

After Katrina: What Foundations Should Do

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America's private and corporate foundations have given at least \$130-million to nonprofit efforts to help the Gulf Coast region recover from Hurricanes Katrina and Rita, according to Indiana University's Center on Philanthropy and the Foundation Center.

That is small-potato giving for America's foundations, which collectively have \$500-billion in assets. Grant makers have contributed far less than 1 percent of their wealth for disaster relief and recovery efforts.

Only four foundations — the Andrew W. Mellon, W.K. Kellogg, and Walton Family Foundations, and the Lilly Endowment — have given \$10-million or more apiece, while the Michael and Susan Dell and Conrad N. Hilton Foundations have provided \$5-million to \$10-million each.

Just as deplorable as the small sums poured into the region are the choices foundations have made about where the money should go.

The largest share of foundation grants has gone to the American Red Cross and other relief organizations, while substantial funds have also gone to the Foundation for the Mid South, in Jackson, Miss., and to community foundations in the region, such as the Baton Rouge Area Foundation, which has received about \$30-million.

Meanwhile, just a trickle of foundation money has gone to grass-roots, advocacy, organizing, or other activist causes. That situation is unlikely to improve soon, because the community foundations that received so much money from big national foundations to distribute to local groups have a poor record of supporting such causes.

The Hurricane Recovery and Restoration Fund, run by the Foundation for the Mid South, for instance, has not yet given any money to advocacy groups. The Louisiana Disaster Recovery Foundation, established by the state's governor, has distributed \$2.5-million so far, none of it to advocacy groups, although it says that in the future advocacy groups may be beneficiaries.

The disbursement of funds suggests that foundations have failed to understand the level of devastation wrought by the hurricanes on needy families and African-Americans and other minorities in Alabama, Louisiana, and Mississippi. Hundreds of thousands of people were evacuated from their homes, without any resources, lacking housing, health and education facilities, their families torn apart, many relatives dead.

White and middle-class families also suffered irreparable losses, but the disasters exposed the soft and ugly underbelly of communities in a region rife with poverty and racism.

The hurricanes, and the needs they created, have made clear just how thin and poorly financed nonprofit groups in the region were, especially those that primarily serve African-Americans, Latinos, immigrants, and low-income people.

The lamentable state of nonprofit groups reflects the long-term lack of concern and neglect that foundations that operate nationally and in the Gulf Coast region have shown for poor and minority Gulf Coast residents, even as some grant makers proudly strutted their awards to national antipoverty and antiracism programs. And, so far, it does not seem that their priorities have changed much.

America's foundations should be playing a strong role in rebuilding the Gulf Coast region so that it becomes a better place to live for everyone.

That means strengthening nonprofit organizations that serve low-income people and African-Americans, as well as other minorities. Most important will be the development of strong advocacy, policy, organizing, and watchdog groups that can reflect the needs, demands, and voices of people who are not affluent and powerful, voices that can challenge misguided policies and practices of federal, state, and local government agencies, and voices that can halt the activities of unscrupulous developers or corporate polluters.

Instead, nearly five months after Katrina struck, foundations have been reluctant to play that role.

One of the major reasons so many foundations say they have given to large organizations like the Red Cross, or have not yet responded, is that they did not know to whom to give the money. That ignores the fact that plenty of indigenous efforts have been under way that merit support.

Grant makers also seem to have been preoccupied with the issue of accountability. Many foundations wondered how they could be certain that grants to local groups would be well spent and, therefore, publicly accountable, especially since some newly formed coalitions and advocacy groups had not yet received charity status from the Internal Revenue Service.

Yet the question of accountability didn't seem to bother the large foundations that gave so generously to the Red Cross, which had a questionable record of competence to begin with and attracted even more criticism in the aftermath of Katrina over its unwise use of funds, high administrative costs, and lack of outreach to minorities. Nor were foundations willing to rely on established groups to serve as fiscal sponsors for grass-roots efforts that were just getting started in undertaking important work; that is a common practice that easily could have helped foundations deal with the accountability concerns.

While a few local nonprofit groups find some hope in the fact that a number of major foundations seem more accessible than in the past — "they actually answer some of our calls, although they have not yet given us money" is a refrain that I heard from several local groups in the region — many front-line organizations are struggling to provide needed programs and conduct advocacy efforts, often getting by with bare-bones budgets and unpaid volunteers.

It is those groups that are holding together so many of the distressed and battered cities and towns and rural areas in the region. They represent the legitimate voice of many of the residents of those areas, a voice that is not being heard in so many of the established public forums.

For example Acorn has done a superb job of organizing residents and evacuees from New Orleans and surrounding areas into an increasingly powerful association that is demanding essential services, the preservation of housing that wasn't destroyed, insurance payments for those who lost their homes, and a voice for poor and middle-class citizens in the rebuilding

efforts.

Despite its intensive work, Acorn has managed to raise only \$800,000 from foundations, almost all of them based outside the Gulf Coast region.

The Pacific Institute for Community Organization, working with four community organizations in Louisiana, and the Industrial Areas Foundation, another community-organizing network working with hurricane evacuees in Houston, have also raised some foundation money, but much less than Acorn. Yet they cannot find the financial support sufficient to meet the demand for their work.

Even groups that do most of their work internationally have done a better job of supporting advocacy than many national and local foundations. Oxfam, the international relief group, gave grass-roots and advocacy groups, as well as those that provide emergency services, a little more than \$700,000. In addition, the organization hired five full-time staff members to assist community groups in the region.

Plenty of other organizations are doing the kind of work that deserves foundation support. Among them:

- In Alabama, solid grass-roots organizations struggle to provide services and other assistance with minimal funds. The Save Our Selves coalition in Mobile, after receiving small grants totaling \$12,000, is doing yeoman's work providing relief and rebuilding services with only volunteers; even its director is unpaid.

The 21st Century Youth Leadership Movement, in Selma, an outstanding organization working with young people who lost their homes in the hurricanes, is also operating on a shoestring.

- In Mississippi, Southern Echo, a policy and advocacy group, has received modest sums, mainly from donors that supported it long before the hurricanes, and other grass-roots organizations have experienced much greater difficulties raising money.

For example, the East Biloxi Coordination Center, which runs advocacy efforts and provides direct services in predominantly African-American and Vietnamese neighborhoods, is operating solely with volunteers because it has used up the money it received after the hurricanes. The Mississippi Immigrants Rights Alliance, working on behalf of at least 50,000 Latino and Vietnamese immigrants on the coast, has only received a little more than \$100,000 for its sterling work.

- In Louisiana, scores of community-based organizations, many of them still recovering from the disasters, are serving both residents and hurricane evacuees.

Small groups like the Holy Cross Neighborhood Association in New Orleans and Saint Bernard Citizens for Environmental Quality are operating with volunteers but no funds. The recently formed Rebuild Louisiana Coalition is expanding its efforts to influence rebuilding policies on the backs of volunteers. Environmental-justice groups like the Louisiana Bucket Brigade have received some money from several foundations, but they remain grossly underfinanced.

Families and Friends of Louisiana's Incarcerated Children, an effective statewide group, has managed to raise about \$90,000, none of it from major foundations. And advocacy organizations such as the People's Institute for Survival and Beyond and Community Labor United, are constrained by a lack of sufficient money.

Even the venerable Southern Mutual Help Association, a widely respected presence in rural Louisiana, has had trouble raising enough money to meet the needs of displaced rural people.

"The \$1.5-million we received, mostly from foundations, may seem a lot," says Sister Helen Vinton, assistant executive director of the association, "but it is nowhere near the amount we need to do the job."

The grant makers that have supported those and other efforts are to be applauded. Among them are the Catholic Campaign for Human Development, the Marguerite Casey Foundation, the Nathan Cummings Foundation, the F.B. Heron Foundation, the W.K. Kellogg Foundation, the Charles Stewart Mott Foundation, the Needmor Fund, and the Veatch Program of the Unitarian Universalist Congregation at Shelter Rock, in New York.

Money from some of those grant makers, as well as other donors, enabled the Twenty-First Century Foundation, in New York, to make awards of \$3,000 to \$10,000 to about two dozen African-American advocacy groups. The Gulf Coast Ecological Health and Community Renewal Fund, run by Rockefeller Philanthropy Advisers, in New York, has raised more than \$500,000 for environmental-justice programs, while the Southern Partners Fund, in Atlanta, has awarded about \$200,000 to grass-roots groups in the Gulf Coast.

There is no excuse for the meager response of foundations to the work of community groups in the gulf.

It is not necessary to pump more money into community foundations and other organizations that have not supported advocacy groups in the past, and are not likely to do so in the future. Why are big foundations like Ford and Packard so unwilling to reach out to the best local groups and give them money directly?

America's foundations need to move from a policy of neglect of the nation's most vulnerable organizations to one of affirmative action, an approach that will mean changing the way many foundations do business.

Foundations will have to abandon their reluctance to support organizing and advocacy activities

because efforts to influence public policy will be an important cornerstone not only in the rebuilding of the Gulf Coast, but also in the elimination of two centuries of racial and financial inequities in the gulf.

The capacity of nonprofit organizations will have to be restored and improved; a generous dose of unrestricted grants will be required for such an undertaking. And the time for foundation decision making will have to be shortened, so that debilitating uncertainties can be removed from the philanthropic process.

One might have expected the Council on Foundations, the major association of grant makers, to be urging its members and other foundations to increase their giving to meet the urgent needs of the gulf states.

It should be encouraging foundations to put pressure on the federal government and Congress to grant more money to the regions harmed by the hurricanes and to improve the performance of the governmental bodies that failed to do a good job in response to the hurricanes.

Yet at this critical time in the gulf, the new president of the council, Steve Gunderson, recently sent an invitation to the major foundations to invite them to a special meeting "to discuss the threat of avian flu and to create an action agenda for your colleagues in philanthropy."

Why avian flu? Preparing for that kind of catastrophe is something that the federal government should be doing.

It's time Mr. Gunderson and the nation's other philanthropic leaders start taking action to deal with a tragedy that is already threatening to hobble a generation of Americans. Grant makers need to move forcefully and generously to help the Gulf Coast recover and rebuild.

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