

The New Same Old Story

By Nichole Maher, executive director of the Native American Youth and Family Center, with support, input, and guidance from Urban Indian Community members from Oregon to Minnesota

The Northwest Area Foundation's Urban Indian Experience

By Karl N. Stauber, President and CEO, Northwest Area Foundation

About 60 percent of the nation's American Indians/Alaskan Natives (AI/AN), or about 2.5 million, live in urban areas. Of that total, about 262,000 live in 30 cities in the northwest quadrant of the nation, with an estimated 135,000 residing in four metropolitan areas: Seattle; Portland, Ore.; Billings, Mont.; and Rapid City, S.D. About 40 percent of these citizens live at or below the poverty line.

In 2003, the Northwest Area Foundation (NAF) approached Native American leaders in each of these four cities and asked if they would be willing to work on a process to reduce poverty for their American Indian communities. The four cities then launched into a strategic planning process with a large philanthropic organization that would prove disastrous.

After two agonizing years of planning, NAF on December 12, 2005, informed urban Indian coalitions from the four cities that a community-driven plan to reduce poverty was denied. *(continued on page 11)*



The issues that follow are not extraordinary. They happen consistently within every grantmaking organization. Many good ideas are brought to these organizations. Some of these good ideas receive support. In practice, many do not.

What we at Northwest Area Foundation are sharing with *Responsive Philanthropy* readers is the account of our decision not to support a community partnership proposal. What is different about this story is our approach: the level of investment and the amount of time and resources we committed to support the attempt of several community organizations to work together to translate community need into a multifaceted strategic plan for poverty reduction. Unfortunately, the proposed plan did not meet our standards for funding, and we did not invest in it. We hope that our account of this experience will convey the lesson that good efforts do not always lead to fundable outcomes.

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Illustration by Rachael Swierzevski, NCRP staff

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The Same Goals Through Different Lenses: A Foundation-Grantee Dialogue on Poverty, Gone Awry

By Rick Cohen

The contrasting perspectives in the two featured articles in this issue of *Responsive Philanthropy* represent the kind of dialogue NCRP should regularly feature and constantly promote. Too much of the sector's discussion of foundation practices is dumbed down and spun for public relations. The typical discourse is simple, easily digestible messages that conveniently fit in an annual report or press release, with the hope that the good news story will evolve into positive coverage in the mainstream press.

Not here. This issue of *Responsive Philanthropy* presents two sharply contrasting views of a tendentious controversy between the Northwest Area Foundation and a group of urban Indian communities in five cities in the Foundation's eight-state region (Minnesota, Iowa, North Dakota, South Dakota, Montana, Idaho, Washington and Oregon). They present hard issues without easy answers. Don't expect to find a magic elixir here for this controversy that concludes what's right and what's wrong, or perhaps more accurately, who's right and who's wrong. One thing we do know, both authors, both the Northwest Area Foundation and the various Urban Indian Community groups are engaged fully, personally, and deeply in the theory and practice of fighting poverty, and they should both be applauded.

What happened? The Northwest Area Foundation some years ago made a very public pledge to devote 100 percent of its resources to reducing poverty in the region. Very explicitly, the strategy was a sharp contrast with the classic foundation model, what NWAFF president Karl Stauber referred to as the "Carnegie-Rockefeller-Ford model of philanthropy" of testing ideas to be replicated, institutional-



Rick Cohen.

ized, and brought to scale by government.¹ In an October 1999 paper, Stauber wrote that the Foundation viewed "poverty and the decline of community as vitally linked,"² indicating that a significant path to reducing poverty involved the strengthening of community.

The Foundation's strategy evolved forthrightly into an approach that eschewed the idea of the foundation as grantmaker in favor of something quite different: "The Northwest Area Foundation is developing an alternative approach. NWAFF focuses on helping communities reduce poverty by identifying, sharing, and advocating what works—not for governments, but for the communities. NWAFF no longer sees itself as a grantmaker, with

Both are engaged deeply in the theory and practice of fighting poverty.

nonprofits as its primary customer. Instead, it invests resources to create new knowledge that communities can apply to reducing poverty. Working with partner institutions, the Foundation is trying to stimulate, identify, share, and advocate successful poverty reduction efforts."³

No surprise, but due to this new strategy, despite the commitment of hundreds of millions of dollars, the Northwest Area Foundation has attracted its share of criticism along with applause for its anti-poverty commit-

Responsive Philanthropy is the quarterly journal of the National Committee for Responsive Philanthropy

2006, Issue No. 2
Yearly subscription: \$25
(free to members)
ISBN: 1065-0008



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ment. Critics have included nonprofits in the eight-state region that used to look to the Northwest Area Foundation for grant support; nonprofits that might have applied to the Foundation for grants that were being banked for two decades of anti-poverty work; and even former foundation staff unhappy with the shift in the Foundation's new strategy and operations.⁴

Although the Foundation has made several large commitments to new community partners, in one highly publicized instance, an aggrieved rejected partner litigated. After working for several months with groups addressing the poverty of Latino and Indian farmworkers in the Yakima Valley of Washington state, the Foundation declared its involvement in the Yakima planning process over and pulled out.⁵ Various "unpaid participants in the Yakima community planning process" responded by taking the Foundation to court, arguing that the Foundation's withdrawal was essentially a breach of contract, that they had acted in reliance on the Foundation's commitment of continued funding of their planning process.⁶ Although the Foundation won at the District Court level, essentially that the plaintiffs lacked standing to sue a charitable trust, the Ninth Circuit Appeals Court rejected the breach of contract argument, but reinstated the portion of the suit in which the plaintiffs contended that the Foundation had reneged on a promise to pay for participants' "incidental costs" such as travel and child care.⁷

The Urban Indian Community story has some parallels with Yakima and some significant differences. It is a process that apparently went deeper and longer than

Yakima's and raises serious questions of definition, diagnosis, and decision-making, community, commitment, and communications. Something really important is at play in these articles about the Northwest Area Foundation's engagement with several communities of urban Indians exploring a regional, multi-community approach to reducing poverty. Many foundation leaders and staff frequently talk about engagement as opposed to simply writing checks, but few do it. The stories here might explain why. Both articles describe the same event, the same planning process, the same Foundation/community engagement with aspects that read and feel diametrically different. They constitute a philanthropic *Rashomon* tale, like Akira Kurosawa's film, in which observers and participants recount the same situation in very different, somewhat credible, and humanly subjective terms.

The two stories that follow underscore the differences between a funder truly committed to anti-poverty work and some potential grant recipients who are no less committed to their communities and the socioeconomic deprivation they face. Nothing here should mean that funders should not take on the "big issue" concerns of poverty and racism. But there are no easy templates with choose-your-own panaceas for funders or their nonprofit constituents. And the more difficult the issues, the more foundations have to prepare themselves for controversy and conflict. That is not a reason to duck the hard issues. Foundation leaders, such as the Minneapolis Foundation's Emmett Carson and the Open Society Institute's Gara LaMarche, have challenged most founda-

tions' tendency to be risk-averse and shy away from the issues that the Northwest Area Foundation has tackled.

Addressing the social needs of our society, Carson wrote, "Now is the time for foundations to experiment with new approaches. And now is the time for each foundation to take risks consistent with its mission and values."⁸ LaMarche echoes Carson's theme, observes that foundations "have a moral obligation to use (their)...funds to help society become more just and fair," and concludes "we live in times which call for (foundations')...caution to yield to the imperatives of fairness and justice."⁹ The Northwest Area Foundation's strategy for reducing poverty demonstrates that foundations interested in living up to their moral obligation had better be prepared for more than a dollop of controversy and conflict along the way.

These two articles stand on their own merits, presenting their arguments cogently and most persuasively, and hardly need any interpretation here. But several striking elements are—or ought to be—highlighted as universally critical issues in any foundation-grantee collaborations:

The ethics of intervention: Both articles directly and indirectly address a truly important issue. When an out-

groups that they have long funded,¹⁰ but hardly addresses how foundations' preliminary interactions with potential grantees might lead to exceptionally sticky inextricable relationships. Sometimes even apparently generous planning grants for groups that don't make it through foundations' preliminaries might not assuage the perceived or real grievances, especially when the topics are not frivolous, but deep-seated social issues such as community poverty.

Real people and the question of authenticity: The Urban Indian Community argument raises the question of dealing with people and real communities, not abstractions or statistics. How many foundation leaders experience and truly understand the people, the issues, the symptoms of poverty, which their policies and grants affect? Many times, their responses to foundation programs may not fit expected or projected models or behaviors. When a foundation proposes an approach and offers funding to address a serious social issue at a community or regional level, whether for an extended process of strategic planning or a multi-year partnership engagement, there are real people on the receiving end who will be the ones affected by any philanthropic activity or engagement. In the end, anti-poverty strategies, even those addressing "structural" conditions, depend on individuals, families, and communities to carry them out.

At the end of the day, the outside intervenor goes home, but for the subject community, this is home.

side foundation, consultant, evaluator, or intermediary assists people and families in a community, the very act of intervention effects changes, some minor, some fundamental. At the end of the day, the outside intervenor goes home, but for the subject community, this is home. The responses of the Urban Indian Community, making some very strong challenges to the alleged cultural biases and insensitivities of the Northwest Area Foundation, and the Yakima farmworkers, willing to challenge in federal court a foundation in the top one percent of foundations by amount of assets, demonstrate just how vulnerable some communities might feel. Similarly, with extended preliminary interactions meant to lead to large grants, intervenors have to be careful about a dynamic of "creeping commitment." The longer and deeper the engagement preliminaries, the more difficult the process of termination and extrication. The philanthropic literature talks about "exit strategies" for funders trying to disengage from

"Foundation-directed:" This story echoes with the programs of so many foundations that have become enamored with "initiatives" and programs that are designed and directed by foundation staff. Nonprofits have to figure out how they fit into the picture, what their roles might be, and how their communities can fit neatly into "initiatives," rather than pitching programs to foundations that are based on their experiences. For some, like NWAFF, the foundation ceases accepting unsolicited proposals to rely on its staff and consultants to identify and pick the communities and organizations that fit the foundation's own initiatives. This increasingly popular foundation practice that closes foundations to unsolicited proposals and installs nonprofits into predetermined structured dynamics is not necessarily getting positive reactions from many grant-seekers. Despite foundation pitches that these initiative programs are grassroots-up, most nonprofits experience them as top down. The well-

publicized “comprehensive community initiatives” (CCIs) of a couple of dozen top foundations fit this description all too often, notwithstanding what their press departments produce to the contrary. Rarely, however, do foundation CCIs have much of the community-wide mobilization and planning that the NWAFF community venture process entails, at least on surface making the NWAFF-funded processes a bit more community-based than those of other foundations.

Definitions and diagnoses: In *The End of Poverty: Economic Possibilities for Our Time*,¹¹ Jeffrey Sachs writes about the importance of conducting a medical-like diagnosis of a country’s—or a community’s—situation in order to craft a response to its poverty challenge. The Northwest Area Foundation posed one conceptual framework for its diagnosis, the Urban Indian Community planning participants generated another. The Northwest Area Foundation used definitions and outcomes to define what it was looking for as targets for and evidence of reducing poverty, while the Urban Indian groups stressed different measures. In retrospect, both sides differed and apparently failed to adequately agree on key concepts and definitions in the process of planning and diagnosis. One might imagine representatives of both the communities and the Foundation nodding during meetings in apparent agreement when in reality, they were miles apart in understandings and analyses.

Last but certainly not least, serious philanthropy: Oh that we could have more debates in the sector about what foundations might do, are doing, and ought to be doing about poverty! Give the Northwest Area Foundation credit for being among the handful of foundations willing to go way out on a limb, devote the entire organization to fighting poverty, with a serious if debatable strategy for doing so. Look for cogent information on foundations’ anti-poverty strategies, and you will find predominantly scant and shabby analysis, stories about boutique grants, and profiles of star nonprofit organizations, but not much about how a foundation can construct an approach for using its tax exempt millions in a way that makes sense taking on macro-problems like urban or rural poverty. The NWAFF multi-site experiment warrants a serious analysis to see what other foundations, and despite Stauber’s admonitions, what state and federal units of government might learn about approaches to fighting poverty.

We at NCRP weren’t on the scene; we are merely observers removed by time and geography. We are publishing these articles not to declare one side right and the other wrong, but to explore these aspects of the foundation-grantee dynamic which are not unique to just the Northwest Area Foundation and the Urban Indian Community. We are proud to serve as the venue for this debate about a case of serious philanthropy.

Rick Cohen is executive director of the National Committee for Responsive Philanthropy (NCRP). Since 1976, NCRP has advocated for the philanthropic community to provide nonprofit organizations with essential resources and opportunities to work toward social and economic justice for disadvantaged and disenfranchised populations and communities.

NOTES

1. Karl Stauber, “Changing Means, Clarifying Paths: Philanthropy in an Era of Limited Government,” *Responsive Philanthropy* (Spring 2002)
2. Karl Stauber, “Does Community Matter? The Role of Addressing Poverty” (October 1999)
3. Karl Stauber, “Money Talks—But What Do We Want It to Say?” paper presented at a conference on “Goals and Intentions: What Should Today’s Philanthropy Aim to Do?” sponsored by the Hudson Institute’s Bradley Center for Philanthropy and Civic Renewal (Washington DC, March 17, 2005)
4. Cf. Paul Demko, “Something for the Little People,” *City Pages* (May 28, 2003)
5. Stephanie Strom, “A Withdrawn Aid Offer Leaves Yakima Bruised,” *New York Times* (March 6, 2003)
6. Plaintiff’s Memorandum of Points and Authorities in Opposition to Defendant’s Motion to Dismiss, *Romero v. Northwest Area Foundation* (February 21, 2003)
7. Ian Wilhelm, “Lawsuit Against Northwest Area Fund Proceeds,” *Chronicle of Philanthropy* (March 17, 2005)
8. Emmett Carson, “A Worst-Case Scenario or the Perfect Storm?” *Responsive Philanthropy* (Summer 2003)
9. Gara LaMarche, “When Foundations Should Lead—and When They Should Get out of the Way,” speech delivered at the annual meeting of the Donors Forum of Wisconsin (April 8, 2004)
10. For example, Kim Alter, Paul Shoemaker, Melinda Tuan, and Jed Emerson, *When Is It Time to Say Goodbye? Exit Strategies and Venture Philanthropy Funds* (Virtue Ventures, Social Venture Partners, and the Roberts Foundation, September 2001)
11. Jeffrey D. Sachs, *The End of Poverty: Economic Possibilities for Our Time* (Penguin Press: 2005)

NWAF's Commitment to Reducing Poverty

{continued from page 1}

At Northwest Area Foundation (NWAF), we believe that poverty can and must be eliminated. The millions of Americans who live in poor conditions are enduring an unnecessary and unjust condition. The persistent poverty within our nation undermines our freedom, our ability to foster and achieve an equitable society, and the important rights we have fought to defend—including that of pursuing individual economic security.

Poverty is a cancer on all of our freedoms. It erodes the resilience and hope of communities all across this country. We believe that all Americans have a responsibility to do something about it.

We also believe that community is key. Poverty reduction initiatives have a greater chance of success if they

not guarantee a long-term funded implementation phase.

NWAF Ventures program approach

Eight years ago, the foundation zeroed in on three program approaches to realize this mission: leadership development (Horizons), community poverty reduction (Ventures) and connecting communities to knowledge about effective ways of reducing poverty (Connections).

The Ventures approach was designed to be NWAF's signature program. It is based on a theory of change that states:

"If the foundation selects, works with, and funds initiatives in a few communities over a long period, to learn and act strategically in reducing poverty in an ongoing way, then knowledge to reduce poverty will be gained, shared, and used in these and other communities."

Northwest Area Foundation's Community Level Outcomes

- Asset Identification & Development
- Expanded Economic Opportunities
- Increased Community Capacity to Reduce Poverty
- Increased Community Use of Inclusive Decision-Making

are owned by communities that will benefit from them.

These basic beliefs guided Northwest Area Foundation's adoption of its mission: Helping communities reduce poverty. This simple statement is realized by foundation staff working directly with a small set of communities in the foundation's eight-state region: Minnesota, Iowa, North Dakota, South Dakota, Montana, Idaho, Oregon and Washington.

NWAF works alongside communities and helps them build their capacity to design, lead, and implement change. We work with them to transform status quo thinking so that the root causes of persistent poverty can be addressed. Our goal is to gather lessons learned from the community experiences—the practical, tested strategies and tools—and to share these with others.

Our approach is grounded in a handful of principals:

- Communities that choose to work with the foundation acknowledge a shared responsibility and accountability for developing strategic solutions.
- A community's strategic plan will directly benefit community members in the lowest economic quintile.
- There is a limit to the time and financial resources the foundation will apply to assist the community in the development of its strategic plan.
- This approach will not suit all communities and does

Through the Ventures approach, NWAF works with communities as they identify root causes of poverty, and helps them articulate ways of eliminating the root causes by increasing access to earned income and asset ownership. Partners must demonstrate that their program strategies will lead to outcomes that will reduce poverty for those whose incomes are in the lowest economic quartile.

The approach advances key principles such as inclusiveness in decision making that advocates that those who have traditionally been excluded from participating in regional decision making due to ethnicity, class, and other long-held social inequities shall be involved in assessing regional poverty and proposing how strategies are developed and implemented to reduce it.

A good example of a community that successfully incorporated all of NWAF's community-level outcomes into its poverty reduction plan is the Turtle Mountain Band of Chippewa—one of three reservations that successfully entered into partnership with NWAF in March 2006. Turtle Mountain's strategic plan focused on mobilizing the reservation for poverty reduction, fostering youth leadership, making full use of income supplements such as the earned income tax credit, establishing an Enterprise Center to spur business ownership and jobs, revitalization of downtown Belcourt, and using tax credits to develop housing, utilities, and tourism economic engines.

Engaging the urban Indian community

In October 2003, NWAf convened urban Indian organizations from Billings, Bismarck, Portland, Rapid City, and Seattle to explore the feasibility of forming a partnership to pursue poverty reduction strategies in their region. The foundation's goal was that strategies would emerge from an analysis of why a disproportionate number of urban Indian community members are living in impoverished conditions across 30 metropolitan areas in the states of Washington, Oregon, Idaho, Montana, North Dakota, South Dakota, Minnesota, and Iowa (see map). At this stage, NWAf anticipated that it would ultimately enter into a collective long-term relationship with these urban communities and learn from the shared experiences.

From the beginning, NWAf made it clear that plans submitted were to communicate how the strategies would be coordinated across the region to create measurable poverty reduction outcomes. A multiorganizational Regional Strategic Poverty Reduction Plan was submitted to NWAf in October 2005. After extensive discussion with the organizations and multiple revisions to the plan, NWAf elected not to fund the implementation of the proposed plan because the plan

- did not clarify how the proposed activities will achieve long-term poverty reduction,
- did not present a clear connection between planned activities and direct benefits to low-income members of the urban Indian community, and
- did not align with four community-level outcomes that the foundation believes are necessary for long-term poverty reduction.

This was a difficult decision for us as well as a disappointing outcome. We have not lost sight of the needs that exist, and we honor the effort of the coordinating agencies and the commitment of the many urban American Indian community members who gathered to share their stories, ideas, and vision.

During the two years in which we worked on this effort, more than \$650,000 was paid to community-based organizations to produce a plan that represents the community's best thinking around the root causes of poverty. We accept that the submitted plan represents what these organizations see as necessary to reduce poverty in their respective communities. Our decision reflects our assessment that ties were not made strong

enough between the plan and sustainable poverty reduction within the targeted communities. Today, we are left to reflect and comment upon the series of events that produced this unsatisfactory outcome.

What critical issues affected NWAf's decision not to enter into partnership with the urban Indian community?

The purpose of NWAf's 24-month exploration period, in which the foundation invested a total of \$657,444, was to determine if there was adequate shared purpose and values upon which a partnership—focused on agreed-upon outcomes—could be built. In this case, we did not find an adequate basis for a partnership.

A first draft of the urban Indian proposal was submitted in October 2005. NWAf responded to this proposal by offering advice to the urban Indian community to spend more time explicitly connecting activities to strategies, and to revisit the costs of managing the effort via a new organization. The plan proposed a 10-year initiative working in four urban Indian communities with a combined cost of \$26,612,093. Fully half of the proposed \$14 million investment requested from NWAf was to be used in the first three years of operation. This left \$12,612,093.00 that would have to be secured elsewhere by the community, with no sources in sight. The four organizations asked the foundation to front-load a major investment in governance and staff costs for a new and untried entity with no track record and few plans that benefit the community.

The proposed Economic Development strategy, a key focus for NWAf Partnerships, focused on a real estate development activity we viewed as too speculative. It was based on investing in renovating underused commercial

NWAf Ventures' Investment Structure:

- 10 year commitment
- Up to \$20 million (average investment of \$8.5 million)
- Foundation staff involved in regional work
- Multi-phase

properties in urban areas and leasing them to nonprofit and governmental entities. No independent feasibility review or pro-forma projections were provided or proposed.

Other portions of the plan called for the creation of a small-business support network and loan fund, developing housing research and development capacity, building social capital, education and family strengthening, education, organizing communities around

THE 30 METROPOLITAN AREAS



WASHINGTON 1. Bellingham; 2. Seattle; 3. Spokane; 4. Yakima; 5. Tri-Cities (Richland, Kennewick, Pasco) **OREGON** 6. Portland/Salem; 7. Corvallis; 8. Eugene/Springfield; 9. Medford/Ashland **IDAHO** 10. Boise; 11. Pocatello **MONTANA** 12. Missoula; 13. Great Falls; 14. Billings **NORTH DAKOTA** 15. Bismarck; 16. Grand Forks; 17. Fargo/Moorhead (MN) **SOUTH DAKOTA** 18. Rapid City; 19. Sioux Falls **MINNESOTA** 20. Duluth; 21. St. Cloud; 22. Twin Cities (Minneapolis/St. Paul); 23. Rochester **IOWA** 24. Sioux City; 25. Waterloo/Cedar Falls; 26. Dubuque; 27. Cedar Rapids; 28. Des Moines; 29. Iowa City; 30. Quad Cities (Davenport/Bettendorf)

employment issues, and promotion of health and well-being via native traditions. Several of these ideas seemed promising, but no clear link was articulated between these activities and the poverty analysis that was carefully undertaken by the urban Indian organizations at the community level.

NWAF staff reviewed the initial proposal and recommended revisions for the economic development strategy. In a follow-up submission, the organizations removed their real estate development activities from the Economic Development strategy, but still did not show how the remaining economic development strategies benefit low-income communities.

The plan's lack of connection to poverty reduction was disappointing and did not adequately take into account broader urban Indian community members' thinking and participation. The front-loaded budget, which funded programs and staff for the creation of a new organization, did not match our intention that foundation investment be used to pursue and evaluate strategies, not merely to create new institutions. Another stumbling block was that the plan did not clearly address NWAF's four important community-level outcomes.

Moving forward

Reviewing and incorporating what does or does not work and why are essential parts of NWAF's work with communities and can serve as a significant learning moment where responsibility and accountability are examined on all sides.

On December 12, 2005, the foundation contacted the coordinating agencies to let them know that we would not fund their plan. Upon the requests of participants, NWAF also participated in a second discussion to address additional questions and concerns that were raised.

A series of phone calls, personal meetings, and e-mail exchanges followed over the course of 10 weeks. Virtually all of these exchanges were with one of the coordinating agencies, the Native American Youth and Family Center (NAYA) of Portland, Oregon.

These exchanges, while businesslike, were difficult in many ways. NAYA contends that the foundation should have been clearer in defining the regional quality of the initiative, that the time frame was rushed, that communication should have been more culturally sensitive, and that greater leadership should have been demonstrated by foundation staff.

NWAF does not agree with all of the viewpoints presented by NAYA and its analysis of the challenges that presented themselves throughout this effort. We openly question whether NAYA's issues accurately reflect those of the urban Indian community that was involved in this process. Some of the ideas held by NAYA contributed to contention. The organization shared with the foundation that one of the key reasons for NAYA's involvement was the Portland coalition alone was to receive up to \$20 million. The foundation's view is that NAYA had no reasonable basis for that expectation. Nonetheless, we respect the organization's position and the issues it identifies, which have aided the foundation in reflecting on how well we practice the work of poverty reduction with communities.

What lessons are there for philanthropic institutions that attempt to work directly with communities to affect local outcomes?

Clarity is paramount: The question "What is your understanding about what I just said?" should become central in conversations between foundations and potential partners. Here's why: The great wealth a philanthropic institution brings to any exchange of ideas is a significant trump card when it speaks with community-based organizations. Fear of losing access to potential funding often promotes avoidance behaviors such as candidate organizations shying away from probing questions or disagreeing with foundations.

NWAF's work with urban Indian organizations was an attempt to engage entities that represent multiple

tribal affiliations and cultures in shaping a relationship based on shared outcomes. However, the challenge of developing and achieving regional impact, in this case, meant multicounty and systemic change was not clearly communicated. It is also our contention that systems change was not sufficiently discussed by the organizations and the foundation so that clarity could be achieved. The foundation's endowment makes it harder for our nonmoneyed partners to engage us as equals, and means we must make an extra effort to welcome questions, offer explanations, develop diagrams, and do whatever is effective to clearly communicate a concept or message.

The longer the community conversation, the greater the expectation: The Northwest Area Foundation and urban Indian coordinating organizations worked together in a 24-month exploration phase. The foundation provides significant financial and staff support during this time to help the coordinating organizations gather information and develop a strategic plan. Even though foundation staff repeatedly stressed that completion of an exploration phase is not a guarantee of any additional funding, we now believe this message was not fully accepted by all involved, and that there was an expectation of a larger partnership investment.

Why did the foundation stay the course for this length of time without expecting a positive outcome? Foundation staff, along with all involved, *did* work for a successful outcome; however, the analysis of root causes of poverty in the proposed plan simply was not articulated clearly during the time frame of exploration by the plan's authors. There is some question as to whether there can be any shared strategies among residents living in 30 cities of such varying size and population. Given the time frame, future engagements with the urban Indian community might involve spending more time working and assembling a shared agenda with cities of like size and region.

How did cultural issues and perceived institutional insensitivity affect the decision-making process? NAYA characterized NWAFF staff as being insensitive and culturally incompetent. The vast majority of NWAFF's work was led by staff and consultants who are part of the urban Indian community. We judge them to be highly competent, culturally and otherwise. However, we are closely

reviewing some foundation-promoted activities during this exploration period:

- An organizational and learning structure that advocated and supported placing youth in the position of leading elders in the initiative. This was a practice that was entirely counter to the reverence, respect, and cultural norms of Indian cultures.
- NWAFF promoted a practice of community visioning, which was based on the practice of looking toward the future, when it may have been more appropriate to ask urban Indian community members to build their vision of the future on an appreciation of their strong past and resilient traditions.
- Staff was sometimes not aware of Indian communication and convening practices, and this sometimes registered as impatience that bordered on disrespectful behavior.

These challenges compromised our efforts to clearly communicate our best intentions about the values the foundation upholds in our work. More importantly, these issues remind us that we do have to redouble our efforts to maintain cultural competence throughout the organization.

NWAFF's current and future relationships with the Indian community This 24-month exploration with urban Indian coordinating organizations did not move into the much-desired second phase—a 10-year partnership. We hope, however, that these organizations will reap benefits from the coalitions formed during this two-year period, from the strategic plan generated and from the efforts of youth and elders working together to identify and address the root causes of poverty within their communities.

We expect to engage the urban Indian community again in the future, and we will base that effort, in part, on lessons learned from this experience.

As a foundation, some of the questions we will continue working on include:

- How do we discuss opportunities in ways that do not imply a right to funding and support?
- How do we help communities develop new decision-making capacities that support—instead of threaten—existing structures?
- How and when do nonprofits represent broader communities? And how can we better discern the organizational interest from the community's interests?

We also know that our work with members of the urban Indian communities will be informed by our rela-

tionships and investments in tribal communities. The Northwest Area Foundation has built and maintained relationships in Indian country since the 1970s, when NWAFF was an early funder of efforts to create tribal colleges. NWAFF also provided support to create Indian child welfare programs in the Pacific Northwest, and helped tribes create economic development and natural resource management plans.

For example, earlier this year, the foundation announced three distinct 10-year partnerships with three American Indian Nations: the Cheyenne River Sioux Tribe reservation in central South Dakota; the Lummi Nation reservation in Northwest Washington, near Bellingham; and the Turtle Mountain Band of Chippewa reservation, North Dakota. Together, these partnerships represent a total investment of \$25.5 million over 10 years.

These partnerships were entered into after nearly two years of planning, during which leadership groups on

each reservation received foundation support to develop a 10-year strategic plan to reduce poverty.

In 2002, the Northwest Area Foundation invested \$20 million in the Indian Land Tenure Foundation (ILTF). ILTF's work is about finding new ways to expand and maximize the ownership and use of reservation-based lands for the cultural, economic and social benefit of tribal citizens. We have also invested an additional \$7.5 million in Indian tribal colleges, economic development corporations, and nonprofits over the past seven years. Altogether, NWAFF has invested more than \$50 million with Indian institutions for the purpose of reducing poverty in communities.

NWAFF continues to be committed to investing in Indian institutions for the purposes of achieving poverty reduction in the Indian community, and we encourage other foundations to join with us to invest in poverty reduction in Indian country.

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Defining Poverty on Our Own Terms

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The denial sent an unequivocal message to our communities that “your solution to your problem doesn’t work for us.” This article will discuss the underlying issues that led to this project’s demise, of which one or more are probably present in any current foundation-grantee relationship or project on grassroots poverty reduction. What follows are some of the more salient points and overarching themes as they relate to the questionable philanthropic practice of one foundation engaged in vaguely defined poverty reduction work.

It is important to note that the decision to write this article was not taken lightly, and it is not free of anxiety. As one community member said, “I’m not sure if we should write an article like this; they might take away the funding they promised us.” What this dialogue most importantly highlights are the simple power dynamics inherent in philanthropy. We openly discussed the possible fallout, including punitive repercussions, that might result from this article. The potential for negative consequences is real—not just for our communities but for all of Indian country.

Why then would we write an article that could be characterized as sour grapes? The answer is simple, if its deliberation was not: The story needs to be told. One community member put it this way, “What are we going to do to make sure that no other community has to go through this?” We offer reflections on our relationship with the Northwest Area Foundation in the hopes that the lessons learned are valuable to other communities and social funding organizations. Creating social change is incredibly difficult and requires integrity, respect, and trust when communities seek support from those who have resources reserved for the common good.

The Relationship: Misunderstandings from the Beginning

The exact beginnings of the NWAFF Urban Indian Community (UIC) Ventures project are still a bit hazy to those of us on the grantee side. During the autumn and winter of 2003 and 2004, the NWAFF sponsored community forums for urban Indians in several cities in its service region and awarded small contracts to five communities to do some initial organizing work. Local leaders representing youth and elders were identified by the NWAFF and presented with information to deliver to their respective communities. The NWAFF was interested in

working with urban Indian groups with the potential of issuing long-term high-dollar grants. The specifics are still a matter of contention.

Leaders from Portland, Ore., returned home from a meeting in St. Paul with the understanding that there was potential to bring \$20 million to Native Americans in Portland alone. Other community groups felt the same—each believed there was a “mythical pot of gold” at the end of this strategic planning process. NWAFF representatives now indicate that this was a misunderstanding.

Leaders from the cities of Billings, Seattle, Rapid City, and Bismarck (who would later be removed from the project by NWAFF), like those from Portland, gathered stakeholders together and explained what NWAFF was, what the stakes were, and what the initial deliverable

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was (evidence of an active and inclusive community group discussing issues related to poverty reduction). Some elders in several of the cities warned that they had been doing this since the 1950s; furthermore, they knew how the story, *the same old story*, would end: An outside intervener dangles rewards while promising nothing and leads a community through a demeaning and data-mining process, but ultimately to unacceptable results—all while our people remain steeped in poverty. However, the leaders put their personal reputations and relationships on the line in an effort to bring this potentially huge sum of money to their communities. Sufficient support was achieved to warrant continuing on, and the UIC Ventures project began.

The biggest reason for NWAFF not funding the UIC strategic plan may have been the definition of poverty. Ironically, it stems from an occasion when authority was released by NWAFF to arrive at a community-created definition of poverty. Most Native Americans do not define poverty in dollars and cents. Poverty is measured by one’s ability to exist. To practice your culture. To speak your language. To get a fair and quality education. To be sufficiently housed. To not have to choose between medicine and food. And that was how we defined poverty for the UIC Ventures project.

The proposed strategic plan efforts to reduce poverty then emanated from this definition. The plan we produced included efforts to improve education, health, and



The Ethics of Intervention: Acknowledging Community Power and Capacity

Authentic awareness of the power dynamics between the moneyed intervener (a foundation or other donor who intends to have a hands-on relationship) and the communities subject to the intervener's help is paramount to successful grantor-grantee relationships. The ethics of inter-

vention—what an outside entity has to be aware of and responsible for as an intervener—are certainly called into question in the experience of the UIC Ventures project.

When examining the ethics of the intervener, it is important to examine the history and collective experience of any cultural group with whom they may work. For American Indians, this history is steeped in paternalism. There is a very real legacy of historical trauma—and repercussions based on interveners' actions—in the experience of American Indians. Some of the more abhorrent examples include allotment of reservation lands, federal relocation policy, the boarding school system, and tribal termination—all of which constitute an important backdrop for any discussion of our experience.

The overall relationship between a foundation, government body, or other grantor and a community is to some degree a sum of the individual relationships between members of both sides of the partnership. Strains in these relationships can potentially paralyze the larger relationship. A response by some foundations is to reframe the role of its grant officers as community liaisons. This is the case with the Ventures program of NNAF. The intentions are admirable, but they are successful only when the institution is prepared to make the accompanying transfer of authority.

Two themes in particular stand out when analyzing the relationship between NNAF and our urban Indian communities: the ethics of intervention and cross-cultural relations. We cannot say that these are problematic issues throughout NNAF, an organization that, in fact, has made sizable contributions to Indian country—even through the Ventures program. What we can testify to, however, is the catastrophic depths to which our project sank under NNAF's sponsorship. The errors observed and offenses incurred were such that sharing their details offers an opportunity to glean additional learning and attempt to answer the community member's question: What are we going to do to make sure that this doesn't happen to another community?

In the UIC project, the confusion over changed titles manifested itself in the "it's up to you" fallacy. In NNAF's Ventures program, the strategic plan essentially replaces the grant proposal. Approved strategic plans move communities into full partnership with the foundation, and communities receive long term multimillion-dollar fund-

ing. In efforts to liaise, the staff did not provide clear and specific expectations from the foundation regarding strategic plans (it was up to us to decide). The staff, acting more like the typical grant officer, was supposed to notify us when we chose an “it’s up to us” direction that the foundation would not approve. The result was a two-year tug of war that included only about three months of actual work on a plan to reduce urban Indian poverty in 30 urban centers spanning eight states.

Though communication had been challenging from the very beginning, and expectations remained undefined, NWAf refused to supply any information regarding specific granting or evaluation standards. To suggest we were trying to track a moving target would be to assume that a target existed at all. We knew that the strategic plan (here usurping the grant proposal) had to focus on poverty reduction and contain some sustainable economic development mechanisms, and not much else. Copies of previously funded plans were provided; however, they were provided with the caveat that we needed to do more, as the bar had been raised due to our benefit of learning from prior Ventures projects. The only other insights we were given were value guidelines and principles ranging from maintaining inclusive community groups to the incomprehensible foundation mantra of “do no harm.” This is an impossibly prescient value that was pressed upon us, at the same time that substantial harm was being done to our communities.

Realistically, the “it’s up to you” fallacy was sufficient to derail the project. However, there were other strains in distinguishing grant officers from community liaisons. One was the apparent need for staff to protect their own organizational interests. At least three consultants hired to assist with the development of the project were requested to change evaluations so that they did not reflect negatively on staff, the disastrously poor planning process, the misconceived regional scope, bad communications, etc. The self-interested edits did little to assist our group in explaining to the top tier decision makers that the process was so bad as to preclude success.

An additional strain was the matter of authority. The extent to which a project is community driven is the litmus for members of the school of social change philanthropy. Sadly, authority became an all too common struggle in the UIC project. Having three different staff

lead persons over the two-year period was not helpful. Interpersonal issues came into play as well when a staff person warned that the plug could be pulled on the project or lashed out when the partner cities began to seek answers from each other rather than the staff or had the audacity to question staff direction of the project.

Reflecting on the grant officer/community liaison policy shift in social change organizations may tempt one toward surrender—damned if we do, damned if we don’t. This may be true to the extent that there will always be power dynamics at play when haves are doling out dollars to have-nots, especially in the case of institutionalized haves like governments and philanthropic foundations. The dilemma can be mitigated, however, by sharing of ownership. We commend those who are looking for permanent solutions to social issues by empowering the underresourced populations they serve, but success will come in instances when the intervener can let go of authority. It is not enough to say that you are empowering communities; you must also follow through with the empowerment.

Cross-cultural Relations: Lessons Learned and Yet to Be Learned

Issues of cross-cultural relations, or levels of cultural competency, were also factors in the project’s demise. There were instances of blatant as well as more subtle institutional racism, from comments about the American Indians in Portland being white, to the questioning of participants’ abilities to read, to a top-level executive (who is nonnative) commenting that the plan is not “Indian enough,” to the foundation’s out-of-touch conceptualization of poverty. The blatant instances did nothing to promote the success of the project or trust between the communities and NWAf. However, the institutional

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racism woven through the “it’s up to you” fallacy may have been more detrimental. You can choose to ignore a racist or otherwise offensive comment or person for the good of your people, especially with the potential of millions of dollars coming into your community. In fact, this potential funding created tremendous pressure on leaders to continue to suffer the insults, as well as the

process, despite their tremendous concerns. But the institutional assumption—NWAf's conception—of urban Indian poverty was a deal breaker.

Another assumption that set the stage for a difficult experience was the definition of regional. This was the source of much confusion. The pilot sites went from understanding that each city would design its own project while sharing best practices and lessons learned, to understanding that one project would cover all four pilot sites (Bismarck had been removed from the project by this point as the mostly youth-led group was not professional enough for NWAf), and finally to the notion that one plan would cover 30 urban areas in eight states. The final understanding of what regional meant in terms of this project was not entirely clear until three months before the plan was to be submitted, if it was ever clear at all.

Obviously poor communication is paramount in this case, but the assumption that these 30 urban Indian sites were sufficiently similar to warrant this definition of regionalism was equally dangerous (i.e., all urban Indians and the areas where they have similar status and experiences). The Native American populations in these cities ranged from some 80,000 to a few hundred. Federal relocation cities such as Portland and Seattle are home to members of 200 to 300 different tribes. The propensity over time in these larger urban centers for Natives to intermarry with people from other races and tribes creates lower numbers of tribally enrolled constituents. Cities like Billings and Rapid City, in close proximity to the Crow and Lakota reservations, respectively, offer different demographics.

In the course of two rounds of community-based research and several regional meetings, the pilot sites did find much in common. Additionally, combining networks from these different cities did prove empowering, and the relationship building was one of the several positive results of the project. Yet assuming that the poverty systems in these diverse locations would respond to one strategic plan was an unreasonable leap, especially



Photo Courtesy of the NAVA Family Center

since the magic number had now been dropped to \$14 million for the entire region to be awarded over the course of 10 years. This is an impressive number to be sure, but not what we had envisioned and certainly not for 30 cities.

If we stop to consider the funding, the difficulty in completing a comprehensive strategic plan comes to light. Dividing the total of \$14 million by 30 cities and dividing again by the 10-year pay-

ment plan, we arrive at about \$47,000 per city per year. In a city like Seattle, that would equate to about 58 cents per AI/AN citizen per year. Although \$47,000 can be made to do a lot of good for our communities over the course of a year, it would not dent overall poverty.

The final assumption to be recounted here involves the use of local staff, experienced and well-versed in the needs and issues of our communities. What we refer to as same-race or culturally specific delivery systems make sense for our population—Native Americans prefer to receive services from other Native Americans. The foundation did employ two Native staff people for the lead positions of this project. But here we teeter on the same assumption as the regional issue; urban Indians are sufficiently similar to make some key generalizations. One must still have some knowledge of the local community and still must build a trusting relationship with that community. Some communities may allow time for a learning curve, but if mutual trust and respect does not follow, communication will break down.

A last note on cultural relations stems from a lack of historical understanding and appreciation for the community. The altruistic sounding foundation value “do no harm” was violently shattered, as were our communities. The inability of NWAf to step back and imagine what this project might look like from the perspective of the participants has in some ways set cultural relations back a decade or more, and demonstrated considerable harm. Bear in mind the early message of several elders that “this is the same old [racist] story.” Presumably that was not the intention of the foundation, yet that enduring message was reinforced. The process from the elders’

eyes was age-old. An outside intervener comes to the community and mines the community for deeply personal cultural information while guardedly offering large pools of money, only to disappear when the community is not good enough in the eyes of the intervener.

Conclusion

That the elders' message was reinforced to them is sorrowful; that this belief was passed on to a new generation of youth participants is tragic. How many of these youth will dare to hope when future projects come along and the elders remind them of the pattern? How will trust possibly be built when another entity has a brilliant notion of how to solve the "Indian problem?" One young teenage woman who had attended every local meeting and several regional ones over the two-year life of the project may have summed up the problem, if not the solution, when she said, "I never want another white organization to come in and tell us how to solve our problems."

As we continue to work on the social issues of our respective urban Indian communities, we will certainly continue to look for partnerships with those whose hands can reach the purse strings. There are also amazing partnerships happening in all kinds of communities spanning the nation and the world. Foundations can play an important part in sharing those successes and best prac-

deliver what the carrot holder desires. Social change foundations then have a choice to make. Either the intervener must convey its expectations, or it must let go of them and trust that the community has the capacity to think through and carry out what is in the community's best interest. This is not to say that the learning achieved in foundations is not relevant and valuable, but if expression of this learning does not come in true partnership, it will look pedantic and paternalistic. Furthermore it will give the impression that the intervener has its own solutions and is incorporating the community only as a process piece.

The sharing of authority and ownership is paramount to successful community empowerment. The silencing of criticism prohibits partnership. For those experiencing historical trauma or the poverty mind-set, the reluctance to question authority is at times a pre-existing condition, especially where money is involved. When questioning is summarily shut down, there is no hope for honest dialogue. The acute difficulty in creating community-driven ideas in this scenario, especially when those ideas conflict with what the foundation is willing to fund, categorically limits potential.

Native Americans are not opposed to working with other groups. The predominant relational worldview rests on the interconnectedness of all things and all peoples.

What we ask is that other communities be willing to earn trust and respect, not demand it. We ask that assumptions be checked at

Our UIC Ventures experience must serve to educate, to close the old circle and begin a new one.

tices. However, it must be said that these successes are correlative to the degree that a true partnership can exist.

Like the fostering of relationships among northwest urban Indian communities, other successes did occur in this process. New relationships were seeded in our individual communities, as well. Core groups in each of the cities continue to communicate and gather around the goal of reducing poverty and building community. But other goods must come, too.

Our UIC Ventures experience must serve to educate, to close the old circle and begin a new one. Questions must be asked. What can legitimately be expected of community groups in terms of planning and process by a foundation, with the promise of grant money at the end of the process? In other words, when a carrot is dangled, especially a very large one, the natural preoccupation of the community will be to

the door. We ask that history be understood as continuous, in that actions in the past affect current conditions and that new instances of racism, blatant and embedded, occur regularly.

In closing, we share the five principles of planning of the Indigenous Peoples Network;

1. People thrive in community;
2. Ordinary people have all the answers;
3. People have a basic right to determine their own future;
4. Oppression continues to be a force that devastates people; and
5. The people are beautiful, already.

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The Waltons and Wal-Mart:

Self-Interested Philanthropy (Sept. 2005)

NCRP's examination of conservative grantmaking continues in this report profiling the Waltons' and Wal-Mart Corporation's philanthropy. Upon closer examination of the Walton Family Foundation and the Wal-Mart Foundation, this report reveals more than just charitable intentions, as well as an increasing involvement in public policy.

Not All Grants are Created Equal:

Why Nonprofits Need General Operating

Support from Foundations (Sept. 2005)

Not All Grants are Created Equal further explores the debate about foundations providing project support versus general operating support. The report examines operating support grant trends among conservative and mainstream foundations, and different types of nonprofits.

A Call for Mission-Based Investing

By America's Private Foundations (Sept. 2005)

A Call for Mission-Based Investing By America's Private Foundations presents an argument for a different kind of foundation investment strategy. The report calls for foundations to be more creative in their investments and advocates for increased support for mission-related ventures of nonprofits and a benchmark of 5 percent of foundation assets to mission-related investing.

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