

Accelerating the Movement to Transform Philanthropy

By Diane Feeney and Aaron Dorfman

Our members and allies tell us that they support and follow NCRP because they want to be part of a movement to transform philanthropy. Because 2011 marks the 35th anniversary of the founding of our organization, there is no better time than now for us to accelerate that transformation. This effort will require all who share NCRP's values to join us in making this vision for a more inclusive and responsive philanthropic sector a reality.

JOIN OUR MOVEMENT – THE TIME TO ACT IS NOW!

It's been almost two years since we released our report *Criteria for Philanthropy at Its Best* in which we challenged foundations to do more to strengthen disadvantaged communities.

While the stock market has begun to recover, and foundation asset levels have started stabilizing, too many people in our nation still are struggling.

In New York City, for example, one out of every four young African American males was unemployed in 2009, a rate significantly higher than that of other New Yorkers in the same age brackets. In Washington, D.C., we see the highest infant mortality rate in the country putting the district just barely above Belarus. These persistent inequities undermine human dignity and diminish our nation's democracy. They also have far-reaching consequences for our nation's role in the interconnected global community and economy. Will we ever really be full participants in a globalized world if we



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allow such disparities to persist? The answer is: most likely not.

Working together, grantmakers and their nonprofit partners can make a difference and be part of the solution. Philanthropy can and must do more to contribute to the creation of a fair and just society.

We recognize that philanthropic funds are dwarfed by government funding, and it is precisely because of this that it's incumbent on institutional philanthropy to be the highest performing supplement to the public and private sectors that it can be. In 2011, there are three simple things nonprofits and grantmakers can do to advance

this movement. If you work for a grant-making organization, we need you to lead by example, challenge your peers and invest in NCRP. If you work for a non-grantmaking nonprofit, we need you to strive to do your best work, be honest with your funders and move from alignment to active engagement in our efforts.

GRANTMAKERS

Lead by Example

Ralph Waldo Emerson once wrote, "Do not go where the path may lead, go instead where there is no path and leave a trail."

To transform how philanthropy is practiced, we need hundreds or even thousands of grantmakers to lead by example, to demonstrate their relevance and mettle of character by practicing exemplary philanthropy. Philanthropists consistently look to their peers for guidance. Leading by example not only makes your foundation more responsive to nonprofits that serve and represent underserved populations; it also convinces other grantmakers that exemplary philanthropy is achievable and sustainable. You can show that practicing *Philanthropy at Its Best* helps gets better results for your foundations.

Following some or all of NCRP's recommendations need not conflict with donor intent – in fact, it may help you achieve the changes your donor wanted to see happen in the world more effectively. We encourage you to reflect seriously on how each benchmark might be best suited to help you

advance your founder's vision and the common good, and then take action.

If you've considered increasing the percentage of your grant dollars devoted to advocacy, community organizing and civic engagement at some point, 2011 is the year to make that change. NCRP's Grantmaking for Community Impact Project has demonstrated that investments in this kind of work yield substantial returns on investment.

If you've wanted to do more to benefit underserved populations, this year is the time to act. When we published *Criteria*, only \$1 out of every \$3 was classified as intending to benefit vulnerable populations, broadly defined. We can and must do better. Leading grantmakers are practicing targeted universalism by focusing more explicitly on the particular circumstances of those who have been marginalized the most. We all benefit when none are left behind.

If you've thought that your institution should increase its multiyear general operating support funding, now is the time to do it. You can move in a positive direction with every grant cycle, leading the field each time.

If you've considered expanding and diversifying your board, do it in 2011.

As you do all these, be open about your mistakes and lessons learned so others can benefit from them.

Challenge Your Peers

As you challenge yourself to improve your own institution, we also need you to challenge your peers.

There's a disturbing culture within organized philanthropy that avoids honest critique of oneself and other funders. Advocating for change within your institution might seem easy compared to challenging your peers to improve, and many leaders are reluctant to criticize their peers, even constructively. This might make our sector among the most polite of any in our society, but it

certainly doesn't make for better or more effective philanthropy.

For this movement to succeed, we need grantmakers – especially CEOs and trustees – to use their power to influence their peers.

If you think a peer foundation would achieve its own goals better by funding more social justice, or by adopting an equity lens, say something! You can challenge your peers publicly or privately, but our movement only will succeed if you are willing to step up to the plate in this way.

Invest in NCRP

There's one more thing you can do to help, and that's to provide financial support for NCRP through a grant or membership. As the only independent watchdog of institutional philanthropy with a board of directors made up of both foundation and nonprofit professionals, NCRP has been a consistent advocate for grantees and has been "biting the hand that feeds us" for 35 years. We're still true to our founding vision and mission, but this sometimes has its costs. We've occasionally lost funding as a result of pushing philanthropy to be responsive to grantee and community needs. It's a price we're willing to pay because we know we're making a difference. Nearly 60 percent of surveyed grantmakers state that we've raised the level of discourse around exemplary grantmaking.

Despite being a small organization with human and fiscal resource constraints, we're adding value to our sector. For our small staff to continue carrying out the important work we do, providing meaningful tools for self-regulation and serving as the conduit for the grantee and community voice into important discussions about philanthropy, we need more funders like you to invest in us.

If you already provide support to NCRP, thank you. We urge you to con-

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

2010/2011, Issue No. 4
Yearly subscription: \$25
(free to members)
ISBN: 1065-0008

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sider increasing that support in 2011, or making a special gift in recognition of our 35th anniversary.

If you don't yet support NCRP, now's the time to start. We've brought on many new donors in the past few years, and we'd love to add you to that list.

We also hope you'll invest in other groups that are doing important work to transform philanthropy. It takes a diverse network of organizations working collaboratively to shift how philanthropy is practiced.

NONPROFITS

Strive to Do Your Best Work

If you run a nonprofit, the first thing we need you to do as part of this movement to transform philanthropy is to strive to work at the highest level of impact and integrity. Many of you are doing important and meaningful things that meet the needs voiced by your communities, and are doing it with serious budget constraints. Keep it up. If we want philanthropy to contribute in meaningful ways to the creation of a fair and just society, your part of the bargain is to be an exemplary organization.

If you know you need to make changes to your organization to improve your effectiveness and impact, now's the time

to act. Why settle for mediocrity when you can achieve greatness instead? Take the risks to dream big. Be disciplined enough to produce exceptional results.

Be Honest with Your Funders

Philanthropy at Its Best is a true partnership between grantmakers and nonprofits, and honesty is essential to nurturing real partnership. We encourage you to nurture your relationships with funders and potential funders.

Too often, nonprofits don't tell funders the whole truth about what they need. If we're going to transform philanthropy, this must change.

Tell funders who support your direct service work why you need them to support your advocacy work, too.

Tell funders why general operating support will help you be more effective.

Tell them your true overhead costs for programs, and then challenge them to include that much in the grant.

Tell them if their applications or reports are too complicated, requiring more work than is justified by the size of the grants they offer.

Of course, this kind of truth-telling only works if you are in a partnership relationship with your funders, so take the time to build and nurture those connections. Keep your funders and potential funders updated about your work,

and make the effort to communicate your impact effectively. Seek to truly understand their goals, so you can see whether there are authentic connections to your work. Take time to listen hard, too.

If your program officers are aware that you're making a tangible difference in your constituents' lives, they'll be better equipped to push others in their institutions to see the benefits of investing in groups like yours. We realize that challenging funders can seem daunting, but it's imperative that you do so if we're ever going to change the presumed power differential between grantees and grantmakers. We've all got to challenge funders to be more responsive to the needs of our communities.

Move from Alignment to Active Engagement

NCRP's membership has grown steadily over the last year, and is now more than twice the size it was in September 2009. The spike in membership is attributable in large part to a significant surge in nonprofit membership. This is really encouraging as we continue to build on our history of being a voice in the sector for grantees and nonprofits.

A recent survey shows that most nonprofits feel that NCRP is doing a good job being a voice for nonprofits in the philanthropic sector: Of the nonprofits surveyed, 73 percent believe the values NCRP advocates are appropriate and in the best interest of the sector, and 77 percent feel that we bring a unique value to the philanthropic field.

Now, in 2011, it is time to move from membership and alignment to active engagement. Membership is about more than cutting a check, and we need more than just one person at each member organization involved with NCRP.

The first step is to make sure that all senior leaders in your organization and all staff with fundraising responsibilities are subscribed to our electronic newsletter and are receiving *Responsive*



Philanthropy, our quarterly journal. This will help your leadership team think more strategically about philanthropy. If the only time your organization thinks about how to raise money from institutional grantmakers is the night before the next proposal is due, you're surely missing out on opportunities.

Then we need you to speak out on the issues. NCRP is happy to take most of the heat for voicing the needs and priorities of nonprofits, but we also need some of our members to speak out on their own behalf once in a while. For example, consider writing a letter to the editor or submitting op-eds to the *Chronicle of Philanthropy* or your local newspapers. Visit us on our blog, Facebook or Twitter and engage in discussions, or post something on your own social media sites. Join us in directly asking foundations in your community to improve their grantmaking practices. Doing these things need not take too much time away from your primary mission, and it's critically important for the long-term self interests we all share.

CONCLUSION

Already, 17 percent of surveyed funders report that they have used NCRP's *Criteria* to guide changes in the allocation of their grant dollars.

If funders and nonprofits do the simple things in 2011 that we outlined above, we'll accelerate the transformation of our philanthropic sector, and philanthropy will have a much more meaningful role in bringing about a fair and just society.

We're looking forward to working with all our allies and supporters in this important effort. ■

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HELP IMPROVE PHILANTHROPY

Join or Renew with NCRP Today!

Join NCRP as 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. Enjoy exclusive member benefits, including:

- Subscriptions to our quarterly journal *Responsive Philanthropy* and e-newsletter Roundup;
- Member-only discounts, news alerts, and invitations to NCRP events, including our monthly Pulse Events; and
- Opportunities to meet and work with other members who seek a more inclusive, effective, accountable and responsive philanthropic sector!

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