

What America Needs Now from Foundations

By Aaron Dorfman

“We have also come to this hallowed spot to remind America of the fierce urgency of now. This is no time to engage in the luxury of cooling off or to take the tranquilizing drug of gradualism. Now is the time to make real the promises of democracy. Now is the time to rise from the dark and desolate valley of segregation to the sunlit path of racial justice. Now is the time to lift our nation from the quicksands of racial injustice to the solid rock of brotherhood. Now is the time to make justice a reality for all of God’s children.”

– Rev. Dr. Martin Luther King Jr., 1963

This year marks the 50th anniversary of the March on Washington, during which Dr. King invoked a “fierce urgency of now.” Today, half a century later, one might expect America’s grantmaking institutions to feel a similar sense of urgency; unfortunately, only a few demonstrate that they do.

Our nation is changing.

Changing demographics are remaking America. According to the 2010 census, non-Hispanic whites comprised 63.7 percent of the U.S. population, Latinos were 16.4 percent, blacks were 12.6 percent and Asians were 4.8 percent. The changing racial demographics of the electorate played an enormous role in the outcome of the 2012 presidential election, with overwhelming support from black and Latino communities going for President Obama. People of color will comprise a majority of

our population by 2042, and increasing numbers of people report being of mixed race or of two or more races.

Racial demographics are not the only way our nation is changing, however. Marriage equality has recently gained broad acceptance and there are record numbers of women in Congress, demonstrating that attitudes are changing, too.

We are witnessing a power struggle.

Related to the changes our nation is experiencing, there is a power struggle going on between the few and the many, between wealthy elites and average Americans.

Not too long ago, just a few trusted news outlets curated the news and a small stable of anointed pundits interpreted events for the populace. Traditional media continues to become increasingly monopolistic, with only six companies controlling its major outlets. But now, thanks in large part to technological advances, a plethora of news choices exist for those with access to technology. There are thousands of bloggers with on-line followings large and small, and every citizen with a smart phone can be a journalist. One need only consider the important role played in the presidential election by the hidden camera phone video of Mitt Romney’s infamous “47 percent” comments to understand how much things have changed. But the technological divide, which is closely associated with class differences, con-

tinues to stymie equitable access to emergent electronic media.

The enormous spending during the presidential campaign illustrates this power struggle, too. On one hand, elites invested unbelievable sums in their chosen candidates. They were supplemented by the actions of conservative groups such as the American Legislative Exchange Council (ALEC) and Karl Rove’s Crossroads GPS. At the same time, President Obama raised hundreds of millions of dollars from small donors contributing less than \$200 each. As it turned out, the elites and their allies didn’t get a very good return on their investments. Indeed, Rove’s success rate was barely 1 percent.

The Occupy movement put a sharp focus on this power struggle with its 99 percent versus 1 percent messaging. The “Tea Party” activists seem to be in a similar power struggle with more establishment-oriented elements of the Republican Party.

Inequality is one of the greatest threats facing our nation.

Our nation is facing many threats – climate change, gun violence, unbridled corporate influence on elections. Yet, I think many of us would agree that rising inequality is at or near the top of the list.

Income inequality is the highest it has ever been. According to the Congressional Budget Office, over the past 30 years, the top 1 percent of earners has more than doubled its share of total U.S. earnings, while the

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bottom 80 percent takes home a decreased share. According to the Economic Policy Institute, CEO pay has risen 725 percent since 1978, which is 127 times faster than increases in worker pay during the same time period. Even business-friendly publications like *Forbes* and the *National Journal* acknowledge that inequality is a threat to our nation.

Disparities persist and remain a threat.

As the economy continues to recover, the unemployment rate for blacks remains persistently high. In October 2012, while unemployment for the entire population dropped to 7.9 percent, it actually rose for blacks to 14.3 percent, according to the Bureau of Labor Statistics.

According to the Centers for Disease Control, “The health disparities between African Americans and other racial groups are striking and are apparent in life expectancy, death rates, infant mortality and other measures of health status.” The CDC also notes similar disparities for Latinos and for other non-white groups.¹

What can we do about it?

How can we in the philanthropic sector contribute to expanding American democracy to include everyone? What can we do to address inequality and make a meaningful contribution to a changing nation?

Foundations and other institutional grantmakers have a unique opportunity to make a difference, to be relevant in this moment. To maximize impact, given the current reality, foundations would be wise to do three things: 1) target grantmaking to ensure it benefits those who need it most; 2) invest more heavily in advocacy, community organizing and other activities that change the way things are done; and 3) side unequivocally with those who have the least wealth, power and opportunity.

Target grants to ensure they benefit those who need it most.

Many grantmakers seek to benefit entire communities; they want to help everyone, and that’s laudable. But to ensure everyone benefits, grantmaking strategies need to be targeted, because some strategies will help certain groups yet leave others behind. Universal programs are limited in their impact if their strategies do not explicitly address the conditions of the most underserved and marginalized among us.

This concept is called *targeted universalism*: We have universal goals but use targeted means to achieve them. An important truth is that when a targeted grantmaking strategy succeeds in helping lift up a group of people who have been marginalized or left out, it helps not only that group but also has ripple effects that benefit the broader community.

NCRP’s latest research shows that U.S. foundations are making some progress on this. Our report *The State of Giving to Underserved Communities*² indicates that about 40 percent of grant dollars is specifically intended to benefit one or more marginalized groups, such as women and girls, the elderly or the poor. This is up slightly from our prior analysis.

Larger foundations tend to be more targeted than smaller foundations, and one out of every six foundations devotes more than half its grant dollars to benefit the underserved. The data suggest that, while we are clearly making progress, we have substantial room for growth.

Is 2013 the year that more foundations will seek to ensure that those who need it most actually benefit from grants?

Invest more heavily in advocacy, community organizing and activities that affect change.

We all know that philanthropic dollars are extremely limited in relation to the

often complex problems foundations are seeking to address. So if we hope to have any serious impact on the most pressing issues of the day, we must strategically leverage the funding we have at our disposal.

A report NCRP released last year, *Leveraging Limited Dollars*,³ shows that for every dollar invested in advocacy, community organizing and civic engagement, communities reaped \$115 in benefits across myriad issues. These strategies are among the best available to foundations seeking to make a significant impact.

Our research shows that only about 15 percent of grant dollars is devoted to social justice strategies like these, in spite of the significant leverage factor. One promising sign, however, is that the number of foundations devoting at least 25 percent of grant dollars to these strategies is on the rise. A list of field leaders is available in *The State of Social Justice Philanthropy*.⁴

Side with people who have the least wealth, power and opportunity.

Some foundations claim to be neutral. But Nobel peace prize laureate Archbishop Desmond Tutu offered a great observation about neutrality when he said: "If you are neutral in situations of injustice, you have chosen the side of the oppressor. If an elephant has its foot on the tail of a mouse and you say that you are neutral, the mouse will not appreciate your neutrality."⁵

America needs foundations that are willing to directly confront disparities and inequality. Part of how this can be done is by funding in the ways described above. But it also relates to the public policy positions that foundations and their trade associations take.

If foundation leaders spend their time lobbying exclusively against any change to the charitable deduction but are silent on possible cuts to services for the poor or mitigating our



regressive tax system, whose side are they really on?

We need foundations that are not myopically focused on the trees but instead see the entire forest and act accordingly. Our nation needs foundations that take policy positions based on what is good for the people and causes that foundations care about, rather than what is good for the wealthy donors who create foundations.

Conclusion

Homelessness, poverty, climate change, lack of quality health care, disparate access to quality education ... These are among the numerous pressing issues facing our nation and the world. My hope for 2013 is that grantmakers approach their work with the same "fierce urgency of now" that Dr. Martin Luther King spoke of 50 years ago. If they do, philanthropy will be more effective and relevant, and we'll all be better off. ■

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Notes

1. See CDC website, www.cdc.gov.
2. Niki Jagpal and Kevin Laskowski, "The Philanthropic Landscape: The State of Giving to Underserved Communities," (Washington, D.C.: National Committee for Responsive Philanthropy, 2012), <http://www.ncrp.org/files/publications/PhilanthropicLandscape-Stateof-GivingtoUnderservedCommunities.pdf>.
3. Lisa Ranghelli, *Leveraging Limited Dollars: How Grantmaking Achieve Tangible Results by Funding Policy and Community Engagement* (Washington, D.C.: National Committee for Responsive Philanthropy, 2012), <http://ncrp.org/files/publications/LeveragingLimitedDollars.pdf>.
4. Niki Jagpal and Kevin Laskowski, "The Philanthropic Landscape: The State of Social Justice Philanthropy," (Washington, D.C.: National Committee for Responsive Philanthropy, 2012), <http://www.ncrp.org/files/publications/PhilanthropicLandscape-StateofSocialJusticePhilanthropy.pdf>.
5. William P. Quigley, *Ending Poverty As We Know It: Guaranteeing a Right to a Job at a Living Wage* (Philadelphia, PA: Temple University Press, 2003) p. 8.