

## Foundations for Real Progress

By W. Hodding Carter III

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Private foundations are among the greatest of American innovations. They funnel private wealth into tax-sheltered institutions that in turn support public institutions and purposes. At their best, they have been catalysts for civic and cultural development, economic revitalization and education innovation.

North Carolina in particular is singularly fortunate to have a strong philanthropic tradition represented by a number of vibrant foundations with a well-developed sense of mission and focus. While the Z. Smith Reynolds Foundation comes immediately to mind, it is hardly alone.

Mention community and economic development, educational innovation, environmental protection, and racial justice, and you immediately think of the central role played by North Carolina foundations. But in a world gripped by economic crisis, a jobless rate moving rapidly toward the worst in 60 years and an ever-widening gap between the few who are rich and the many who are not, philanthropy has to do much, much more. Reflecting on past accomplishments is useful only as an incentive to innovation in the here and now.

In particular, the foundation world needs to refocus its approach to better assist those who are least able to help themselves. One way to do this is to make grants in ways that promote effectiveness.

That means providing more unrestricted support so that nonprofits have the flexibility they need to respond to changing conditions. It also means giving longer-term funding and multiyear grants.

Foundations should also spend more to help nonprofits speak with a louder and more effective voice in advocating public policies that directly benefit those with whom they work.

When public policies are changing dramatically at both the national and state levels, those who are most affected by them should be given a seat at the deliberative table. What is good for banks in crisis is no less good for average Americans and marginalized communities in crisis.

That is a short version of the recommendations made by the National Committee for Responsive Philanthropy, a Washington-based foundation watchdog group on whose advisory committee I serve. Its recent report "Criteria for Philanthropy at Its Best" pulls few punches and goes straight to the moral heart of the issue. If foundations are not going to concentrate more heavily on the most deprived groups and individuals in our society, who will?

Some in the foundation world are threatened by the questions and the recommendations. Some fear that by subscribing to goals for how much should go to those in critical need, the door will be opened to government regulation. Others who have a long and fruitful history as patrons of the arts or higher education or medical innovation resist anything they perceive might diminish

their historic commitments.

I respect their concerns. When I was president of the John S. and James L. Knight Foundation, earlier in the decade, nothing was more contentious than our evolving efforts to reach more deeply into the communities we hoped to serve. But at this moment in the nation's history, business as usual is no more tenable for the foundation world than it is for government and the private sector.

Asking foundations to devote a greater share of their grant dollars for the common good, the commonweal, is eminently reasonable and long overdue.

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