

WALTON FAMILY FOUNDATION  
HOW CAN THIS  
MARKET-ORIENTED GRANTMAKER  
ADVANCE COMMUNITY-LED  
SOLUTIONS FOR  
GREATER EQUITY?

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**philamplify**  
honest feedback to improve philanthropy

# EXECUTIVE SUMMARY

The Walton Family Foundation (WFF) was started in Bentonville, Arkansas, in 1987 by Sam and Helen Walton, the founders of Walmart, now the world's largest retailer. The Waltons seeded the foundation with an initial donation of \$1,000.<sup>1</sup> By 2013, the fair market value of the foundation's asset base stood at nearly \$2.3 billion. The foundation granted \$325 million that year through three strategic programs – K-12 education, freshwater and marine conservation and quality of life efforts in the foundation's home region – as well as special interest grants individually directed by foundation board members.

This assessment focuses solely on the strategy and impact of the Walton Family Foundation as an institution. It is not an assessment of the individual philanthropy of Walton family members, the corporate practices of Walmart or giving from the Walmart Foundation. Still, the beliefs and actions of these closely-related entities are relevant to WFF's choices and outcomes and thus cannot remain entirely separate from an assessment of the family foundation's full influence and impact.

WFF's philanthropic strategy is bringing more free market choices to public education, marine and freshwater conservation and other areas of interest. Measured against Philamplify's criteria, WFF's approach sometimes contributes to and sometimes hinders social justice results, depending on the degree to which it engages stakeholders to address root causes and make systems more equitable. The following sections detail the assessment's findings, as well as its recommendations to enhance the foundation's impact.

## ASSESSMENT FINDINGS

- 1. WFF has achieved powerful and lasting results through its environmental portfolio, leveraging the power of markets as a key strategic element.**
- 2. An overreliance on specific market-based vehicles hinders the transformative potential of the foundation's education program. The expansion of high-quality charter schools and related advocacy have created meaningful benefits for individual students and families, but have not achieved far-reaching, sustainable and equitable system-wide improvements.**
- 3. WFF maintains a strong commitment to its home region and recently revised its strategies there with community input. While the home region program has learned from past comprehensive community efforts, it does not pursue equity, resident empowerment and other proven approaches for effective place-based giving.**
- 4. Special interest grants and initiatives, directed at the discretion of individual board members, provide opportunities for responsive grantmaking. But they lack transparency and are, at best, too diffuse to achieve meaningful, long-term impact.**
- 5. While the environmental portfolio prioritizes broad engagement across an ecosystem of actors to plan strategies and drive sustainable results, the education framework instead offers a preformulated, specific approach and then engages supportive stakeholders to help pursue it.**

**6. The foundation is becoming more collaborative and increasingly committed to learning; yet, it lacks diverse perspectives and insulates itself among like-minded peers rather than connecting with the broader field. The foundation does not make use of its bully pulpit, but prefers to wield its influence behind the scenes.**

**7. The vast majority of grantees greatly appreciate their partnership with Walton, especially its large and long-term funding commitments. Many request more unrestricted support, opportunities for networking and improved reporting mechanisms that allow them to communicate the full story of their work.**

WFF expresses a genuine concern for and commitment to increasing opportunity for people living in poverty. Its market-based approach has led to successes in some areas as well as misses in others. The following recommendations suggest building on strengths and actively adapting strategy to amplify social justice impact.

## RECOMMENDATIONS

- 1. Continue to pay out a generous portion of assets through grantmaking.** This practice enables WFF to support a broad range of groups at a high level for the long term.
- 2. Continue multi-year and expand general operating support grants, and be consistent when communicating about and dispensing these funds.** Extensive research has shown that long-term unrestricted support enhances nonprofit effectiveness in such ways as covering administrative costs, building organizational capacity, taking advantage of programmatic opportunities, allowing maximum

engagement in advocacy and enabling grantees to plan for the future. It is one of the best ways foundations can help their grantees succeed. Providing such flexible funding may seem to go against the tenets of strategic grantmaking, but in fact it can empower grantees to better carry out their missions and engage more fully in systems change work.

**3. Ensure that the new strategic framework for the environmental program continues to fully engage community stakeholders to achieve sustainable environmental, economic and social goals.** While specific programmatic issues or approaches will adapt over time, placing people and communities at the center of strategy formulation should endure.

**4. Adapt grantmaking strategies in the education, home region and special initiatives portfolios to prioritize equity as part of sustainable social change.**

- In education, prioritize equity, quality and accountability across K-12 schools to fulfill deeply held Walton family beliefs about the value of academic achievement. Find ways to invest in traditional district schools that serve the greatest number of students, particularly those with the greatest need.
- In the home region, particularly within the underserved Delta, empower residents to define the problems and lead efforts to address these challenges for lasting positive change.
- For special interest grants and initiatives, strongly encourage individual board members who direct these grants to maximize social justice outcomes with greater strategic thinking, transparency and accountability.

- 5. Embody the foundation's commitment to "empowerment" by authentically engaging members of communities most affected by issues it funds so that stakeholders can help determine the most effective strategies and solutions.** Find and fund existing grassroots groups and invest in the choices they want for their communities.
  
- 6. Continue to reduce insularity and increase openness to new partnerships. Diversify the board and staff to bring in new perspectives and thinking. Make what WFF learns and does more transparent and accessible to others.** This more open communication goes in both directions – who the foundation hears from and who hears from the foundation. Share more freely and be open to critique.
  
- 7. Continue the thoughtful approach to grantee partnerships and convene grantees to foster shared learning and networking.** WFF can build on its strong relationships with nonprofits and elevate their impact by connecting them to each other and to other funders.

The foundation's commitment to improving the lives of people affected by poverty is genuine. Yet, without an explicit analysis of and focus on equity, the individual benefits WFF offers will not accrue to system-wide change. With both greater intentionality and flexibility, the Walton Family Foundation can more fully embrace strategic social justice philanthropy. The communities it cares about and serves deserve no less.

## ABOUT PHILAMPLIFY

Philamplify is an initiative of the National Committee for Responsive Philanthropy that aims to maximize the impact of our country's grantmakers. At the center of Philamplify is a series of comprehensive reports conducted by highly regarded researchers assessing foundation grantmaking and operations. Assessments include key findings and recommendations, along with in-depth analysis of foundations' funding strategies and feedback from peer funders, nonprofit leaders, issue experts, community members and more. By making these assessments public, Philamplify seeks to build a culture of transparency, mutual accountability and knowledge sharing.

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