

Cheerleading in the Crisis

By Jane Wales

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Did foundations do enough in the economic recession? Clearly, it is too early to say.

But the Philanthropic Collaborative has found reason to crow. Its new preliminary report offers analysis of a limited set of data -- a sample of 2,672 grants totaling \$472 million made by foundations in response to the crisis between 2008 and 2010. A full report is due in December, but *Responding in Crisis: An Early Analysis of Foundations' Grantmaking During the Economic Crisis* suggests that the majority of foundation grants went to states facing the severest mortgage delinquency problems, as well as those encumbered by especially high unemployment rates.

... The report's lead author, Douglas Holtz-Eakin of the American Action Forum and former director of the Congressional Budget Office, served on a May 7 panel discussion at the Hudson Institute, where the Collaborative's report was officially released. Also on the panel was Aaron Dorfman of the National Committee for Responsive Philanthropy, who called the report too sweeping in claiming success based on a sample that Dorfman said amounted to less than 1 percent of all grants over the period. He also took umbrage with the report's assertion that foundations have been timely in responding to the crisis. Rather, Dorfman noted that the general grant application process seems as slow and cumbersome as ever, and in a time of economic uncertainty, foundations seem to be taking longer to make grant decisions. He went on to identify five things philanthropy should have done -- and ultimately, could still do -- to adequately respond to the crisis, from being more flexible in grantmaking to offering more support for advocacy and community organizing.

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