the nature of advocacy. We depended on a lot of different sources of general operating funding to keep the momentum going."

Creative organizational structures, coalition-building among diverse sectors, statewide grassroots organizing, strong messaging, personal testimony and nonpartisan voter engagement all are proven strategies that advocates have used in successfully fighting powerful, entrenched interests. ■

Lisa Ranghelli is director of the Grantmaking for Community Impact Project and co-authored Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing and Civic Engagement in the Northwest Region.

Reflections on Sustainability *(continued from page 7)*

opportunity to reshape the future trajectory of our communities, our economy, and our social fabric. With our sharpened emphasis on sustainability, Surdna and many of our fellow foundations have found great partners in Washington who are intent on pushing sustainable practices into the mainstream of our economic future. From the Department of Housing and Urban Development, to the Department of Transportation, to the Department of Energy, the notion of sustainable communities has become the byword among the leadership. Even the National Endowment for the Arts is in on the conversation.

At Surdna, we see unprecedented opportunity in the period ahead. This economic crisis has been deep and we are not out of the woods yet, but the long-term prospects for building more

resilient and vibrant communities never have seemed more possible. With huge federal dollars being poured into innovation in spheres that will stimulate smarter and more sustainable economic development, like clean energy, a smarter electric grid, and more thoughtful transportation and land use policies, we see the table being set for strong and inclusive economic development in America's communities. Foundations like ours continue to play a key role in ensuring that these investments are made wisely and have the maximum impact over time, but we also must use our convening power and grantmaking influence to help ensure that the next economy includes those who have been left behind by structural racism or stagnant middle class wages.

Surdna's focus on the long term and

on the whole community, we believe, is the best bet. We all have been buffeted by the countercurrents of the deep economic distress of our communities on one hand and, on the other hand, the substantial down payment we are seeing in the economy, indeed the society, of the future. At Surdna, success will depend not only on whether concepts of sustainability become core to our collective understanding of what the future looks like, but also whether all members of our society participate and thrive in this future. In fact, we cannot see how a society can be sustainable without embracing the values of fairness and justice at its core. ■

Phillip Henderson is the President of the Surdna Foundation.

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Small Foundation, Big Impact *(continued from page 1)*

the Sullivan Principles to not do business with South Africa under apartheid, and Lotus was a major funder of the documentary *Eyes on the Prize*. We were the first corporate sponsor of any AIDS walk anywhere in the U.S. We're talking '85, and everybody told me I was nuts, and then everybody else followed.

Aaron: *Let me explore a little bit this explicit commitment that you have to particularly helping low income communities of color. Your web site states that the foundation works to ensure fairness and equity, particularly for those communities. Why are those things important to you?*

Mitchell: I mean, why is it important to breathe oxygen? It's a very good question, and I'll try to answer it sincerely. But in some sense the fact that it's asked, not by you, but that it needs to be asked is a testament to how askew we are in this country. The fundamental premise of a democracy has to be that there is equal opportunity for all and manifestly this is not the case (despite widespread, stubborn ignorance and denial). Otherwise government of, by and for the people actually can't live up to its promise because it won't be of the people and it won't be by the people and it won't be for the people. It'll be for *some* people.

Aaron: *Some foundations, even if they are committed to these values of equity and fairness, use more of an expert-driven, top-down approach to social change. This is especially true, in my observation, of foundations where the wealth source is from the tech industry. But my read of the Mitchell Kapor Foundation is that it favors much more of a bottom-up approach that intimately involves the affected communities in improving their own lives and in making the change. Do you think my read on that is accurate, and why are you committed to this bottom-up approach?*

Freada: It's a really profound and astute question, so thank you. I would say that your perception is completely accurate, and that the difference in our approach reflects a pretty subtle, maybe implicit rather than explicit kind of bias on everybody's part, the other foundations as well as ours. For those tech companies that have an expert-driven approach, there's an implicit belief that they're the best and brightest, and that they got where they are because they're really smarter than everybody else. I take the view that they are winners in a rigged game and that talent is evenly distributed across the population, but bias and barriers are not equally distributed across the population. So if you actually believe that you're smarter than everybody else and that's why you made a bunch of money, then you go hire a bunch of experts 'cause you think that smarter people can solve more problems.

If you think you were in the right place at the right time, and in the right skin color and the right gender and other demographics, then you say,

If we think experts
have the answer about
how to make a difference,
without having a felt
connection and empathy
and institutions, to us
that's a bad strategy.

"What's my obligation here to make sure that those who were excluded from getting to where I got aren't excluded from saying how things ought to work in their own communities?" So, I think that's the real challenge here, which is to understand – not to minimize the efforts, accomplishments, or intentions of anybody who has "made it" – but to ask all of us to be a little bit more self-reflective of what would have been if we had been born under different circumstances. Would we be here?

Several initiatives the Kapor Foundation funds reflect a theme of identifying and removing biases and barriers at all levels. We provide core support for the Level Playing Field Institute,¹ which I founded and we both serve as board members. LPFI's mission is to remove barriers to advancement from the classroom to the boardroom. Jointly, the Kapor Foundation and LPFI are sponsoring a prize for innovative research in hidden bias, both in education and workplace settings.

Mitchell: Part of this myth of meritocracy that Freada started talking about is that people believe that if they're really successful it was by dint of their own efforts because our society sorts the best people to the top. But we know that's not true. It's a self-serving kind of myth. But if you're operating inside that myth, I think you believe that expertise is the answer. The point is that if we think experts have the answer about how to make a difference, without having a felt connection and empathy and intuitions, to us that's a bad strategy. It's a strategy with limitations – particularly because there's a general recognition that large scale philanthropy has underperformed. I'm being charitable here. When you look at results and change and you have a very accountability-oriented framework, it has underperformed. This suggests we need more risk taking, more entrepreneurial approaches and more vision.

Aaron: *You brought up the issue of risk. I would love it if you could tell me how you think about risk.*

Freda: We don't think of failure as something to hide or, "Oh, no. We made a terrible mistake and whom do we fire?" We think of risk-taking as, "Many things aren't going to work, and yet it's going to identify a whole new, maybe innovative and disrupting, approach."

Aaron: *What about the concept of leverage? Are you consciously trying to leverage your foundation's investments into greater social change, and how do you go about doing that?*

Freda: Well, one answer is: we often hear that despite being small, we have big impact. We like to fund risky things. We like to fund new approaches. We're not afraid of things not working. So often, what happens is a small grant from us allows a program officer at a much larger foundation to go to his or her decision-makers and say, "We won't be the first in." So, being the first in is something we do a lot, understanding that we pave the way for much bigger dollars to follow.

Aaron: *One other notable thing when looking at the Kapor Foundation is that it appears you're paying out 10 percent or more of your assets annually. Tell me how you think about payout and perpetuity.*

Mitchell: Unlike foundations in which the donor or founder is no longer on the planet or no longer professionally active, I'm still actively involved in investing in startups. And if you look at the history of the foundation, you'll see that we periodically contributed to the principal. Part of our long-term planning involves the likelihood that we will make additional contributions to principal.

When we do our pro formas about what we're spending, we're taking into account a variety of scenarios where there are future contributions to the

principal. So it's a different type of logic.

In addition to that, I would say that for ourselves, as is the case with other people now who made money in information technology or entrepreneurship, there is more openness to thinking about the lifetime of the foundation as opposed to just in perpetuity. Now you'll see some foundations have a plan for the lives of the founders plus 50 years or plus 30 years. But there's an intended end date. While we have not reached any final conclusions about that, we think about that, which also influences how we think about what we spend. We've chosen to have more spending than if we were in a traditional model that centers on perpetuity.

Aaron: *So what do you wish I had asked you about that I didn't yet?*

Mitchell: We've touched on, but have not dwelt on, the fact that the staff of the foundation are substantially people of color.

Aaron: *And why is that important? I assume that is intentional.*

Mitchell: Well, we recognize the importance of having many types of diversity. Who you have around the table is very important. We have a terrific staff led by Cedric Brown, the director of the Kapor Foundation. He and the rest of the staff are empowered to make strategic and philanthropic recommendations. We believe that having congruence with those who are receiving the grants matters a lot. Our staff have deep experience in relevant domains and most have advanced degrees from top institutions. If a foundation has "ability to work effectively with diverse communities" and "history of successfully leading diverse teams" as job requirements, the candidate pool changes dramatically. Other foundations and corporations could learn from our experience.

Again, it's one of those things that is simply a reflection of how skewed the current situation is that that's even remarkable. But philanthropy that is serving the underserved and low income communities and communities of color in general still feels to me to be pretty white when I look around rooms of funders. It just doesn't make sense.

Freda: If you have the perspective that we have, that there are unfair obstacles in the paths of many and that part of the mission of the foundation is to identify and remove those, it gives you a different perspective on who should be making decisions. So, it's not just the winners in the race game; it's precisely those who were unfairly stopped, who have a different, and in many ways, a much better, insight into what the barriers are and how to work around them.

Many people in big philanthropy don't seem to be all that aware that very soon we're going to be a majority-minority country. It's also worth pointing out that until there was threatened legislation in California to do something about diversity in foundations, that foundations weren't at all serious. And now their seriousness about addressing these issues is to forestall regulations. And, gee, doesn't that sound just like Wall Street?

Mitchell: Well, and the regulation was just transparency. It wasn't actually mandating people do anything, God forbid.

Aaron: *Did you guys have a position on that when the debate was going on?*

Mitchell: Well, we – I don't think we took a position. I think our position is – my position is – at the point at which there's no change and change has to be mandated, you have a pretty broken system. ■

Notes

1. <http://www.LPFI.org>.

The Kirwan Institute for the Study of Race and Ethnicity

The Ohio State University
Columbus, OH
kirwaninstitute.org
Est. 2003



Andrew Grant Thomas
Deputy Director

The Kirwan Institute was founded at the Ohio State University in 2003. With the hope of establishing the university as a leader in a new interdisciplinary field, Kirwan's founders decided the institute would:

- Foster critical and creative thinking on concepts about race and ethnicity;
- Examine hierarchies and systems of control, domination and oppression;
- Explore the interrelatedness of race and ethnicity to other foci such as gender and class;
- Examine the cultural, economic, political and social experiences of racial and ethnic minority groups in the Americas (note that the Institute's work is now global in scope)
- Interrogate the material conditions of life and achievement among groups that systematically are subjected to systems of domination and oppression.

The institute works hard to accomplish such goals in part through its use of conceptual frameworks like structural racialization. Deputy Director Andrew Grant-Thomas describes structural racialization as "the idea that individuals and individual beliefs and behaviors are only one factor that may contribute to racialized phenomena. People sometimes also consider institutional racism but, beyond that, we believe that one important source of racialized meanings, outcomes and



inequalities are the dynamics that happen between institutions or across substantive domains like education, health, and employment."

Structural racialization is particularly important when considering issues of social justice. Kirwan maintains that social justice work often is reactive and can cause problems in one area while alleviating problems in another. Grant-Thomas explains, "The way we tend to approach social problems is try

to break things out into their separate constituent bits and try to solve each bit, but that doesn't work. It doesn't work because much of the difficulty and complexity of the problems we face come from how these different bits interact in irreducible ways to create the outcomes we see."

Issues of social justice never rest and new areas of research always are emerging at the Kirwan Institute. Grant-Thomas currently is working on a project to generate visions of what the United States will look like if current social justice and racial equity work is successful. It is titled "Visions 2042," which is the year the U.S. Census predicts that there no longer will be a racial majority – and many believe will be a time of great significance.

He says, "Suppose people doing this important work are successful, and things are significantly better in terms of race. What does that look like? Suppose we knew that some of the seeds of transformation were in place right now – in the year 2010. What might some of those be? And how do we get from here to there?"

The questions are difficult to answer, but Grant-Thomas stands by their importance. "It's about taking very seriously the challenge of making real substantial racial progress and figuring out the kinds of strategies and tactics that are required to do so, as opposed to focusing only on immediate and incremental goals," he says. ■

Photos courtesy of the Kirwan Institute.





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