

## **Foundation Grantmaking during Economic Collapse: Pollyanna or Cassandra at the Helm?**

By Rick Cohen

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...During economic recessions, nonprofits and communities are at their most vulnerable, with few alternative ports in the storm. Foundations are under no mandate to cut back or hoard their resources. To the contrary, by virtue of their functions on behalf of the U.S. taxpayer, they could and should follow a more recession-specific agenda. That kind of agenda involves the following components:

### **Think countercyclical grantmaking.**

When the economy goes south, that is the time for foundations to increase their grantmaking. Whether their constituents are food pantries or art museums, their access to "typical" sources of revenue, such as donations from belt-tightening individuals or grants and reimbursements from constrained government budgets, is battered during these economic times. Why should foundations give more only when their assets skyrocket during a bull market?

### **Convert program grants to general operating.**

The reports of foundation-aligned groups such as Grantmakers for Effective Organizations, the Center for Effective Philanthropy, the National Committee for Responsive Philanthropy, and others attest to the importance of general operating support for nonprofit sustainability. If there were ever a time to heed the messages of these philanthropic experts, it is now. Whether or not a foundation believes in the long-term efficacy of general operating grantmaking, now is the moment to release grant recipients from life-threatening project-related restrictions.

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