

CHALLENGING GRANTMAKERS TO STRENGTHEN COMMUNITIES



# Leveraging Limited Dollars

HOW GRANTMAKERS ACHIEVE TANGIBLE RESULTS  
BY FUNDING POLICY AND COMMUNITY ENGAGEMENT

by Lisa Ranghelli

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## DEDICATION

This report is dedicated in memory of Jennifer Perdomo. Jenny interned with NCRP and we could not have completed the Gulf/Midsouth report without her sharp mind, dogged persistence, and generous spirit.

## ABOUT THE AUTHOR

**Lisa Ranghelli** is the director of NCRP's Grantmaking for Community Impact Project. She developed a methodology for measuring the impacts of advocacy, organizing and civic engagement and has authored or coauthored five reports in the related *Strengthening Democracy, Increasing Opportunities* series. Prior to joining NCRP in 2008, Lisa spent 20 years promoting advocacy and civic engagement, both in the nonprofit and public sectors. Most recently, she was a consultant to foundations and social justice organizations, conducting research, evaluation and program development. Previously, Lisa was deputy director of public policy at the Center for Community Change, where she helped grassroots organizations mobilize successfully in response to federal and state policy issues. Lisa holds a master of regional planning degree from Cornell University.

# Leveraging Limited Dollars

## HOW GRANTMAKERS ACHIEVE TANGIBLE RESULTS BY FUNDING POLICY AND COMMUNITY ENGAGEMENT

### RETURN ON INVESTMENT OF \$115 TO \$1

This paper will help philanthropic executives and trustees explore three innovative strategies to achieve greater results with their limited grant dollars. It distills findings from more than 400 pages of research amassed over three years as part of the National Committee for Responsive Philanthropy's *Grantmaking for Community Impact Project*.<sup>1</sup>

**The project documented \$26.6 billion in benefits for taxpayers and communities in 13 states, and found that every dollar grantmakers and other donors invested in policy and civic engagement provided a return of \$115 in community benefit.**

The paper provides solid evidence of the impacts of foundation-funded policy advocacy, community organizing and civic engagement. It explains how these strategies create stronger communities and why they are successful. It provides a profile of many grantmakers who currently fund these types of strategies, and it offers suggestions for funders who want to start leveraging their grant dollars for maximum results. The full series of seven studies and an interactive database of all documented policy wins is available at [www.ncrp.org/gcip](http://www.ncrp.org/gcip).

Why would foundation leaders want to change the way they approach their grantmaking? Most funders understand that local, state and federal government spending toward education, health care and human services far surpasses charitable donations and philanthropic grants to these causes. Yet, many grantmakers continue to operate as if they can make a meaningful difference by applying Band-Aids to big problems with their relatively small resources.

This report describes the work of funders that are

choosing to engage in the policy arena, because they are not satisfied with working at the margins of pressing issues. Instead, they have decided to invest in organizations and strategies that can achieve significant results to strengthen communities over the long term. These grantmakers know that solutions for most major problems must involve all sectors of society and ensure that government resources are used wisely and efficiently for the benefit of those most affected. And they believe that local communities have some of the best ideas and leadership capacity to make things better.

As these reports show, civic participation and policy engagement is a winning combination for foundations seeking the best possible results to achieve their goals. Key findings from the seven studies include:

- 110 organizations in 13 states took in \$231 million from foundations and other donors and leveraged it to create \$26.6 billion in benefits for communities and taxpayers, often helping some of the most marginalized groups in society. That means every dollar that grantmakers and other donors provided reaped \$115 in community benefit.
- The groups affected hundreds of policies on a broad range of issues. Some efforts led to additional government spending, some saved the government money and made its programs and services more efficient and effective, and others actually helped generate public revenue.
- The most effective strategies and campaigns involved leadership and mobilization by underserved communities, effective coalitions, use of a

1. See author's Foundation Review article for a description of the methodology <http://www.ncrp.org/files/media/foundationreview-ranghelli-measuringtheimpactsofadvocacyandcommunityorganizing-lowres.pdf>.

FIGURE 1: AGGREGATE MONETARY BENEFITS AND RETURN ON INVESTMENT (FIVE-YEAR PERIOD)

Location	Nonprofits in the Sample	Total Spent on Advocacy and Organizing	Total Value of Monetized Impacts	Return on Investment
New Mexico	14	\$16,645,835	\$2,616,105,670	\$157 to \$1
North Carolina	13	\$20,365,023	\$1,808,316,547	\$89 to \$1
Minnesota	15	\$16,535,602	\$2,282,889,293	\$138 to \$1
Los Angeles County	15	\$75,501,269	\$6,886,534,758	\$91 to \$1
Northwest (ID, MT, OR, WA)	20	\$33,869,587	\$5,097,554,582	\$151 to \$1
Pennsylvania	13	\$26,086,613	\$3,175,929,346	\$122 to \$1
Gulf/Midsouth (AL, AR, LA, MS)	20	\$41,863,253	\$4,767,944,258	\$114 to \$1
<b>AGGREGATE</b>	<b>110</b>	<b>\$230,867,182</b>	<b>\$26,635,274,454</b>	<b>\$115 to \$1</b>

racial equity lens, legal advocacy and electoral engagement.

- More than 700,000 residents in 13 states – enough people to fill the nation’s seven largest football stadiums at once – were given the opportunity to voice their concerns publicly. Civic engagement and leadership development had ripple effects in the broader community.
- At least 321 grantmakers, diverse in terms of type and size, supported the work of one or more of the organizations. In the aggregate they contributed more than three of every four dollars spent on policy engagement and grassroots organizing.

### WHEN GRANTMAKERS INVEST IN CIVIC AND POLICY ENGAGEMENT, THEY ACHIEVE SIGNIFICANT LEVERAGE AND IMPACT.

A growing number of grantmaking organizations are funding nonprofit advocacy, community organizing and civic engagement as ways to leverage their limited dollars. What do these terms really mean?<sup>2</sup> Very simply, advocacy is when nonprofits promote a policy or idea and encourage others to adopt it. Grantmakers fund a variety of activities that support advocacy, from research to public education. There are no legal limits on how much non-lobbying advocacy nonprofits can undertake. Community organizing brings together residents, parents, youth, workers, faith leaders and/or other commu-

nity members so they can collectively identify problems, develop solutions and engage with relevant decision makers to implement them. Civic engagement refers broadly to all the ways community organizations help residents participate in public life, whether by voting, getting involved in their child’s school or mobilizing neighbors to improve community conditions.

Using these three strategies, 110 organizations in 13 states<sup>3</sup> took in \$231 million and leveraged it for \$26.6 billion in benefits to communities and taxpayers, often helping some of the most marginalized groups in society. These included children and youth, low-wage workers, families living in poverty, people with disabilities, rural residents, immigrants, communities of color, lesbian, gay, bisexual, transgender and questioning (LGBTQ) individuals and other underserved populations. Yet, these impacts often benefited the broader community beyond intended beneficiaries. For example, wage enhancing policies created an economic multiplier effect for states and localities and a boost to local businesses.

**In every research site, whether urban or rural, the data consistently showed a high return on investment for each dollar allocated to advocacy and organizing.** Every dollar grantmakers and other donors provided to organizations for these strategies reaped an average of \$115 in community benefit.

The following three types of policy reform efforts yielded some of the highest monetary impacts with the

2. See NCRP web site for more detailed definitions of these terms: [www.ncrp.org/gcip](http://www.ncrp.org/gcip).

3. See NCRP web site for a complete list of organizations included in the studies: [www.ncrp.org/gcip](http://www.ncrp.org/gcip). The states were: Alabama, Arkansas, California (Los Angeles County only), Idaho, Louisiana, Minnesota, Mississippi, Montana, New Mexico, North Carolina, Oregon, Pennsylvania and Washington.

broadest benefit. These were campaigns that advocates and organizers in multiple states undertook:

- Raising the local or state minimum wage (eight states).
- Increasing funding for public schools and for pre-kindergarten (nine states).
- Spurring affordable housing development through Housing Trust Funds (seven states).

Sometimes, public spending was needed to implement the policy wins documented in the studies, but often advocates sought policies that would use public funds more efficiently and effectively. **Many reforms did not require government revenue**, such as raising the minimum wage, which helped lift millions of workers' standard of living with no negative impact on the economy. Still, other policy changes won by groups in the study actually saved state governments money: embracing restorative justice policies that reduced prison costs; helping states avoid unfunded federal mandates such as REAL ID<sup>4</sup>; and implementing reforms to state programs. As one Pennsylvania service provider and advocate said, "There is a cost savings to changing a bad policy. We know what that cost is - give us a chance to tell you."<sup>5</sup> Finally, some policy

changes helped generate new government revenue.

Many policy gains documented in the studies will have long-term benefits for specific populations and for society at large, yet they cannot be easily monetized. Like the famous credit card advertisement, these rewards are "priceless." Examples included:

- Making environmental gains, especially to protect communities of color from facilities that pollute air and water.
- Increasing access to health care and services for domestic violence victims, mental health consumers, people with HIV/AIDS and other underserved populations.
- Promoting LGBTQ rights, such as marriage equality and anti-bullying protections.
- Expanding immigrant rights, such as access to higher education.

The value of stronger civil and human rights to society is intangible, yet these policies address issues of equity and fairness that are at the core of our democracy. No doubt, environmental and health benefits have monetary values, but they are not often calculated. If they could be monetized, the documented return on investment of \$115 to \$1 would be even higher.

## Grantmaker Spotlight

In North Carolina, the A.J. Fletcher Foundation, a supporting organization, became a major ally of housing advocates and the state Housing Finance Agency in their goal to increase allocations for the state's housing trust fund. According to its own history on its web site, the foundation "was originally a quiet, relatively unknown supporter of opera performances and education, various musical institutions and scholarships in area colleges until fairly recently." After its assets more than doubled, it

expanded its arts and culture grantmaking but also began to fund anti-poverty and social service organizations.

Fletcher provided a grant to the Campaign for Housing Carolina, enabling its leaders to add new and unlikely partners to the campaign, including AARP, the ARC and the state Bankers Association. The foundation's principals, Barbara and Jim Goodman, also gave the issue airtime on their television stations and promoted the cause with business leaders and state legisla-

tors. They got a tremendous bang for their buck with this investment of resources and time - 6,000 low-income, elderly and disabled households benefited from the increased housing funds, and the whole state benefited economically. The economic ripple effect of \$51.2 million in Housing Trust Fund expenditures included a projected \$232 million in new construction and rehab, created thousands of construction jobs and generated \$44 million in state and local tax revenues.<sup>6</sup>

4. The REAL ID Act of 2005 established new federal standards for state-issued driver's licenses and identification cards.

5. Julia Craig, *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in Pennsylvania*, National Committee for Responsive Philanthropy, February 2011.

6. This policy impact was reported in *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in North Carolina*, by Lisa Rangelhelli and Julia Craig, National Committee for Responsive Philanthropy, May 2009.

Whether quantifiable or not, the changes won by nonprofit advocates were aimed largely at creating long-term solutions. For example, a number of communities in the study decided that homelessness will not end unless there is sufficient affordable housing. They believed it was not enough to just keep supporting homeless shelters. So they advocated for a dedicated source of revenue that would finance low-cost housing without burdening taxpayers. As in North Carolina (see sidebar on A.J. Fletcher Foundation, page 3), grantmakers that support advocates to establish housing trust funds are leveraging their dollars to draw more resources to the table. These funders are helping to make systems more responsive over the longer term, and generating broader community benefit through new tax revenue, job creation and neighborhood stabilization.

### SEVERAL KEY STRATEGIES CONTRIBUTED GREATLY TO SUCCESS.

The organizations featured in the studies used a range of strategies to achieve policy change, including leadership development, grassroots mobilization, constituent meetings with legislators, research and policy development, raising awareness through public education, building coalitions and alliances, litigation, communications and framing, traditional and social media, integrated voter engagement and movement building. Our research suggests five observations that grantmakers

should keep in mind when funding this work. These featured practices recurred across sites as some of the most effective advocacy and organizing strategies and types of campaigns.

#### 1. Leadership by and mobilization of marginalized communities is essential to success.

In an increasingly polarized atmosphere, and in a political terrain flooded with special interest money, the role that community groups play to engage ordinary citizens in public life cannot be overestimated. The effectiveness of constituents telling their own story directly to policy makers was a common best practice across research sites. Some of the people who brought their voice to legislators for the first time were people with disabilities, mental health consumers and immigrant youth. This strategy proved to be highly effective, especially when constituents were backed by hundreds and thousands of their fellow community members, mobilized for action.

The sample nonprofits viewed civic engagement as both a strategy to achieve policy change and a valued outcome in itself. In our study sites alone, at least 700,000 residents – more than can fit in the seven largest football stadiums at once – were given the opportunity to voice their concerns publicly, and many more were reached through newsletters, radio shows and other means of communication. The 44 nonprofits that reported voter engagement data registered more

FIGURE 2: SUMMARY OF CIVIC ENGAGEMENT FINDINGS OVER FIVE YEARS



than 245,000 residents and reached 1.9 million voters through get-out-the-vote efforts.

These numbers speak to the breadth of civic participation, yet the depth of engagement also is noteworthy, as individual community members' leadership potential has been activated. The study found broad community benefit from this kind of leadership development, as those trained by an organization can go on to be leaders in other spheres and pass skills to their children. Marcelas Owens was only 10 years old when he became a national spokesperson for health care reform in 2010, the third generation in his family to be trained as a leader by the Washington Community Action Network.<sup>7</sup> When foundations invest in effective organizations that conduct leadership development combined with advocacy or organizing, their grant dollars continue to see benefit and impact beyond the grant cycle, as the ripple effects of civic engagement spread throughout the community.

Another way community groups effectively engage marginalized communities is by combining direct services and advocacy or organizing. Some funders and nonprofits may view services and advocacy as either/or propositions. In fact, directly serving constituent needs and advocating for systems change can go hand in hand. Increasingly, traditional service providers have decided that they will never make meaningful progress in reducing individual need for their programs until they can address the larger systems. Their intimate knowledge of community problems and public services makes them policy experts.<sup>8</sup>

## 2. Coalitions are needed to achieve statewide or significant policy reform.

While some organizations in the study secured policy changes on their own, most significant impacts were won by broad coalitions. Collaboration on policy campaigns can bring many benefits: a broad geographic base of support; bridge building among diverse constituencies to create a united front; and a mix of skills and capacities to use a variety of tactics (grassroots mobilization, lobbying, research, communications,

## Grantmaker Spotlight

The Brindle Foundation in New Mexico is representative of many funders in the study. It is concerned with the well-being of children and youth, and funds in the areas of education, early childhood development, youth development and human services. According to Nan Schwanfelder, president of this independent family foundation, "We got into advocacy as part of our early childhood initiative in response to what we heard from our grantees, the people in community organizations directly connected to babies and families. And they convinced us that investing in advocacy would mean more bang for our buck in expressing our shared passion, and in promoting the efforts to help those families prosper." One grantee, New Mexico Voices for Children, played a key role to dramatically expand access to the Children's Health Insurance Program and raise eligibility levels for child care subsidies, ensuring that working families just above the poverty level would have decent health care and child care in New Mexico.<sup>9</sup>

legal action, etc.). Coalitions that include cross-sector alliances, for example, with labor unions or business leaders, can leverage additional resources and clout beyond what nonprofits bring to the table.

Fostering effective coalitions takes time, resources and leadership in order to build organic, trusting relationships among participating organizations, establish common objectives, reach agreement on tactics and roles, and determine how decisions will be made and conflicts resolved. According to Gladys Washington, program director at the Mary Reynolds Babcock Foundation, providing "glue" support for coalitions is essential. Taking time for the group process is important in coalitions, "especially when you are marrying strictly policy organizations with local leadership."<sup>10</sup> Funders can help level the playing field so that grass-

- 
7. A profile of Marcelas Owens can be found on page 41 of *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in the Northwest Region*, National Committee for Responsive Philanthropy, September 2010.
  8. The Building Movement Project is a resource for grantmakers and nonprofits interested in incorporating advocacy and civic engagement into service provision: <http://www.buildingmovement.org/main>.
  9. Lisa Rangelhelli, *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in New Mexico*, National Committee for Responsive Philanthropy, December 2008.
  10. Frontline Solutions, *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in the Gulf/Midsouth Region*, National Committee for Responsive Philanthropy, May 2011.

roots organizing groups can act as equal partners with professional advocates. Also, grantmakers can convene stakeholders, provide staff support to nascent efforts, and leverage relationships with donors. This convening role, while appreciated by nonprofits, needs to be taken on with awareness of the inherent power dynamics.

### 3. Applying a racial equity lens helps ensure that programs and policies address disparities.

Many organizations in the study emphasized the importance of applying an explicit understanding of racial equity. The Philanthropic Initiative for Racial Equity defines a racially equitable society as “one in which the distribution of resources, opportunities and burdens was not determined or predictable by race.”<sup>11</sup> An often-overlooked reality is that typically institutions, policies and programs are not designed or implemented to address the needs of *all* intended beneficiaries in an equally effective way. As one Washington state advocate said, “There is a tendency to throw a big, wide blanket over poverty. But we know you don’t get a white family out of poverty the same way you get a family of color out of poverty.”<sup>12</sup>

An example of how an explicit racial equity frame can achieve results is the successful effort by the Alliance for Metropolitan Stability to help residents

organize to save 600 homes in Brooklyn Park from demolition in 2004. This diverse suburb of the Twin Cities, with 41 percent people of color, planned to tear down nearly 10 percent of its affordable housing stock. The coalition shone a light on the disproportionate effect of the city’s plans on people of color, helping to move racial disparities to the center of the community’s consciousness. And it saved \$84 million worth of housing while ensuring one-for-one replacement of any low-cost housing demolished in the future.<sup>13</sup>

Ways that nonprofits and grantmakers can apply a racial equity lens include: presenting data on racial disparities; promoting policies to reduce disparities; developing leadership by communities of color and others that experience disparities; and building relationships among different communities affected by disparities. Bringing issues of racial equity to the forefront is not only a way to ensure that systems are responsive to all residents’ needs; it also allows underserved communities to build broader coalitions and alliances. The study found that intermediary organizations often play a vital role in building the capacity of community groups and funders to incorporate racial equity in their work. Cultural competence is an important skill, and capacity building needs to be culturally appropriate.

## Grantmaker Spotlight

The Montana Community Foundation leadership saw many residents in the state drowning in debt at the mercy of unscrupulous lenders with interest rates as high as 400 percent. The foundation decided to invest some of the proceeds from an endowed fund into a ballot campaign to curb abusive payday lending practices. The foundation’s CEO, Linda Reed, explained, “The battle to

overturn Montana’s predatory lending laws began in 2003 and was fought by the best low income and human rights advocates in the state to no avail; bills never made it out of committee. The foundation, under the auspices of its Women’s Foundation, joined the cause in 2009. But after that session we agreed that a legislative solution was not possible and the only solution was

to take the issue to the people through a ballot initiative.” The foundation provided both seed capital to launch the initiative and staff to coordinate the activities of the advocates. A broad coalition formed to limit interest rates charged by predatory lenders to 36 percent. In November 2010, they succeeded. Voters approved the measure overwhelmingly, 72% - 28%.<sup>14</sup>

11. GrantCraft and Philanthropic Initiative for Racial Equity, *Grantmaking with a Racial Equity Lens*, 2007.

12. Gita Gulati-Partee and Lisa Raghelli, *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in the Northwest Region*, National Committee for Responsive Philanthropy, September 2010.

13. Gita Gulati-Partee and Lisa Raghelli, *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in Minnesota*, National Committee for Responsive Philanthropy, September 2009.

14. Gita Gulati-Partee and Lisa Raghelli, *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in the Northwest Region*, National Committee for Responsive Philanthropy, September 2010.



#### 4. Legal advocacy can have far-reaching effects, yet it is a tool underutilized by grantmakers.

Successful legal action can have widespread impact, and it is often the only way to ensure that government and private institutions address community needs. Litigation is legal for private foundations to engage in and fund and is not considered lobbying, according to the Alliance for Justice. Yet, nonprofits that use legal advocacy strategies have a hard time finding grantmakers willing to support these efforts.

Post-Katrina legal advocacy demonstrated dramatically how this strategy can achieve systemic change benefiting underserved communities. The Greater New Orleans Fair Housing Action Center sued the federal Department of Housing and Urban Development and Louisiana Recovery Authority because the Road Home program formula for awarding grants to homeowners relied on pre-storm house values in some instances, rather than the cost of rebuilding. White homeowners received, on average, \$40,000 more than African Americans to rebuild comparable homes. HUD responded to the lawsuit by disbursing more than \$2 billion in additional compensation, allowing African American communities to begin rebuilding and regenerating economically.

Legal advocacy can help states save money, as well. In 2007, Equal Justice Initiative obtained a ruling from the Alabama Supreme Court that ended mandatory life without parole for nonviolent repeat offenders, saving the state more than \$113 million in future prison costs.<sup>15</sup>

And state-level litigation can set precedents nationally. The Colonias Development Council and allies filed suit after New Mexico officials ignored community health concerns in approving a permit for what would have been the fourth landfill in rural Chaparral. In a



Rural Organizing Project leaders in Columbia County, Oregon, hand address 11,000 postcards to voters to defeat anti-immigrant ballot measures in November 2008. Photo courtesy of Rural Organizing Project.

2005 landmark decision, the state Supreme Court overturned lower court rulings to affirm the importance of public input into the siting of landfills.<sup>16</sup>

Like other kinds of advocacy, legal action can take several years before a policy or program change is implemented. Funders need to be in it for the long haul.

#### 5. Electoral engagement complements other strategies for achieving change.

Research across the country revealed that many communities get an added boost in effectiveness when they add electoral activities to their advocacy toolkit. Organizations have learned how to combine year-round advocacy and organizing with the more cyclical work of nonpartisan voter engagement and candidate and voter education. When done well, uniting these two kinds of activities can be mutually reinforcing and further advance the organization's mission.<sup>17</sup> A brief recap of legal rules demonstrates that grantmakers have flexibility to support grantees to use a variety of electoral tools.<sup>18</sup>

15. The New Orleans and Alabama legal actions are featured in *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in the Gulf/Midsouth Region*.

16. Lisa Ranghelli, *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in New Mexico*, National Committee for Responsive Philanthropy, December 2008.

17. The Funders Committee for Civic Participation offers best practices for voter engagement. For example, see: [http://funderscommittee.org/resource/fccp\\_report\\_integrated\\_voter\\_engagement\\_a\\_proven\\_model\\_to\\_increase\\_civic\\_engagement](http://funderscommittee.org/resource/fccp_report_integrated_voter_engagement_a_proven_model_to_increase_civic_engagement).

18. General support grants to 501c3 organizations can be used by grantees for non-partisan voter engagement activities, such as candidate education, public education, get-out-the vote and voter registration. There are special rules for funding that is specifically earmarked for voter registration drives; see <http://www.afj.org/assets/resources/nap/voter-registration-rules-FINAL.pdf>. Nonprofit 501c3s can also work on ballot initiatives (other than recalls), although the resources spent on ballot work must be counted toward their lobbying limits. Many states regulate ballot measure activity as well; see <http://www.afj.org/for-nonprofits-foundations/state-law-resources.html>. The state laws generally pertain to disclosure, so the public can know whose money is being used in ballot measure campaigns. Redistricting activities only count toward lobbying limits if the final redistricting plan is voted on in the state legislature (versus a commission or administrative body); this varies by state. The Alliance for Justice has fact sheets on each of these topics on its web site: <http://www.afj.org/for-nonprofits-foundations/about-advocacy/Election-Activity.html>.

## Grantmaker Spotlight

Elise Buik, CEO of United Way of Greater Los Angeles observed, “Once we adopted ‘creating pathways out of poverty’ as our mantra, we saw we couldn’t fund our way out of poverty. Focusing on real, long-term change meant new strategies beyond grantmaking - research, convening, and mobilizing our various partners into new alliances that advocate for policy reform. The pivot for us was thinking long term, thinking change not just charity, and thinking about putting our brand in service of big scale change. Our Board and key volunteers are excited to be forging this new path - I think the boldness of the challenge inspires them to step up.” The United Way has helped community groups gain entrée into the business community, educated donors about their successful education reform efforts and identified potential funding sources for the groups.<sup>19</sup>

One tool is to expand voter access. To address the lack of attention by policy makers to the concerns of low-income women, Montana Women Vote decided to raise typically low turnout rates among this segment of voters. First, the group helped institute same-day voter registration. Then, over two election cycles, MWV registered more than 10,000 unlikely voters and achieved a 77 percent turnout rate. These numbers are significant in a state where legislative races often are won by fewer than 100 votes.<sup>20</sup>

Another is to focus on redistricting. Southern ECHO’s longstanding work to increase minority participation in voting and the census, and to engage African American communities in the redistricting process, led to a gradual increase in the proportion of legislators of color in the Mississippi state house. Subsequently, the Legislative Black Caucus effectively

advocated for community needs, such as overturning a gubernatorial veto of hundreds of millions in new public education dollars.<sup>21</sup>

A strategy that works in combination with voter engagement is ballot campaigns, which are considered lobbying activity by the IRS. In 2008, several Los Angeles groups helped defeat Proposition 6, a ballot initiative that would have redirected almost \$1 billion of education and human services funding for prison and probation spending.<sup>22</sup>

### DIVERSE GRANTMAKERS ACHIEVE RESULTS BY FUNDING THESE STRATEGIES

While many organizations raise additional revenue through membership dues, local fundraising and individual donors, institutional philanthropy was by far the single biggest source of advocacy and organizing support for the groups studied. Overall, more than three of every four dollars spent on policy engagement and grassroots organizing (77 percent) came from foundations. At least 321 grantmakers supported the work of one or more of the 110 organizations in the research sample. These funders were diverse in type, as shown in Graph 1, as well as in grant dollars awarded, as the breakdown by total annual giving shows in Chart 1. Thirty-four percent had annual giving less than \$1 million, 32 percent had giving between \$1 million and \$10 million, and 28 percent had annual giving greater than \$10 million.

These diverse grantmakers came to the decision to fund advocacy and organizing from many different entry points. Some are geographically focused and want to improve their local communities. Others care about a particular issue, such as access to education. And many are passionate about helping a specific population, such as women and girls. Whatever the focus of each of these 321 funders, their leaders decided that policy engagement was a tool that would help them achieve their mission.

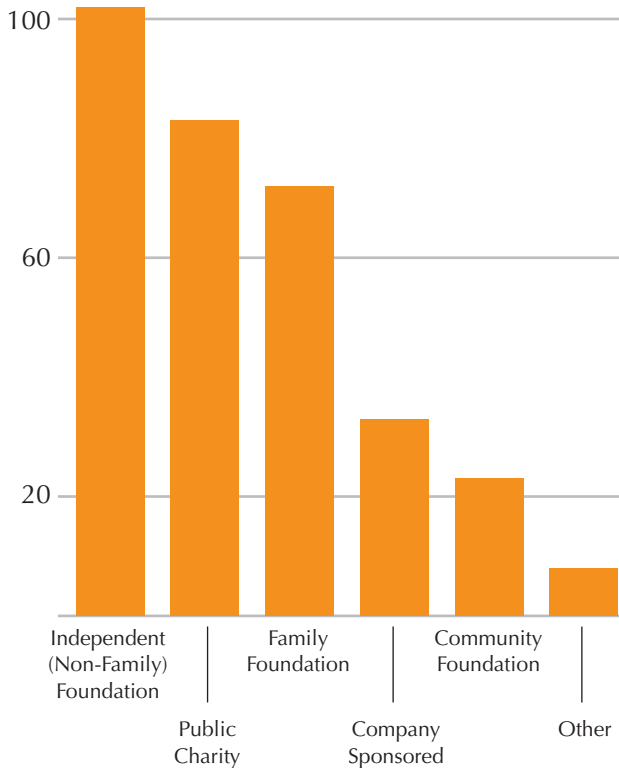
19. Lisa Ranghelli and Julia Craig, *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in Los Angeles County*, National Committee for Responsive Philanthropy, March 2010.

20. Gita Gulati-Partee and Lisa Ranghelli, *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in the Northwest Region*.

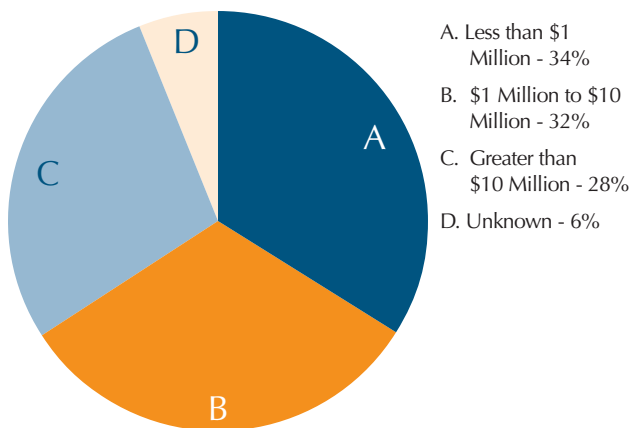
21. Frontline Solutions, *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in the Gulf/Midsouth Region*.

22. Lisa Ranghelli and Julia Craig, *Strengthening Democracy, Increasing Opportunities: Impacts of Advocacy, Organizing, and Civic Engagement in Los Angeles County*, National Committee for Responsive Philanthropy, March 2010.

**FIGURE 3: GRANTMAKERS SUPPORTING ADVOCACY AND ORGANIZING, BY TYPE**



**FIGURE 4: GRANTMAKERS SUPPORTING ADVOCACY AND ORGANIZING, BY TOTAL ANNUAL GIVING**



## HOW TO BEGIN FUNDING ADVOCACY AND ENSURE YOUR DOLLARS HAVE THE MOST IMPACT

### Getting started

After reading the findings of this paper, are you confident that your foundation’s current strategies and activities are making the biggest difference possible? Do you wish you could have more impact and see more meaningful progress on the issues that matter to you? To make a bigger difference, should your foundation consider the tools of policy and civic engagement? There are a handful of important steps grantmakers can take in order to get ready to make their first advocacy grant.

- Make the decision to do it.** Have a board and staff discussion to explore how these strategies could help you better achieve your mission. It may help to identify one or two board members who are already familiar with these strategies and can help facilitate conversation with other members. The foundation board may want to take some of the other actions on this list, such as getting a handle on the legal rules and going on site visits, before it is ready to make a decision.
- Brush up on the legal rules governing advocacy grantmaking.** The Alliance for Justice has excellent legal and how-to guides, workshops and a team of lawyers who can answer your questions. If your foundation’s lawyer suggests you can’t make advocacy grants, help him/her understand the law and what can be done. Luz Vega-Marquis, CEO of the Marguerite Casey Foundation, says she asks the foundation’s attorneys to tell her what she *can* do, not what she *can’t* do. Often foundation lawyers just don’t know these rules well. Also work with your lawyer to develop non-restrictive grant agreements that do not needlessly or inadvertently prohibit allowable activities.<sup>23</sup>
- Familiarize yourself with the advocacy landscape.** NCRP has a bibliography on advocacy and organizing for grantmakers that can orient you to relevant resources, tools, affinity groups and advocacy and organizing infrastructure groups. Talk to other grantmakers that already use these strategies and that match your foundation type, mission, issue focus or geo-

23. The Alliance for Justice has several resources on grant agreements at: <http://www.afj.org/for-nonprofits-foundations/about-advocacy/funding-advocacy.html>. Another resource is the advocacy toolkit produced by Center for Lobbying in the Public Interest and the Council on Foundations: [http://www.clpi.org/images/pdf/pressroom/pf\\_toolkit\\_complete.pdf](http://www.clpi.org/images/pdf/pressroom/pf_toolkit_complete.pdf). It summarizes the rules for funding advocacy and provides sample grant agreement language. They have also produced a similar toolkit for community foundations.

graphic location.<sup>24</sup> Identify staff and leaders in other foundations who support organizing and advocacy and ask them to work with you. Ask them to introduce you to successful organizations and accompany them on visits with their advocacy grantees.

- **Help applicants and grantees assess advocacy capacity.** Once you have decided to make advocacy grants and you know the legal parameters, take a look at some of the tools that can help you determine whether your potential advocacy grantees have the capacity to advocate or organize. If some of them are not ready yet, you can explore options for building their capacity. The Alliance for Justice and TCC Group have developed capacity assessment tools.<sup>25</sup>

### Other advocacy funding best practices

Our studies showed that a funder's approach to the grants process itself can make a big difference in how effectively its dollars are leveraged for policy impact. The research suggests that funders should:

- **Provide core support and multiyear funding, the most useful types of grants for advocacy activities.** General or core support is the most legally flexible type, and it allows grantees to be responsive to uncertain policy environments and new windows of opportunity. Multiyear funding helps groups tackle long-term systems change and ensure that policies are implemented.
- **Minimize application and reporting burdens** so that grantees can devote their time and resources to improving policies and programs rather than drowning in paperwork.<sup>26</sup>
- **Treat nonprofit grantees as true partners** by promoting honest dialogue, mutual respect and collaboration toward common goals.
- **Work with grantees to develop appropriate quantitative and/or qualitative evaluation tools that are useful to both the nonprofit and the grantmaker.** Because policy change rarely happens in

one grant cycle, capturing the interim benchmarks and capacity that nonprofits achieve on the path to policy change, even when there are setbacks, is important.<sup>27</sup>

- **Offer capacity building support that is culturally appropriate and specific to the needs identified by the grantee.** Latonya Slack of the James Irvine Foundation, which was praised by grantees for its responsiveness in this area, noted, "Advocacy organizations need to be responsive and agile, and capacity building can help them to reach that goal." For example, Irvine provided tailored executive director leadership training to one grantee, and provided strategic planning and communications assistance to another.
- **Identify ways to help advocates beyond the grant,** for example by convening stakeholders, leveraging access to media and policy makers, conducting outreach to other funders on their behalf and providing research and testimonials on the relevant issue.

### CONCLUSION

The seven studies conducted by NCRP demonstrate beyond a shadow of a doubt that foundation funding for advocacy and civic engagement results in substantial, tangible benefits for families and communities across the nation. These strategies enable nonprofits and grantmakers to tackle complex social and economic challenges and improve millions of lives in underserved communities. For grantmakers seeking to leverage their limited grant dollars for greater results, especially during difficult times, policy engagement offers the opportunity to do just that.

NCRP is available as a resource to help foundations embark on this path to greater impact. Our web site contains many resources, and the organizations cited in the footnotes can provide further information and guidance in their respective areas of expertise. ■

24. For advocacy resources, go to: <http://www.ncrp.org/campaigns-research-policy/communities/gcip/gcip-resources>. To find out about other advocacy funders, see the list of foundations that have joined NCRP's Philanthropy's Promise Initiative: <http://www.ncrp.org/philanthropys-promise/about/foundations-that-have-signed-on>.

25. The Alliance for Justice, *Build Your Advocacy Grantmaking: Advocacy Evaluation Tool & Advocacy Capacity Assessment Tool*. TCC Group, *What Makes an Effective Advocacy Organization: A Framework for Determining Advocacy Capacity*, published for the California Endowment (January 2009).

26. Project Streamline is a collaborative effort of grantmakers and grantseekers working to improve application and reporting practices. The project's web site has relevant tools and resources: <http://www.projectstreamline.org>.

27. For resources on advocacy and organizing evaluation, go to the Center for Evaluation Innovation, at <http://evaluationinnovation.org>.

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## LEVERAGING LIMITED DOLLARS

### How Grantmakers Achieve Tangible Results by Funding Policy and Community Engagement

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#### ABOUT NCRP AND THE GRANTMAKING FOR COMMUNITY IMPACT PROJECT

The National Committee for Responsive Philanthropy (NCRP) aims to ensure that philanthropy contributes in meaningful ways to the creation of a fair, just and equitable world. We promote philanthropy that serves the public good, is responsive to people and communities with the least wealth and opportunity, and is held accountable to the highest standards of integrity and openness.

NCRP's *Criteria for Philanthropy at Its Best*, published in March 2009, challenges grantmakers to promote the American values of opportunity and inclusion by contributing to a strong, participatory democracy that engages all communities. One way funders can accomplish that is by providing at least 25 percent of their grant dollars for policy advocacy, community organizing and civic engagement. This aspirational goal is one of ten benchmarks in *Criteria*.

Many grantmakers invest in advocacy, organizing and civic engagement as a way to advance their missions and strengthen communities. A sizable number of foundations, however, have not seriously considered investing in these strategies, partly because they have difficulty measuring impact and fully understanding how effective these strategies can be. The Grantmaking for Community Impact Project (GCIP) addresses these concerns by highlighting the positive impact that communities have seen through funder-supported nonpartisan advocacy and organizing.

To provide foundations with useful information that can help them consider supporting these strategies at higher levels, each GCIP report documents impact and demonstrates how advocacy, community organizing and civic engagement result in community-wide benefits and can advance a foundation's mission. This report distills findings from the first seven reports in the GCIP series.

*Additional information is available online at [www.ncrp.org/gcip](http://www.ncrp.org/gcip).*

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