

Responsive Philanthropy

Under the Big Top

By Neil Donovan

Despite decades of efforts from government agencies, nonprofits and philanthropists, millions of Americans will experience homelessness this year, including 1.5 million children.

A true understanding of homelessness and how to end it requires recognition of its primary causes, comprehension of the consequences of failure and the involvement of key stakeholders from the beginning to the end of efforts to address this problem.

Funders Together to End Homelessness (Funders Together) is an affinity group of leading philanthropies that have chosen to dispose of their independence by harnessing the collective power and potential of its membership. With many of the funders that seek to address homelessness working under one umbrella organization, the sector has lost diversity of perspective to address a complex social issue. Additionally, input from critically important stakeholder groups, including nonprofits and homeless constituents, has largely been left out of the strategy and decision-making process; they are outside the tent – The Big Top. As a result, Funders Together has underperformed compared to the previous accomplishments of its individual members. The lasting impact of individual funders *(continued on page 8)*



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Photo courtesy of United Way of Greater Los Angeles.

Maximizing the Impact and Amplifying the Voice of Philanthropy

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challenging grantmakers
to strengthen communities

Under the Big Top

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will be diminished and undervalued by the group's chosen trajectory. With the creation of Funders Together, the shared goal of ending homelessness is farther out of reach.

THE LIMITS OF NAVIGATIONAL TOOLS

In the privacy of the places where they gather, Funders Together has planned and executed an expansion of its scope far beyond the traditional role of philanthropy. The group describes itself as facilitating the national response to homelessness by advocating for a change in charitable organizations and government agencies, to assure the smart and efficient use of grant and tax dollars. It explains research, business and science as critical navigational tools to understand and explain how its members' social investments are made or denied.

While this controlled form of analysis has enabled Funders Together to have a set of defined goals and strategies, it also restricts its members' ability to renew or change as real-time

responders. Their use of analyses is vitally important to their decision-making, but it must remain measured and should never blunt innovation. Most philanthropists will attest to the need for more effective ideas, but the enemy of innovation is the overarching requirement to demonstrate this solely by evidence. New ideas aren't proven in advance by inductive or deductive reasoning alone; they emanate from intuitive thinking. And intuitive thinking may well be the best hope in addressing this intractable social problem.

Most advocates now attest that the end of homelessness in America only will occur when the creation of housing aligns with the scope, needs, resources and geography of the unhoused. A wide variety of housing approaches and funding will be necessary to accomplish this goal. Funders Together, while understanding this reality, has chosen to promote "Housing First," a limited single housing approach, over a more systemic approach. This focus on the "Housing

First" approach, while admittedly successful in its limited scope, is an insufficient strategy in moving America toward the goal of ending homelessness.

PRESUMING THE FEDS' ROLE

By assuming much of the vacated role of the federal government, without the required conditions of public comment and participation, Funders Together is risking the commitment of its members as philanthropists to be open and accountable to the public good. This commitment ensures the free flow of thoughts and ideas across a broad spectrum of voices. Including these voices also provides essential checks and balances against the dangers of concentrated wealth and power in the service of an ideology, which support the interests of the funders and their benefactors.

Funders Together has quietly inserted into a national conversation data, research, theory and practice designed to meet yet another overly ambitious federal plan to end homeless in America, but ignored the history and consequences of limited and incomplete social interventions.

Philanthropy must abandon the security and convenience of its privacy and weigh the importance of learning from a version of history that only can be seen from beyond its walls. Philanthropists must consider the importance of first person testimony to homelessness, along with the science and research they cherish. The final measure of philanthropy's achievement will be determined over time not only by its ability to achieve a particular purpose or goal, but also by the degree to which the course of its actions were inclusive.

AN INCOMPLETE SOCIAL INTERVENTION

In 2002, the Bush administration, together with a select group of funders and "bipartisan" national advocates,



Homeless family. Photo by Jim Hubbard.

began developing a decade-long strategic plan to end homelessness. Rather than seeing the growing national housing crisis as a consequence of flawed macroeconomics and the failure of the federal government to invest adequately in an aging and shrinking stock of affordable housing, the plan's developers focused on local interventions and chose to see homelessness as an individual's responsibility or pathology, best explained using clinical terminology.

Congress' growing frustration in the 1990s with "the intractable nature of America's homeless problem" cleared a path for the administration's new plan to end homelessness. The final hurdle for the administration was crafting an argument to the American people that clearly spelled out the reasons for replacing the Clinton administration's integrated Continuum-of-Care system with a new approach to end homelessness.

The Bush administration, known for creative messaging, began levying significant criticism against the nation's homeless service providers – a decades-old symbol of the war on poverty. The once noble "shelter operator" was now being viewed by some critical thinkers as merely *managing* America's homelessness, without end. Government agencies and foundations soon followed suit, calling into question the very integrated systems of care that for decades had acted as the nation's final safety net for millions of homeless Americans.

TEN YEAR PLAN TO END HOMELESSNESS

As dubious accusations mounted, nonprofit organizations on the front lines began to show signs of stress from inattention and underfunding from both the government and philanthropy. Calls rang out from the public sector for the newly minted

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national strategic plan – the "Ten Year Plans to End Homelessness," created by a highly eager administration, driven by a desire for immediate systems change and backed by the unconditional endorsement of frustrated philanthropists. Providers, advocates and activists for the homeless sat silently as decades of service and commitment to the care of homeless people were assailed. No longer were communities accountable for managing or reducing the number of homeless – now they were responsible for nothing less than ending homelessness.

The administration's message – "Homelessness must end once and for all" – was heard loud and clear, from the Roosevelt Room in the White House to the boardrooms of philanthropy.

Philanthropy had made a considerable down payment on an unsuccessful Continuum-of-Care, so there was no appetite to repeat such a costly and failed type of investment. From this point on, the federal government's foot-

print would be considerably smaller, which made it easier to deflect blame. Much of the traditional work done by federal agencies would now be parsed out to large national consulting groups. Nonprofits would now be answerable to both the federal government and local jurisdictions. Homeless individuals were still without any power, voice or authority. They continued to be perceived as clients, rather than citizens.

THE TENT MAKERS

By 2004, a select cadre of homeless experts from American philanthropy had begun building a virtual tent to harness their expanding potential for impact and change as well as provide individual shelter from the dangers inherent in uncertain investments. Initially, the small group focused its attention and resources on "chronically homeless individuals – the most visible sign of society's failure." Two years later, an expanding tent welcomed additional foundations with a broader reach to assist families with children, youth and veterans.

The original funders were an exclusive seven-member steering committee named after the primary goal of the federal government's new plan: The Partnership to End Long-Term Homelessness. As the tent grew to accommodate more funders and a changing federal landscape, "The Partnership" adopted the name Funders Together to End Homelessness. Two years later, in 2011, it formed a nonprofit corporation, to engage, educate and support funders committed to ending homelessness.

Access to the tent remained limited to funders alone. Groupthink led to most members espousing a belief that America can end homelessness through rapid rehousing. The name adopted for this concept was "Housing First," an approach that had moderate to good success moving homeless individuals and

New and Renewing Members

Annie E. Casey Foundation
Bauman Family Foundation
California Community Foundation
California Endowment
Common Cause
Communities for a Better Environment
Compton Foundation
Conrad N. Hilton Foundation
Consumer Health Foundation
Disability Funders Network
Edward W. Hazen Foundation
Evelyn and Walter Haas, Jr. Fund
Fabrangen Tzedakah Collective
French American Charitable Trust (FACT)
Funders Together to End Homelessness
Gamaliel Foundation
John S. and James L. Knight Foundation
Justice at Stake
Lumina Foundation for Education, Inc.
Marguerite Casey Foundation
Mexic-Arte Museum
National Gay and Lesbian Task Force
Needmor Fund
New Mexico Environmental Law Center
Robert Wood Johnson Foundation
Rockefeller Foundation
United Way of Greater Los Angeles
USAction
Wallace Alexander Gerbode Foundation

families immediately from the streets or shelters into permanent housing. However, the true impact of Housing First can be measured only by the capacity of each community to build and maintain its affordable housing.

America's nearly 350,000 units of affordable post-war housing from the 1970s has dropped precipitously by more than 85 percent to its current level of 50,000 units. A children's simple game of musical chairs will show the disparity between the need for and availability of affordable housing. This shortage in the current stock of available affordable housing forces us to reject out of hand any thought of ending homelessness predicated on the condition or assumption that simply "putting" America's homeless into housing is a viable and lasting permanent solution. Funders Together simply had neither the scope nor the inclination to see how its "Housing First" focus would face serious limitations as soon as stocks of affordable housing ran out.

In just a matter of years, the canopy had been stretched wide over dozens of social investors. The tent now is large enough to fit social entrepreneurs, housing developers and social engineers, but not nonprofits, advocates and – most importantly – those experiencing homelessness. The drawbacks to focusing primarily on Housing First became clear by the end of 2010. The Ten Year Plan to End Homelessness was exhausted. The economy was just recovering from recession. Foreclosures had become the new feeder system into shelters. Gains made toward housing the chronically homeless were quickly undercut and vastly overshadowed by a dramatic increase in the number of homeless families and veterans.

For some, the goal of ending homelessness now seemed more elusive than ever. The noble shelter operator

was called upon, once again, to shelter those most in need. In many communities, however, the frayed and tattered final safety net was now beyond repair. Demoralized and underfunded, shelters have been unable to keep up with the growing populations of homeless that are continuing to arrive at their doors.

ENDING HOMELESSNESS

The three primary causes of American homelessness are: (1) a lack of affordable housing; (2) systemic deficiencies in public healthcare; and (3) a shortage of living-wage jobs. A successful system-wide effort to end homelessness must address each of the primary causes. Anything less will result in a failed attempt and a heightened resistance to future social reforms. Funders Together has not taken all three of these causes into account because it has not been receptive to the expertise of the homeless and those who have worked with them for decades.

The mission of Funders Together is to "help end homelessness." The nation's leading philanthropists will achieve their ultimate goal only by transitioning from an affinity group to an open partnership in which independent philanthropy once again plays an important but limited role. Philanthropy needs to work with a broad community of experts to ensure that their ideas and plans are valid and useful.

What's more, philanthropy needs to consider this revolutionary idea: The solution to ending homelessness in America rests squarely in the hands of the un-housed. The tent – The Big Top – must be a home for the homeless themselves, as well as for all of those committed to supporting the homeless' plan to end their homelessness. ■

Neil Donovan is executive director of the National Coalition for the Homeless.

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challenging grantmakers
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Maximizing and Amplifying

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to End Homelessness, a national network of funders supporting strategic, innovative and effective grantmaking to end homelessness, we find this situation unacceptable, and we're determined to change it.

We know it can be done because communities across the country are successfully reducing homelessness. A few recent examples:

- Salt Lake City, Utah, just announced that its chronically homeless population – composed of people with a long history of homelessness – has declined 69 percent since 2006.
- Fairfax County, Va., reduced total homelessness 16 percent and family homelessness 19 percent in 2009-2010.
- Between 2003 and 2009, Alameda County, Calif., reduced total homelessness 15 percent, chronic homelessness 20 percent and family homelessness 37 percent.

With critical support from government, providers, advocates, people who are or have been homeless themselves and philanthropy, these and other communities are restructuring their homelessness response systems. They are helping people without stable living situations move quickly into permanent housing and providing them with the supports they need to remain housed. Building on these and other examples, Funders Together is helping to spread the word among funders about solutions to homelessness, with the goal of attracting more of our colleagues to the work.

Granted, ending homelessness is a daunting goal for philanthropy; our resources, considered on their own, are simply insignificant in comparison to the task. Just as with health care – as NCRP's Sean Dobson pointed out in a recent blog post¹ – the total amount that philanthropy spends annually in

homelessness is dwarfed in comparison to the many billions of public-sector dollars expended annually that touch the lives of at-risk and homeless populations. This shouldn't scare our sector away from the issue, but increase our determination to use our limited funds as catalysts for real change, for the solutions that evidence tells us will have the greatest impact. I'm not sure we've been doing that consistently.

MAXIMIZING PHILANTHROPY'S IMPACT ON HOMELESSNESS

Over many decades, philanthropy has supported countless programs that have provided desperately needed aid to many thousands of people experiencing homelessness in America. But despite our best intentions, homelessness hasn't gone away. In recent decades, the problem actually has gotten worse.

To me, this means we're not doing something right – or at least as well as we could or should. Our sector's work must be about more than just results that let grantmakers sleep better at night; we also must seek to promote the lasting,

sustainable changes in the systems that touch people who are homeless. We must move beyond the management of homelessness to the collective work of crafting solutions that end it once and for all.

At Funders Together, we have learned from providers, advocates, researchers and people who are homeless about the clearest ways to end homelessness. These include:

- **Prevention and diversion:** The most effective way to end homelessness is to prevent it from occurring in the first place. This means promoting "upstream" interventions, both for individuals and families at imminent risk (e.g., short-term rental assistance, landlord mediation and discharge planning from institutional care) as well as those whose trajectories create the risk of homelessness over the longer term (e.g., families involved with the child welfare system, people struggling with severe mental illness or substance abuse and survivors of domestic violence).



Photo courtesy of Skid Row Housing Trust.

- **Rapid re-housing:** People who fall into homelessness are better able to stabilize their lives when living in their own homes rather than temporary shelter. The goal of our interventions should be to move people who are homeless into housing as quickly as possible, while providing supports to help them remain there. While stable, safe, permanent housing should be the goal for every homeless person and family, this does not mean that shelters and transitional housing are unnecessary or irrelevant. Access to some level of emergency shelter always will be needed in every community; the key is to ensure that people recovering from homelessness stay in shelter settings no longer than is absolutely necessary.
- **Tailored services:** Providing at-risk and homeless individuals and families with the right supports, at the right time, for the right duration offers the opportunity for both the most effective (for individuals) and efficient (for systems) interven-

tions. People who are homeless are strong, resilient and often powerfully independent. Just like people who are not homeless, most prefer getting on with their lives with minimal levels of interference from the government. For *individuals*, the goal of our efforts should be to provide the amount of assistance that is needed and no more – from a little help with the rent or training for a better job to the more intensive intervention of permanent supportive housing. For primarily public sector *systems* struggling in an era of recession and diminishing resources, getting this right is essential to maximizing the reach and effectiveness of the limited funds available for this work.

At Funders Together, we don't promote any single response to homelessness. Complex problems rarely have simple solutions, and Funders Together doesn't believe that there is a single pathway or model to which everyone must subscribe. We support funders across the country to engage actively

and collectively with their local stakeholders – providers, governments, advocates, concerned citizens and people who themselves are homeless – to craft a diversity of solutions suited to their own unique environments.

That said, we do believe that decades of research and practice point us toward housing with appropriate supports as the key. Learning from the experiences of individuals and programs that have met success in their efforts to end homelessness offers us the best hope of not repeating the errors of the past. There are a few key principles to which Funders Together subscribes to help support the efforts of our members. These include:

- **Fund what works:** Proven solutions to homelessness include interventions focused on prevention, diversion, coordinated entry and housing linked to an array of tailored services.
- **Support research:** Even as we've learned much about effective strategies that can end homelessness, we need to learn more. Applying principles of scientific inquiry to our efforts won't always point immediately to the best solutions, but from every careful study of efforts to end homelessness we learn more about what works, what doesn't work and how to do better with the next set of investments and programs. We shouldn't shy away from less than promising results, but use those results to continuously improve our next steps.
- **Gather quality data:** Inaccurate and incomplete data hinder our efforts to get the best possible results. Partial data will produce only partial solutions. To gain the full attention of funders – public and private alike – data are required not only to “make the case” effectively but to inform the best real-time interventions in the field. Knowing the true scope and nature of the problem as best

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we can will help us move the right resources into position and sustain the work that needs to be done over the long haul.

- **Align with community efforts:** No one system alone can resolve the crisis of homelessness. Government systems need to increase collaborative efforts that reach across the multiple silos of public sector funding. Private funders cannot be effective if they act in isolation from both their public sector and community partners. Working together provides us with much greater chances of success.

AMPLIFYING PHILANTHROPY'S VOICE ON HOMELESSNESS

While working to link our sector better with the broad-based local and regional coalitions seeking to end homelessness is a core goal for Funders Together, we also are seeking to align the voices of foundations, corporate giving programs and United Ways to create a more effective profile at the national level.

Much of the work of ending homelessness depends on the alignment of large streams of public funding. While most private funders focus their efforts at the local level, we believe that making effective use of our collective voice at the national level also is essential to our success. The philanthropic sector can help raise the visibility of the issues, educate public officials and other stakeholders, and promote integration at a systems level to improve the likelihood that funding will be directed toward what works to end homelessness. We are not afraid of calling this component of our work an advocacy agenda. That's precisely what it is.

There is, of course, the risk that Funders Together will be perceived as a private club for philanthropic sector entities that insulates us from

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the harsh realities of homelessness and creates artificial barriers among funders, the issues and the communities in which we work. We must remain ever vigilant about the inherent risks that accompany the comforts of working in philanthropy, and Funders Together to End Homelessness exists to help counter isolation and insulation. Funders Together to End Homelessness connects funders to each other, increasing our knowledge of the issues and our ability to engage with our communities meaningfully and effectively. Our responsibilities to our many partners in this movement – especially those who struggle every day with housing instability and homelessness – demand nothing less. ■

David Wertheimer is board chair of Funders Together to End Homelessness. He also serves as deputy director of the Pacific Northwest Initiative at the Bill & Melinda Gates Foundation in Seattle, where he oversees the foundation's grantmaking activities to end family homelessness in the local region. For more information about Funders Together, visit www.funderstogether.org.

Notes

1. Sean Dobson, "A Number Every Grantmaker Should Memorize: 0.1%," Keeping A Close Eye ... NCRP's Blog, 26 September 2011, <http://blog.ncrp.org/2011/09/number-every-grantmaker-should-memorize.html>.

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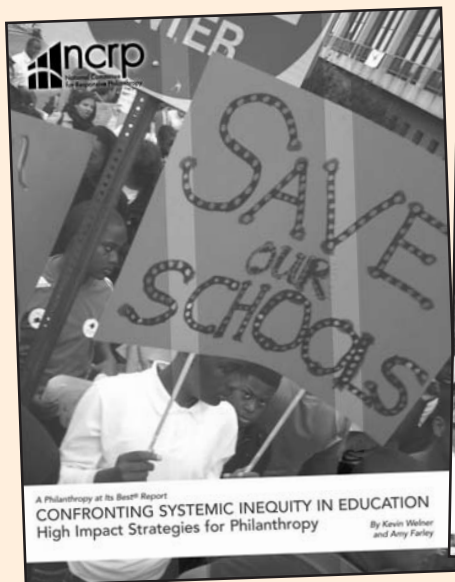
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