

## **Interview Aaron Dorfman: Watchdog or advocate?**

**Previously executive director and lead organizer of a non-profit working to promote social and economic justice, in February this year Aaron Dorfman joined the Washington DC-based National Committee for Responsive Philanthropy (NCRP) as executive director. What does he hope to achieve in his new role, Caroline Hartnell asked him. Decisions have yet to be made, but what is clear is that NCRP will be both watchdog and advocate for increased funding for grassroots organizing.**

**Can I start by asking what NCRP's mission is?**

NCRP exists to ensure that philanthropy is accountable to the general public and responsive to disadvantaged communities.

**And has the way that that's been interpreted changed a lot over 30 years?**

I think as with any organization the mission evolves and changes over time. I think when NCRP was first founded it was really an outgrowth of the Donee Group, which was designed to bring the grantee or donee perspective to discussions of philanthropy and to ensure that their needs and interests were being met. Under Rick Cohen's tenure, NCRP became more of an acknowledged watchdog of philanthropy generally, and took up issues of philanthropic accountability. And I think that was a very positive development, because no other organization was really playing that role.

**So do you feel that 'the watchdog of US philanthropy' is a good description of NCRP, and is that what you want it to go on being?**

Absolutely. We will continue to be a watchdog organization, it's an essential part of what NCRP has become. It's clear from the strategic planning interviews I've been doing over the last month that everyone sees value in that part of NCRP's work.

**So as a watchdog, what are the particular issues you'll be watching? I know in the past there's been payout and mission-related investing, among others. What are the big ones for you now?**

Some specific issues are under discussion right now, as part of the strategic planning and revisioning process that we're going through, but I can tell you that a common theme of the watchdog activities is ensuring that philanthropy is about serving the common good and not about serving the narrow interests of the wealthy who create foundations or donor advised funds or supporting organizations. There is so much potential for abuse [for example, a person who creates a donor advised fund and claims the tax benefit currently has no legal obligation to pay any money out in grants], and so much actual abuse that goes on, and someone needs to keep an eye out for that sort of behaviour and call it out for what it is.

**Presumably you will be pushing for better performance as well as watching for abuse. So what do you see as the big issues in relation to performance?**

It is under discussion. I've had great support for our past work on encouraging greater general support grantmaking, and I anticipate that that will remain high on the NCRP agenda. It's such a critical need for non-profits, and especially grassroots non-profits, and they are a vital component of our democracy and what makes it work.

**What about payout?**

There is a real discussion about that going on in NCRP right now. Certainly, most of our stakeholders agree that it would be a good thing if foundations paid out more funds, but whether a campaign focusing on payout is the best way to ensure the kind of vibrant philanthropy we want to see in this country is still under discussion. We'll see where that goes.

**But the discussion is more about whether trying to increase payout is the best use of NCRP's efforts rather than whether it's something you believe in.**

Right.

**I know Rick Cohen was pushing the payout issue for a long time, but how much progress did it make?**

I haven't looked at the numbers to see whether the increased scrutiny on payout created a voluntary increase by foundations, but it may well have done that. We certainly didn't win on the public policy front, although it did come relatively close several years back.

But yes, your assessment is correct – no one in NCRP is talking at this point about changing our position on increasing payout levels. The question is whether, among all the very critical issues in philanthropy that need to be addressed, that's where NCRP should be focusing its efforts in the next few years. As I've said, that's up for discussion and will be decided this summer.

**What are the other issues that might be under discussion? Is mission-related investing one that you're interested in?**

That's on the list. Dave Beckwith, one of our board members, is from the Needmor Fund, which practises socially responsible investing, and there is great interest generally in the topic among our board members, so it's on the list and under consideration.

**What else is on the list and under consideration?**

One of the things we're really trying to figure out is how we get more funding into the hands of grassroots community-based organizations that are pushing for fairness and justice on a range of different issues. There is a huge amount of passion, both from me, having worked with one of those organizations, and throughout the board. What we're examining is what sort of research activities and other programme strategies NCRP might engage in to really move the bar and either generate new resources for those kinds of organizations or create a shift in priorities and focus in current foundation giving.

**Recently, I've been looking at figures for giving among the general public. Most of them believe that quite a high proportion of what they donate goes to the very poor and most disadvantaged, but it is actually a much smaller amount. I wonder if this applies to foundations, too?**

I believe there is a big mismatch between where foundation money actually goes and where they think it goes, and that may be something that we'll look into. I also think, though, that we want to emphasize the real 'bang for their buck' that foundations can get on the issues they care about by investing in advocacy and policy-change work and grassroots community organizing, as compared with funding direct services or other less risky strategies.

And yes, they are to a certain extent risky strategies, but when viewed over a longer time horizon the pay-off is incredible. Let me give one example from my own experience, from ten years' running a small non-profit in Miami called PACT (People Acting for Community Together). PACT is an inter-faith coalition working to promote social and economic justice. Over that ten-year period, we had total revenues and expenditures of about \$3 million. About 75 per cent of it came from foundations, 5 per cent or so from membership dues, and 15 per cent or so from corporations.

Granted it's not easy to calculate a direct return on investment in this kind of work, we all know that, but with that \$3 million we produced well over \$1 billion of social impact that was easily attributable – with initiatives where we won a massive expansion of the public transportation system, where we won school-based health centres for low-income children, and other initiatives. So we've got to find ways to tell that kind of story and to help foundations be more secure in the knowledge that investments like this really do pay off. I'm encouraged by the work the California Endowment has been doing, documenting through their evaluation team in ways that make the trustees more comfortable with this kind of advocacy grantmaking.

**Were you in the session at the Council on Foundations conference the other day where William Schambra was accusing foundations of abandoning charity work? The role of foundations is different in the US from what it is in Europe. For example, although state provision in the UK is shrinking, the state will still pay for long-term care for old people once they've sold their house and spent most of their savings. So there is no long-term role for a foundation in supporting old people in care homes year after year. But you don't have that kind of safety net here, do you?**

No, we don't. The US government does not provide the same kind of social safety net that many European governments provide. But I think NCRP's position has always been that the role of philanthropy is not to provide services that the government ought to be providing, but rather to support grassroots democracy in trying to get the services they need.

But Bill Schambra had a couple of good points within what I think was ultimately not a completely solid argument. In his view, foundations dream up these schemes, and it's all top-down, designed by social scientists and really out of touch with what people in communities need and want. I think that part of his critique is often accurate, and I would encourage foundations to really listen to the wisdom that is in communities throughout this country in designing their own solutions to problems.

**If you are a foundation that's supporting a social service direct, like a care home for old people, Schambra's question is what happens to the people in the home if that foundation then moves over to advocacy?**

Yes, it is a dilemma and I wouldn't encourage any foundation to simply abandon a non-profit like that.

**But basically, you don't feel it's their role to be doing it?**

No I don't. I think that a foundation that is really concerned about these issues needs to find a way to fund a continuum of services and advocacy that can reinforce each other and provide the needed services while also advocating for a greater government role in meeting that critical social need – foundations have nowhere near the resources to meet the needs that government ought to be funding. In her talk this morning [at the Council on Foundations conference], Melinda Gates referred to this problem – comparing their \$30 billion endowment with the \$60 billion that California alone spends on education in one year. So how could they possibly have the kind of impact that they need to have?

**So it makes sense to use your service provision to fuel your advocacy in some way.**

Yes, it's often a very effective strategy, because then you've got people advocating on their own behalf who are really affected by the concerns and the issue being addressed.

**Coming to NCRP from PACT, what are the two issues that you personally would be most keen to address?**

When my friends in the community organizing world heard of the move I was making, they all called me up and said, 'What are you doing, why are you leaving organizing, why would you make this shift, have you sold out?' And I said to them, 'Imagine what could happen in this country if we could shift hundreds of millions of dollars a year, even a billion dollars, more towards community organizing and social justice advocacy work. Imagine the impact of that on the problems facing low-income communities.' That's the vision, that's what I came to NCRP to figure out how to do. And I think that's fundamentally a vision that our board is committed to as well, and that's what the strategic plan will be built around.

**Did your friends in the organizing world have specific messages for you, given that you were going to do this 'sell-out' job?**

When I talked about the vision that I had, many of them said, I have no idea whether you'll be able to succeed at that, but if you can, that would be tremendous, and let me know how I can help.

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