Embedded Funders and Community Change: Profiles

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2006

Chapin Hall Working Paper
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EMBEDDED FUNDERS AND COMMUNITY CHANGE

Identifying a Community of Practice

In the spring of 2004, Chapin Hall published the report, *Moving Forward While Staying in Place: Embedded Funders and Community Change*. This report describes Chapin Hall’s research with eleven foundations across the country that are employing a unique set of strategies and approaches toward community change, which Chapin Hall has dubbed “embedded” funding. The report characterizes these funders as a community of practice and identifies a set of common characteristics that includes a place-based approach; being located in the community in which they invest; a long-term commitment to their change efforts; a focus on broad and deep community-change goals; a belief, actualized in practice, that the foundations’ capacities as conveners, brokers, and knowledge resources, rather than just grant-makers, are central to their community work; a “partnership” approach toward working with grantees and other community stakeholders; and the involvement of staff and trustees who are personally engaged in the community-change effort. The report also includes in-depth profiles on each of the participating foundations to give life to how each embedded funder demonstrates these principles in their particular community-change initiatives.

Testing Our Ideas

In February 2005, Chapin Hall convened a group of these embedded funders to exchange ideas, strategies, and lessons learned. Over the course of the 2-day meeting, the participating foundations expressed that, while other grant-maker learning forums are often disconnected from their particular funding strategies and challenges, the embedded funder convening offered them a group of like-minded colleagues who share similar concerns and values. Thus, at the conclusion of the meeting, participants expressed a desire to learn more about each other’s and other embedded funders’ work. In addition, participants encouraged Chapin Hall to conduct further research to identify what was most unique and promising about embedded funding, and to explore how these insights could be communicated to national and family foundations in a way that might change how other funders think about their grant-making.

A Second Cohort of Embedded Funders

In response, Chapin Hall launched a new research effort in the summer of 2005 to identify a second cohort of embedded funders. The intent was to deepen our and the field’s understanding about this philanthropic approach, to test whether the embedded funder characteristics identified in our first report held across a range of different kinds of foundations and communities, to and push forward with developing an understanding of what embedded funders might have to teach the rest of philanthropy about promoting positive community change. Chapin Hall contacted regional grant-maker associations across the country, foundation affinity groups, and experts on philanthropy in its search to identify additional embedded funders. Through a series of conference calls and then multi-day site visits, we eventually narrowed our field of study and examined indepth a new cohort of twelve embedded funders that include private, community, family, and hospital conversion foundations working in inner-city and rural communities.
Lessons Learned

Chapin Hall developed profiles of each of these funders’ community-change initiatives, which are captured here, and then invited this new group of embedded funders to another peer convening. The construction of these foundation profiles and the second peer convening helped to highlight a number of issues that Chapin Hall is now confident in suggesting are distinctive of and critical to the embedded-funding model across a range of foundation types, communities, and issues of focus, and that may have broader relevance for foundations involved and/or interested in community change. These include:

- The catalytic role that embedded funders see for themselves in their community, and their emphasis on using their power not just as grant-makers but as conveners, facilitators, brokers, data repositories, organizers, and innovators to move community-change work forward.
- The importance that embedded funders place on building and strengthening relationships between and among local organizations and community leaders. In this sense, embedded funders position themselves and strengthen other community organizations and residents to act as the “connective tissue” that binds the various aspects of and players in their community-change work together.
- The intentional effort that embedded funders make to diminish the power dynamics normally associated with the funder-grantee relationship, and the careful and respectful way that embedded funders seek to aggressively engage and partner with community actors in their change initiatives.
- The tolerance that embedded funders have for taking risks, as demonstrated in some cases by their willingness to support community organizing, engage in political advocacy, fund individual leaders and start-up organizations, participate in potentially divisive coalitions and collaborations, and make grants without burdensome or bureaucratic review processes.
- The long-term view that embedded funders take on the pacing of their community-change work. This view manifests itself in the time that embedded funders are willing to invest in garnering the trust of their local community and their patience in seeking out and supporting indigenous leadership; in the nuanced perspective embedded funders have on the importance of being results-driven while recognizing that the true impact of their work may not be apparent for many years and may not lend itself to easily measurable outcomes; and in their related need to manage staff, board, and community expectations about evaluating the impact of their efforts as well as maintaining a sustained interest and investment in their work.

Conclusion

Moving Forward While Staying in Place and its eleven embedded-funder profiles along with this addendum of twelve profiles represent a beginning attempt to identify, describe, and analyze what Chapin Hall believes is an important and heretofore inadequately recognized type of philanthropy. Chapin Hall, in partnership with many of our profiled embedded funders and with support from the Annie E. Casey Foundation, plans further study of and mutual learning around embedded funding. If you are interested in finding out more about our work and/or in
participating in our research and peer learning activities, please contact Harold Richman at hrichman@chapinhall.org.
SUMMARY

The Birmingham Foundation was established in 1996 with a gift of $17 million from the sale of the South Side Hospital. Since its inception, the foundation has directed all grant-making—about $1 million a year—to the hospital’s service area, which encompasses twelve small, primarily low-income neighborhoods that form South Pittsburgh. Birmingham focuses on the most vulnerable populations in the service area, including children, senior citizens, and mentally or physically ill residents, and the foundation strives to meet their comprehensive health and developmental needs.

HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THIS PARTICULAR NEIGHBORHOOD?

The sale of South Side Hospital, then the largest employer in South Pittsburgh, was a momentous event that left many local residents concerned that the hospital’s assets would leave the community. To alleviate this concern and to fulfill a perceived moral obligation to use revenue from the sale to address residents’ ongoing health needs, foundation leaders made an open-ended commitment to restrict grant-making to the three zip code areas formerly served by the hospital.

Birmingham took several early steps to earn the community’s trust and establish a reputation as a community stakeholder:

- The foundation established offices on the South Side and hired an executive director who had worked with the community’s health and social service providers for many years.

- The foundation assembled a board whose members included many people who lived or had worked in South Pittsburgh, including some local business owners. Those representatives brought their relationships and personal investment to the work.

- The foundation’s director spent her first few months meeting individually with civic, nonprofit, and business leaders to learn about their priorities and local dynamics and to educate South Side leaders about the foundation.

- The foundation convened an advisory committee of community stakeholders to help design and commission the area’s first comprehensive assessment of community health needs, including the neighborhood’s social, physical, economic, educational, and civic health. Birmingham aggressively disseminated the ensuing report, entitled *Reweaving the Social Fabric: A Community Health Assessment of South Pittsburgh*, to local nonprofits. The study helped to bring community
leaders together and provided valuable data to organizations that could not collect it on their own. The report also helped Birmingham establish its commitment to the South Side.

- The foundation worked with the University of Pittsburgh to collect and analyze 2000 U.S. Census data on South Pittsburgh and convened community leaders and nonprofits to share the data, identify trends and insights, and discuss how the data could be used.

- The foundation produced (and continues to update) a directory of service providers and community resources in South Pittsburgh. The process of developing the directory gave foundation staff a chance to network with area nonprofits and provided a platform for making new community connections. The guide now includes schools, parks, churches, block groups, and other civic organizations. Birmingham hosts a large community networking event whenever it releases a revised directory.

WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE FOUNDATION'S WORK?

The Birmingham Foundation is committed not only to being in the community but to being of the community, and to being not just a grant-maker but an equal partner with other community stakeholders in South Pittsburgh’s positive development. Those distinctions drive the foundation to play an active, hands-on role with grantees. Foundation leaders believe in having a meaningful seat at as many community “tables” as possible that touch on their topics of interest. They are constantly looking for ways to bring community stakeholders and providers together, to find common ground, and to support mutual efforts. The foundation’s director appears to be involved in every community meeting and forum—and not just during the opening and closing sessions.

Birmingham staff realize that the financial assistance they provide to a finite number of service providers is less important than the foundation’s unique role as a neutral convener, catalyst, facilitator, resource directory, knowledge base, advocate, and big-picture thinker and planner. Thus Birmingham does not promote a community-change agenda of its own; instead, it positions itself to respond quickly and adeptly to opportunities as they arise and to generate the collective will and momentum needed to advance and sustain the work. The foundation occasionally provides grantees with operating support and has a few multi-year grants in its portfolio, but most resources are used to incubate new ideas and initiatives.

WHAT STRATEGIES HAS THE FOUNDATION USED?

Birmingham invests in five priorities: senior citizens’ health and safety, children and youth, community life, health care quality and access, and capacity building. Within each funding area, the foundation has several initiatives that demonstrate its strategy of convening and collaborating. For example:

- Birmingham supports several programs for the elderly, including supportive housing services, home visits, and health care services. After community incidents revealed that many seniors live alone in unsafe conditions, the foundation pulled together service providers and other key community groups to discuss solutions. The foundation’s director chaired the meetings and
Birmingham provided the meeting space, food, and supplies that enabled the group to develop an agenda and work plan. The group became the South Pittsburgh Coalition of Housing Services, which meets monthly, is facilitated and led by providers, and provides information and referrals on safe housing to senior citizens.

- Birmingham partnered with providers of child care, after-school, youth development, and violence-reduction services to create and disseminate a summer youth programming guide. Those relationships empowered Birmingham to play a central role after the shooting murder of a high school student. The foundation convened community leaders, police, residents, and service providers under the banner of the Peace Coalition, a new collaboration designed to help the community act against youth violence. The foundation’s director is a leader of the coalition and many Birmingham board members attend the meetings. The coalition has conducted focus groups and surveys to learn about the causes of youth violence in South Pittsburgh; it serves as a hub for resources, information, and service referrals and is developing a strategic plan to reduce violence. Meanwhile, Birmingham is providing money for youth programs to work with the young people from the warring neighborhoods so they can resolve their conflicts.

- A partnership with the South Side Community Development Corporation (CDC) produced a new community health clinic in South Pittsburgh. The strategy developed by Birmingham and the CDC included not only the clinic but construction of affordable, supportive housing in the clinic’s service area. Foundation board members contributed the engineering and land assessment assistance needed to help the CDC find a good site, and Birmingham provided $250,000 in capital support. The foundation’s active involvement helped the CDC secure the remainder of the financing for the project.

In addition to these efforts, Birmingham acts as a magnet for new initiatives and ideas. These include a planning grant and collaboration with South Pittsburgh faith-based service providers, which unified five local congregations that provide health ministry to the community and outreach to the elderly and troubled teens; participation on the United Way’s Impact Council to develop and support a local leadership training project; and active involvement in the South Consortium Meetings and the South Side Planning Forum, which bring together representatives of community-based organizations to network and address community development issues and concerns. Birmingham’s director serves as president of Grantmakers of Western Pennsylvania, which grounds the foundation in a regional perspective and facilitates relationships with other local funders.

**WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?**

To facilitate its role as a community catalyst and incubator, Birmingham accepts unsolicited proposals and operates three grant cycles throughout the year. This level of openness requires a greater time commitment from the board and staff but makes the foundation very accessible to community members. About three-quarters of the foundation’s grants are for 1 year only, and the average grant size is approximately $50,000.

Birmingham has intentionally assembled board members who are personally invested in the development of the South Side and highly engaged with the foundation’s work. Board members
participate on either a finance or grants committee. Members of the grants committee review every proposal and visit all potential grantees along with the foundation’s director. In addition, the board helps grantees devise and measure outcomes, create sustainable business plans, and review quarterly progress.

Birmingham’s structure allows the director to spend most of her time working with grantees and collaborating with the community rather than tending to internal operations. The director is the only nonadministrative staff person employed by the board. Although that puts a large burden on the director to be “everything and everywhere at once,” it also frees her to focus on building relationships and facilitating collaborations. Perhaps as a result, as a community partner explains, “communicating with Birmingham is not a special occasion…. We actually feel like partners of the Foundation, because nothing produces candor like consistent face-to-face interaction.”

**WHAT CHANGES IN THE COMMUNITY DOES THE FOUNDATION POINT TO AS SIGNIFICANT?**

Foundation leaders believe their greatest accomplishment is the fact that community members see Birmingham as “their” foundation and expect it to play a leadership role—not just because it has money but because it is a credible, trustworthy, action-oriented organization.

Birmingham’s good reputation translates into several benefits for the community. First, the foundation’s ability to bring community actors together has created a culture of collaboration on the South Side that has minimized turf issues. Second, the foundation’s public presence has encouraged nonprofits to have a more significant service presence on the South Side. Third, rather than dissuading other funders, Birmingham’s commitment to South Pittsburgh has encouraged other foundations to look more closely at the community to see how they might support Birmingham’s efforts. Fourth, Birmingham’s investment in community organizations acts as a screen for other funders, ensuring that the highest-quality nonprofits receive the financial support they deserve.

Birmingham’s research and funding has helped to permanently build the capacity of South Pittsburgh. Projects such as the resource directory, the community health needs assessment, the analysis of 2000 Census data, and the youth summer program directory expanded the knowledge base for the entire community. In addition, the foundation’s role in creating the community clinic, the Peace Coalition, and several other community forums and collaborations has helped to revitalize the South Side.

**WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?**

**Sustaining new initiatives.** Birmingham’s approach is to incubate ideas, organizations, partnerships, and coalitions, and to provide the initial seed funding and leadership to get innovations off the ground. However, the foundation does not have enough money to help every organization achieve a comfortable level of sustainability before discontinuing funding. Birmingham staff struggle to find time to stay engaged with the many coalitions and collaborations they jump-start, but the foundation hesitates to invest in more staff because it would add bureaucracy and divert resources from the community. The foundation tries to minimize this challenge by talking with grantees about sustainability even before they receive funding and by helping grantees identify other funding sources.
Balancing a broad versus deep and a proactive versus reactive approach. Birmingham is different from many other embedded funders in that the foundation does not have a particular community-change agenda and has shied away from creating its own large-scale, comprehensive initiatives. Instead, the foundation provides seed money in a variety of areas; is aggressive about connecting grantees to each other and leading and about participating in community forums and collaborations; and responds to opportunities as they arise. This approach has facilitated some positive community change, but Birmingham struggles with whether it should focus in a deeper, more proactive way on one or two particular issues facing South Pittsburgh (e.g., housing, education, or health care). Given that Birmingham is viewed as “the” foundation of South Pittsburgh and has, after almost 10 years in the community, developed so much credibility and trust, foundation leaders feel a responsibility to determine how to make financial and nonfinancial assets yield the greatest possible impact.

INTERVIEWEES

Mary Phan-Gruber, Executive Director
Terry Wirginis, Board Vice Chair/Grant Committee member
Eileen Smith, Board/Grant Committee member
Hugh Brennan, Director of Brashear Association
Christine Gaus, Director of Services for Brashear Association
Cyndie Carioli, Coordinator for Mercy Health Community Programs
Carey Harris, Board/Grant Committee member
**SUMMARY**

The Comer Science and Education Foundation practices philanthropy in two areas of interest to its founder. On the science side, the foundation supports research and infrastructure to study global warming and the effects of human activity on the environment. In education, the foundation is deeply engaged in supporting the infrastructure, activities, and quality of education at Revere Elementary School, a public school on the south side of Chicago, and the neighborhood surrounding the school.

**HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THIS PARTICULAR NEIGHBORHOOD?**

Gary Comer, founder of the Lands End catalogue company, grew up in south Chicago and graduated from Revere Elementary School. Comer’s sale of Lands End capitalized the foundation, and Mr. Comer designated a portion of his philanthropy for improving the school and the educational outcomes of children who attend it.

**WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE FOUNDATION’S WORK?**

The foundation’s basic assumption is that to succeed in school and later life, children need the help and support of their families, which in turn require neighborhood resources and opportunities. Comer began with an interest in educational outcomes and the potential for improving them by strengthening infrastructure and pedagogy at Revere Elementary School. As foundation staff learned about the family circumstances and community factors that affect student achievement, they broadened their activities to include family support services, adult education, community organizing, and housing development. The result is a community development approach centered on the school and the population connected to it.

**WHAT STRATEGIES HAS THE FOUNDATION USED?**

The foundation aims to make Revere Elementary School a community resource. To that end, it has invested in multiple components of change, including:

- School infrastructure (e.g., wiring, computers, and renovation)
- Instruction (e.g., curricula, and teacher training)
- Programming (e.g., adult education, GED classes, social services for Revere students, family support services, and after-school programs)
- Management (e.g., building staff capacity at the school and at the foundation; creating new organizations to lead pieces of work, such as housing development; and developing partnerships with local universities, hospitals, service providers, museums, and youth workers)

- Connecting families with services (e.g., adult education programs for parents of Revere students; job training for residents hired to construct the foundation’s housing project; and a state-of-the-art youth center that, when completed, will offer activities and programs for the community’s young people and space for meetings, classes, and exhibits)

Early community engagement efforts helped foundation staff identify community needs and interests and select appropriate programs. Comer sponsored a series of town hall-style meetings, held at the school one Saturday per month for 8 months, where residents could eat breakfast, hear new ideas, and brainstorm together. The foundation also hired a community organizer to organize block clubs throughout the neighborhood. Block club leaders meet weekly at the school to share information and plan activities. The foundation gives the clubs small grants for neighborhood projects, and a committee of residents reviews the applications.

WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?

The flexibility and responsiveness that characterize the foundation’s work in and around Revere stem from the donor’s direct, personal role in making decisions and allocating resources. In the early days, the foundation’s contributions reflected Mr. Comer’s own perceptions of immediate needs. Thus, for example, the foundation paid to update the school’s electrical wiring to accommodate computers, install new doors, and provide school uniforms to all students. The grant-making process was refined over time, but decisions are still made by Mr. Comer in consultation with the foundation’s executive director, the president of Gary Comer Investments, and the principal of Revere Elementary School.

The foundation’s operating relationship with Revere is unique. In a sense, the foundation is a nonprofit organization embedded within a Chicago public school and operating both independently and in concert with the school. The school provides space for foundation offices, foundation staff work on projects within the school, the foundation gives the school money to hire substitute teachers, and a foundation employee is the school’s full-time business manager.

WHAT HAS THE FOUNDATION ACCOMPLISHED?

Between 2000 and 2005, significant changes occurred in Revere and, to a lesser extent, the surrounding neighborhood. Student test scores improved. The school gained a state-of-the-art computer lab, computers in every classroom, new wiring and air conditioning, new doors, and supplies. Additional teachers were hired and trained on the computers. New reading and math curricula were selected.

The school now offers an array of after-school, adult education, and family support services. A new youth center is under construction. The first phase of housing development is underway,
with four houses completed and sold (mostly to school employees). Block clubs are organized and functional; they sponsor community-building events, such as block parties, and organize neighborhood safety projects, such as an agreement that all residents of a given block will call 911 to report crimes or emergencies in order to improve police response time.

WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?

Building trust and changing systems. The Local School Council (LSC) was wary of the changes at first; members distrusted the foundation’s motives and the working relationship between the foundation and school principal. It took time, turnover of LSC members, and Comer’s willingness to share information before the foundation dispelled the doubts and concerns. The public school system’s bureaucracy posed a second, related challenge. Foundation leaders had to find flexibility within the rules of operation so Revere could use the resources that Comer provided.

Maintaining a sharp focus on goals. As the change agenda has expanded to community issues beyond the school walls, it has grown more difficult to keep activities and investments strategically focused on the goal of improving the educational experience, achievement, and life trajectories of Revere students.

INTERVIEWEES

Greg Mooney, Executive Director, Comer Science and Education Foundation
Shelby Taylor, Principal, Paul Revere Elementary School
Nathaniel Carter, neighborhood resident and block club president
Karen Darring, neighborhood resident and Head Start aide, Paul Revere Elementary School
SUMMARY

The Denver Foundation (TDF) is a community foundation dedicated to improving the quality of life for people who live in the seven-county Metro Denver area. TDF invests and distributes earnings from donor gifts to nonprofit organizations and manages specific donor-advised philanthropic programs. It also has created initiatives to address social goals, including the Strengthening Neighborhoods Program, which fosters leadership, social networks, and economic improvement in nine contiguous Denver neighborhoods and a neighborhood in adjacent Aurora.

Strengthening Neighborhoods provides grants to groups of residents in the target neighborhoods for various projects and activities. The grants go directly to neighborhood residents rather than to established nonprofits and—combined with consultation from foundation staff, connections to technical assistance providers, and partnership with local nonprofits—support resident-driven planning, programming, and social action.

HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THESE NEIGHBORHOODS?

The Strengthening Neighborhoods Program evolved in the mid-1990s from Denver Foundation board members’ desire for more proactive, strategic grant-making. The board organized a facilitated process to plan the foundation’s course and engaged about 100 representatives from the public, private, and nonprofit sectors in it. A ranked list of priorities emerged from five 3-hour meetings, at the top of which was the goal of strengthening neighborhoods.

The foundation also brought on a new executive director, and under his leadership, resources and staff size grew dramatically. TDF staff conducted interviews with local and national community-organizing experts, community development professionals, and researchers and visited program sites to learn about neighborhood-strengthening strategies. Staff hoped at first to design a citywide program, but the need to concentrate resources led TDF to work in a handful of contiguous, low-income neighborhoods where at least half of the residents are people of color. All of the neighborhoods had high levels of need as well as potential for change, and none was the site of any other foundation’s work.

WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE FOUNDATION’S WORK?

TDF deliberately steered away from declaring specific community-change goals, such as reducing teen pregnancy or unemployment. Instead, the objectives of funded activities are set by the residents who organize them, and the program’s broader goals focus on enhancing social networks and building leadership capacity.
Strengthening Neighborhoods’ goals are (1) to develop indigenous leadership, (2) to build and strengthen relationships among people living in the target neighborhoods, (3) to foster economic development, and (4) to enhance and build on residents’ neighborhood pride. The theory of change that supports these goals is that helping neighborhood residents come together around shared goals and shared activities (from small events such as block parties to broader neighborhood improvement projects and organized action campaigns) will build the community’s “social fabric” and set the stage for and catalyze other work in and on behalf of the neighborhood.

There is some tension in Strengthening Neighborhoods between supporting small grants for relatively modest, programmatic projects (e.g., block parties, neighborhood cleanups, and after-school programs) and using small grants strategically to foster progress toward broader social-change goals (e.g., planning, organizing, and advocacy). Although the former characterized much of the program’s early focus, increasingly the work has shifted toward strategic grant-making (although not exclusively). TDF continues to fund block parties, community gardens, and the like; whenever possible, however, it uses those activities to lay the groundwork for subsequent grants that target broader social change.

WHAT STRATEGIES HAS THE FOUNDATION USED?

TDF’s neighborhood work has been a process of experimentation, learning, modification, and augmentation with additional resources. The foundation also has allowed residents’ priorities to shape the work, especially in the beginning. TDF staff typically encourage residents to develop proposals and then support ideas driven by residents rather than by organizations.

TDF held multiple community meetings in each neighborhood to explain the program, describe the availability and potential of the funding, identify neighborhood leaders, and engage residents in the work. Small meetings organized by TDF led to larger ones organized by residents, which led to networking among residents and foundation staff and requests for small grants. At first, TDF made money available “for just about anything” that involved residents and benefited the community, hoping to build experience and comfort with the grant application and implementation process. Many of the early grants were catalytic—to get things started—as much as to address a specific need. Later grants received more scrutiny, especially to see how well they aligned with the program’s four goals.

Although TDF staff had always helped neighborhood groups write grant applications, they realized over time that residents needed additional support for planning. Thus they began to award micro-grants (under $500) for early planning, capacity building, and agenda setting. Many groups received serial micro-grants, which they used flexibly (e.g., for translation, food, transportation, child care, travel, and conference costs that enabled planners to come together).

To build the skills, knowledge, and capacity of residents and informal neighborhood groups, TDF also increased its technical assistance services and connected grantees with other technical assistance options, both by contracting with technical assistance providers and by giving grantees support for individual consultants. TDF funds nonprofit organizations in several neighborhoods to help advance community organizing and social-change activities and helps some small-grant
recipients organize themselves in more sustainable ways. Thus some groups “graduate” from being small-grant recipients to becoming local nonprofits funded by TDF.

Foundation staff maintain long-term relationships with resident groups and help them think about possible next steps for their work. Behind the scenes, they leverage their access to and influence with powerful players in local government, the school board, and the philanthropic community.

TDF’s growing interest in fostering broader social change has led the foundation to foster cross-neighborhood alliances for policy change and, in some cases, to work with community groups to help them become sustainable organizations. TDF operates a leadership program to develop the skills and knowledge of neighborhood leaders, for example, and staff bring current and former grantees together with their counterparts from other neighborhoods for peer learning and networking.

WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?

Since the strategic reorientation a decade ago, TDF’s organizational changes have been more cultural than structural. Board members have been willing to make a lot of changes to become more proactive and to focus a significant portion of assets on neighborhood strengthening. There also have been personnel changes, including recruitment of a more diverse board of directors and a larger, more diverse staff (in terms of demographic characteristics and substantive background).

Staff who work in the Strengthening Neighborhoods Program now have experience in organizing and advocacy, and they are directly involved in community work. Staff have discretion to make immediate decisions on grant allocations under $5,000 and on strategic decisions about engagement and technical assistance. Staff work is supervised by a steering committee, which also makes decisions on larger grants. The committee meets bimonthly, and at least half of the members are nontrustee residents of the partner neighborhoods.

WHAT HAS THE FOUNDATION ACCOMPLISHED?

The Strengthening Neighborhoods Program has produced an array of small outputs—from community gardens to after-school programs—and more substantial victories, including increased citizen engagement, stronger social networks among residents, and community-organizing campaigns that have changed policy and practice. A good example of the latter is the opening of the Ana Maria Sandoval School, a bilingual Montessori school in northwest Denver operated by the Denver Public Schools. TDF gave small grants to Anglo and Latino parent groups and to community organizers to develop neighborhood leaders, coordinate planning, and create an organizing strategy around the community’s goals for the school. Community members organized petition drives and demanded hearings with the school district’s Program Design Advisory Committee, the entity responsible for allocating resources for any new or reorganized school. Meanwhile, residents mobilized to open up the committee process and gain representation on the advisory committee.
The result was the creation of a fully bilingual school (all students are taught in English and Spanish) that uses Montessori pedagogy. The parents’ group that organized through this process chose the school’s name and its principal and has an ongoing role in school governance.

WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?

Evaluating the work. The fluid, process-oriented, long-term nature of the neighborhood work, along with the indirect path from input to outcome, makes it difficult to evaluate the program or to demonstrate causality.

Supporting “resident-driven” change with a multifaceted approach. In a program designed to foster and support resident-driven, community-based social change, money (grant-making) is not enough. It also was essential for TDF to provide responsive and effective technical assistance, consultation, and connections to other resources outside the partner neighborhoods.

Balancing roles and missions. There is a tension between engaging in the Strengthening Neighborhood work (and thus allocating a lot of resources to a small geographic area) and being a community foundation that serves all of Metro Denver. Even more challenging—especially as the community organizing and advocacy work matures and tackles issues of inequity and social justice—is the need to strike a balance between constituents on the political left and right.

Ensuring long-term funding for long-term goals. Strengthening Neighborhoods’ goals will take time to achieve, and therefore a long-term commitment to funding and technical assistance must be explicit and institutionalized. TDF has earmarked 15 percent of the foundation’s discretionary payout to the neighborhood work.

INTERVIEWEES

David Miller, CEO, The Denver Foundation
Christine Soto, Vice President of Programs, The Denver Foundation
Patrick Horvath, Manager, Strengthening Neighborhoods Program, The Denver Foundation
David Portillo, Program Officer, Strengthening Neighborhoods Program, The Denver Foundation
Patrick Ridgeway, neighborhood resident
Tracy Gallegos, Parent Liaison, Fletcher Elementary School
Mario Flores, Technical Assistance Provider, Strengthening Neighborhoods Program
Lisa Nordholt, Director, Morehead Youth Center
Joanne Trujillo-Hayes, Principal, Ana Maria Sandoval School
Ana Jo Haynes, Trustee and Chair, Strengthening Neighborhoods Steering Committee
Dean Prina, Trustee and Member, Strengthening Neighborhoods Steering Committee
Darrell Watson, Neighborhood Resident and Member, Strengthening Neighborhoods Steering Committee
SUMMARY

The Rosamond Gifford Charitable Corporation, established in 1954, serves Syracuse and the surrounding Onondaga County community. In 2003, foundation leaders decided to devote about half of their $1.2 million annual grant-making budget to a targeted initiative in the 30-block Southside neighborhood of inner-city Syracuse. After intensive neighborhood discussions, the foundation created a new organization, the Southside Neighborhood Action Group (SNAG), to stimulate a “bottom-up” process of neighborhood development. With the help of a resident advisory group, SNAG engages in several neighborhood development strategies, including a housing improvement mini-grant program. A major goal is to strengthen the neighborhood’s leadership and organizational base so that residents can achieve their goals for the area.

HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THIS PARTICULAR NEIGHBORHOOD?

Gifford traditionally supported community-based organizations that address such issues as youth violence and neighborhood capacity building. The foundation’s targeted focus on Southside began after the 2002 Citistates Convergence co-sponsored by Gifford, the Central New York Community Foundation (CNYCF), and the Syracuse Post Standard newspaper. That intensive civic process engaged diverse constituencies in discussions about how to move Syracuse forward. Participants described the plight of inner-city neighborhoods in a way that inspired Gifford to concentrate resources and attention in one neighborhood.

Gifford and its partners, CNYCF and Syracuse 20/20 (an organization of civic leaders), selected the Southside neighborhood. With a poverty rate of about 35 percent, Southside was plagued by many of the traditional problems facing distressed inner-city neighborhoods. Despite its relative proximity to downtown, development pressures have not yet reached the neighborhood. The area’s 5,100 residents (predominantly African Americans and a small but growing number of Hispanics) also have some assets—approximately half own their homes. And, because the neighborhood had little support from the government or nonprofit organizations, residents were used to taking action on their own.

WHAT BELIEFS AND THEORIES OF CHANGE HAVE INFORMED THE FOUNDATION’S WORK?

Gifford positions itself as a catalyst, developer, and facilitator of resident-driven change rather than as an expert on the Southside community. Foundation staff see their main job as getting to know the residents and helping them develop a clear, compelling revitalization agenda instead of prescribing one favored by the foundation. This approach stems from Gifford’s belief that other community-change efforts have had inadequate results because they didn’t involve enough
neighborhood residents in meaningful ways or partner with organizations that truly represented the residents.

Gifford’s leaders assume that creative collaboration, capacity-building efforts, and opportunities for residents to voice and address concerns will generate new leaders and stimulate action around the residents’ own definition of success. The new relationships and capacities can be leveraged to promote other outcomes, such as increased economic development and affordable housing.

Foundation staff describe their theory as less linear than a programmatic approach. “This kind of work has to respond to how the relationships feel—when you can push and when it’s better to step back and see what happens,” says one. “This doesn’t mean that we don’t try to get things moving if they are stuck. But we wouldn’t necessarily know ahead of time when that would be.” Moreover, “it is not the information we know that will make this work or not. It’s who we are and how we conduct ourselves and how well we can find ways to support residents.”

WHAT STRATEGIES HAS THE FOUNDATION USED?

In all of its work, Gifford aims to deepen and diversify resident participation in neighborhood revitalization and to build residents’ confidence and leadership skills. For example:

- Gifford staff spent considerable time meeting with local leaders to assess the merits of working through an existing intermediary organization or starting a new one. At the community’s recommendation Gifford created a new entity, the Southside Neighborhood Action Group (SNAG), to coordinate the work. SNAG is led by a neighborhood coordinator and an advisory committee composed of residents and representatives from the neighborhood’s community development corporation, housing organizations, and other groups.

- Gifford hired a consultant to work with neighborhood residents and advise the foundation on its approach. The consultant had extensive community development experience and was soon holding meetings attended by 40 to 60 residents. The consultant recruited 15 to 20 of the most active participants for a Working Group, which meets at least once a month to take on projects that members deem important.

- Gifford sends residents to national conferences and sponsors learning exchanges with other cities involved in neighborhood development. Three residents from the Working Group, the neighborhood coordinator, the chair of the foundation board’s program committee, and some foundation staff attended a recent conference co-sponsored by Funders Network for Smart Growth and PolicyLink.

Gifford uses partnerships to extend the foundation’s resources and connect the neighborhood with outside organizations and resources. For example, the Working Group partnered with the Newhouse School at Syracuse University to design billboards with positive messages to replace others posted in the neighborhood by the Department of Justice. Other partnerships support small business owners, an urban entrepreneurship program, and a summer jobs program that trains young people in landscaping, lawn maintenance, and conflict resolution.
SNAG’s neighborhood coordinator plays an important role in the Southside strategy. A resident himself, he communicates with people throughout the neighborhood, works with local housing groups to recruit and train block captains and build block associations, and administers (with help from the SNAG steering committee) a mini-grant program for home improvement. The mini-grant program provides up to $5,000 for home repairs, painting, porch construction, etc. Although the program originally solicited applications from individual homeowners, it is now being administered through the block associations, which means that residents decide which properties receive grants. So far, forty-eight homes have been improved. SNAG also gives grants of up to $500 to help block associations recruit, mobilize, and develop members.

WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?

Gifford’s trustees have supported the Southside initiative from its inception. The board, a diverse group of community leaders, is deeply committed to Syracuse and its surrounding area and has fully embraced the notion of a targeted neighborhood initiative. Each board member contributes specific assets—such as connections to key officials and neighborhood resources, knowledge about organizational development, and financial and legal expertise—to the foundation’s work on the Southside. As one member noted, “This is personal work, we are involved, and it means something to us.” Members of both the board and staff describe a high level of trust, debate, reflection, and transparency within the board and between the staff and board.

The arrival of a new executive director in 1999 provided an opportunity to assess Gifford’s work and consider new ways of enhancing it. The foundation created a new staff position, Program Director for Foundation Initiatives, which is filled by a former program officer. The initiative director works with the neighborhood coordinator and the consultant on all aspects of the Southside initiative. All staff are involved in the initiative in some way, whether by attending community meetings, leveraging their networks, writing press releases, or providing consultation.

Gifford tailored its expenditure of funds to fit the initiative’s pace, believing that too much money given too quickly would deepen distrust and undermine residents’ sense of control. In addition to covering the salary of the neighborhood coordinator and providing $250,000 for mini-grants, the foundation’s money is earmarked for convenings, leadership development opportunities, and youth programs in the targeted area. Gifford has spent about $800,000 in the first 2 ½ years of the initiative and expects to continue its contributions for at least 5 more years.

WHAT CHANGES IN THE COMMUNITY DOES THE FOUNDATION POINT TO AS SIGNIFICANT?

The initiative is only in its second year of implementation, so it is too early to expect many visible changes in the neighborhood. Moreover, foundation staff note that Gifford is too small to produce major system changes or neighborhood transformation on its own. “The best we can do is help people get to the point of creating change for themselves,” a staff member acknowledges.
Staff believe that the funder’s role is to provide “access to the discovery of a solution, not just to the creation of one.” That said, the experience of renovating forty-eight homes suggests that after several properties on a block are fixed up, other residents on that block are more likely to invest in their own property. SNAG hopes to stimulate this “tipping point” phenomenon through continued support for home improvements and by strengthening the block associations.

Other signs of change include the neighborhood organizations’ ability to work together; increased membership in the block associations; and a new sense of resident optimism, as viewed by members of the Working Group.

**WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?**

**Evaluating the work.** The Southside initiative’s emphasis on process can make it difficult to evaluate progress. Foundation staff have started talking with evaluation experts but have not yet determined what approach would add value to the work. The neighborhood comprises two Census tracts, so potential exists to track demographic changes over time.

**Establishing a positive relationship with city government.** Historically, the neighborhood has not received many public resources, especially in terms of housing. Initiative leaders are trying to forge new relationships with a city that does not have strong ties to its low-income communities. Politics, poverty that disproportionately affects people of color, a limited corporate base, and a struggling local economy all pose obstacles to reducing the disparities between middle-class and poor neighborhoods in Syracuse. Over the long run, Gifford hopes to help city officials recognize that it is in everyone’s interest to view neighborhood residents as assets.

**Moving at a pace that works for everyone.** Gifford feels a tension between taking action and taking time to communicate with and engage all the relevant constituencies—residents, staff, board members, and local partners. It is especially important to keep the initiative from getting ahead of the residents, despite the temptation to act unilaterally when faced by immediate opportunities. Foundation staff cope with this tension by keeping the initiative’s objective in mind: “The primary goal is not to build houses or get people jobs. Rather, it is to enable residents to achieve the goals they set for themselves (which may be housing or jobs) and in the process gain the self-respect, skills, relationships, and networks that will position them to continue to improve their lives and the community in whatever way they desire.”

**INTERVIEWEES**

Kathy Goldfarb-Findling, Executive Director  
Brian Moore, Program Director for Foundation Initiatives  
Heidi Holtz, Program Director for Community Grant Making  
Marlene Bryant, Program Associate  
Judith C. Mower, President, Board of Trustees  
Billy Harper, Program Chair, Board of Trustees  
Steve Muhammad, Neighborhood Coordinator, SNAG (Southside resident)  
Diane Turner, President, Interfaith Housing (Southside resident)
SUMMARY

The Humboldt Area Foundation is a community foundation that serves three predominantly rural counties in Northern California (Humboldt, Del Norte, and Trinity). Its chosen role is to be an enabler and agent of the community’s will for change, and its structure and processes are designed to elicit and support that will. Humboldt takes its democratic values seriously, and leaders often use their resources and influence to create or strengthen community enterprises.

HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THIS PARTICULAR NEIGHBORHOOD?

The Humboldt Area Foundation was established in 1972 by Vera Victor, a founder of Save the Redwoods League and the widow of a logging equipment executive. Mrs. Victor modeled the foundation after the San Francisco Foundation, and her husband’s legacy of 16 acres of redwood forest was Humboldt’s first asset (worth about $12.4 million). Humboldt’s assets have now grown to approximately $60 million.

The area covered by the foundation is clearly defined, geographically and economically, by mountains on the east and the Pacific Ocean on the west. The area is characterized by small, isolated towns and a predominantly low-income, rural population that is reeling from the logging industry’s decline. Residents identify strongly with their communities; they have a strong sense of independence from the outside and mutual help on the inside. The absence of significant wealth in the area, and the foundation’s decision not to actively seek funds, has meant slow growth for the foundation’s assets (30% of unsolicited donations are under $25, and 60% are under $100), although per capita growth has been among the fastest in California since the early 1990s.

Humboldt also is active in American Indian communities, principally through its Native Cultures Fund, which encompasses fifty-one tribes and reservations extending from Death Valley north to Oregon and east to Nevada.

WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE FOUNDATION’S WORK?

Staff and board members view Humboldt as much as a service organization—an organized expression of community will and wisdom—as a foundation. Therefore, Humboldt’s program is less about dollars than about the democratic values of participation, inclusion, respect for local voice, and locally driven change. A mission statement describes the foundation as “an independent staging ground for the residents of the North Coast, individually and in concert, to improve the economic, social, and environmental prosperity of the region.” The term philanthropy does not appear in the statement.
WHAT STRATEGIES HAS THE FOUNDATION USED?

The foundation invests in trusted community leaders who see possibilities that others don’t and who can cross boundaries to mobilize, coalesce, support, and sustain community change. Humboldt helps these leaders establish local instruments of change in addition to the programs established by the foundation. Examples include the Wild Rivers Community Foundation, created to encourage cooperation, conservation, and development in a remote region of the three-county area; and the Mountain Valley Youth Fund, established by a teacher to ensure that children in one community have shoes and warm clothes for the winter. It is more complicated to follow this strategy than to create programs at the foundation level; but locally raised, locally controlled funds do a better job of serving the core values of community identity and mutual help.

Humboldt provides several other services for communities and residents of its geographic area:

- It seeks to resolve conflicts that disrupt communities by providing or funding mediation of disputes.

- It provides workshops for local agency boards and staff on a variety of management and programmatic issues (some for a fee, some free) and small technical assistance grants to organizations. The inspiration for technical assistance comes from the foundation’s 1995 survey of more than 350 nonprofit organizations in the region, which revealed organizational isolation, poor management, and organizational drift.

- It analyzes federal and state legislation, budgets, and demographic data for relevant information and makes the analyses available to interested organizations in the three-county area.

- It helped organize NORCAN (Northern California Association of Nonprofits) and the California Center for Rural Policy at the University of California-Humboldt State University, a partnership between community groups and the university.

- It serves as an incubator for organizations and projects initiated by or on behalf of local communities. It provides free services for those projects, including staff workspace, brokerage of outside funding, and financial services and management.

A good deal of foundation resources are used for convenings, both single gatherings and multiple, ongoing meetings to address important issues. For example, it took a two-year series of meetings to make pediatric dental services available to more of the area’s poor children.

WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?

Unlike other community foundations, the Humboldt Area Foundation does not solicit funds, because foundation leaders do not want to compete with local nonprofit organizations for scarce dollars.
Inclusion is a cardinal principle of the foundation. The board was reconstituted to better represent the communities served by the foundation, and leaders do not make major decisions until all interested parties have weighed in. Whenever possible, decisions represent a consensus.

In an effort to level the playing field for grant applicants who have limited literacy, foundation staff visit every program that applies for support. There are no designated program categories; applications are accepted for any purpose. Applicants do not have to have 501(c)(3) status or even be an organization, because Humboldt can make grants to individuals. There is no minimum amount required to set up a special fund, and management fees are low.

WHAT CHANGES IN THE COMMUNITY DOES THE FOUNDATION POINT TO AS SIGNIFICANT?

The Humboldt Area Foundation has initiated or contributed to the formation of several new organizations, aided existing institutions, and ameliorated or resolved individual problems. But it is probably more indicative of the foundation’s values and sense of mission to cite two examples of changes in the “culture” of a community—in the way business gets done—that occurred because of the foundation’s involvement (although foundation leaders note that other community players also had significant roles):

• In 1995, Humboldt sponsored a survey of 350 board chairs and chief executive officers of community nonprofits. Responses revealed that many organizations were hampered by malaise, isolation, and a failure to build on community strengths. In response, Humboldt convened many of the nonprofit leaders. When these meetings and contacts proved productive, the foundation and others formed the Northern California Association of Grantmakers. Today, the association has over 600 members and an active agenda of training, networking opportunities, and special programs. This very active professional and organizational network has spawned numerous collaborations, new proposals, a culture of cooperation, and a sense of optimism.

• Humboldt played a similar role in exploring and facilitating economic development activities. Almost 10 years ago, foundation staff spent a year interviewing business and economic development leaders. They found thirty-six organizations engaged in economic development efforts, often working in competition or isolation without any common strategic goals. In response, the foundation and others defined an economic development sector and helped it to identify a unified strategy, to base organizational missions and actions on the strategy, and to work in concert to accomplish shared goals. All of the participating organizations deserve credit for this change, but it was the Humboldt Area Foundation that uncovered the problem and unified the organizations and interests in pursuit of their common interests.
WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?

Strengthening community infrastructure. Humboldt’s mission emphasizes the foundation’s role as an enabler for the community, its leaders, and its residents. To pursue that mission, foundation leaders need to bring people together, recognize and support authentic leaders, and forge a shared vision and strategy. In the face of conventional wisdom, which favors large-scale community visioning and strategic planning, Humboldt took a different path. It chose instead to strengthen the community’s collaborative infrastructure so that people could work together effectively once they had articulated their goals. In doing so, Humboldt created its own knowledge base for change.

Coping with controversies. Controversy often accompanies community-change efforts, either among community factions or between community members and the foundation. Foundation boards don’t usually like controversy, and Humboldt’s was no exception. It took time, patience, and outside expertise and validation to help the foundation persevere through the disagreements. Time and experience have helped the foundation manage controversy more easily.

INTERVIEWEE

Peter Pennekamp, Executive Director
SUMMARY

The Incarnate Word Foundation (IWF) is sponsored by the Sisters of Charity of the Incarnate Word, San Antonio, a Catholic congregation. IWF was established in 1997, with two gifts totaling $30 million, after the congregation sold the Incarnate Word Hospital in St. Louis. Continuing the congregation’s mission of service to the poor, the foundation focused two-thirds of its spending—about $1 million annually—in low-income areas of St. Louis. In 2002, IWF embarked on a 10-year initiative that targeted a portion of staff time and grant-making to Benton Park West (BPW), a 64-block low-income neighborhood and historical district. The foundation hopes to become a respected voice for and leader in the BPW community and to improve the health (defined broadly) of its residents.

HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THIS PARTICULAR NEIGHBORHOOD?

Incarnate Word focused on BPW because of a growing recognition that—given limited resources, a broad mission, and a scattershot approach that touched on multiple issues and neighborhoods—the foundation was achieving minimal impact. IWF staff and board members decided that IWF could fill a useful niche by operating in a more hands-on, grass-roots fashion and by building relationships and social capital in a narrowly defined geographic area. The foundation also is driven by a spiritual and philosophical belief that money alone will not solve social problems unless community members participate in the solution—and that a personal approach to grant-making is needed to achieve community involvement.

IWF’s director conducted research for a year to determine whether a more tailored neighborhood investment strategy was viable. She interviewed more than twenty-five civic leaders in St. Louis, including the mayor and leaders of housing and redevelopment agencies, nonprofit organizations, businesses, and the neighborhood. She also researched and visited other neighborhood-specific community-change efforts, such as the Dudley Street Neighborhood Initiative in Boston. After IWF leaders were convinced that the foundation could achieve greater impact with a specific geographic focus, staff mapped the locations of its existing grantees and examined socioeconomic trends in the neighborhoods.

It turned out that (1) the foundation already had a significant investment in BPW and (2) BPW suffered from serious community problems, compounded by the beginning of gentrification. It seemed likely that the foundation could help BPW residents address their challenges while also helping to deflect the negative impacts of gentrification. Moreover, BPW has a relatively high Latino population by St. Louis standards, and half of the Incarnate Word sisters are Latina. BPW is part of the hospital’s service area, so working there would continue the sisters’ tradition of service. And BPW’s moderate size was manageable for the foundation.
WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE FOUNDATION’S WORK?

Incarnate Word’s main concern about BPW was that the community had participated in an extensive, multi-year community planning process facilitated by another foundation, which was supposed to bring resources into the community. After many years and a voluminous report, however, the initiative petered out without investing substantial resources, leaving many residents and local organizations bitter and distrustful of foundation initiatives. IWF leaders realized that any new commitment to BPW would have to be made quietly to avoid raising expectations they couldn’t fulfill. IWF would have to be a facilitator and convener but not a major funder—at least during the early years. IWF developed a two-stage theory of change: During Phase I, which is almost complete, the foundation invested a small amount of money in efforts to build trusting relationships, learn about the community, and establish a positive reputation among residents and community organizations. During Phase II, IWF will pursue a more proactive funding agenda and draw other funders into the community. As the foundation’s director explains, however, “until we get the community to think beyond Utah Street and take ownership over this change effort, we can’t invest more money and we can’t credibly reach out to other funders to try to leverage their resources and participation.”

IWF’s neighborhood work also is driven by the idea that grants are “the ante we pay to get into the game,” as a board member said—not the foundation’s most important activity. In line with this belief, IMF hired a full-time employee to be the foundation’s “face and voice in BPW.” The director of the BPW initiative has about $100,000 of grant money per year at her disposal, but her main responsibility is to be a constant, active presence in the community; to develop relationships with nonprofits, residents, churches, business owners, and political leaders; and to position IWF as a community collaborator, convener, and information resource.

WHAT STRATEGIES HAS THE FOUNDATION USED?

Phase I of the BPW initiative began with a 9-month planning process. IWF staff interviewed as many nonprofit, church, and community leaders as possible to learn about issues, resources, and potential partners. This process was important because IWF’s approach to grant-making is not project-specific; most grants are for general organizational support and thus are based on the grantee’s mission and values. IWF also contracted with a local university to obtain data on BPW and to conduct a community survey of residents’ priorities.

IWF facilitated several small projects to build residents’ ability to address challenges:

- An effort to expand the BPW Neighborhood Association’s capacity gave IWF staff a role in Association board meetings and in connecting Association members with other community leaders. In partnership with the Association, IWF also established a Block Link program that identifies someone on every block to serve as a community resource and guide.

- A beautification project spearheaded by IWF developed a community garden, in partnership with the South Side Day Nursery; planted trees and flowerpots throughout BPW; and addressed the issue of trash dumped in the neighborhood.
A youth development project convened program providers around the issue of youth violence. It produced a directory of summer youth resources and funding for art-based summer jobs.

A partnership with city government educated residents about the dangers of lead poisoning (BPW has the highest rate in the city) and connected them to abatement services.

A series of workshops for residents and nonprofit leaders created a forum for discussion about making BPW more sensitive and responsive to residents’ desires.

WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?

The foundation’s process for making grants in BPW is different from grant-making in other sites. IWF typically makes grants annually, requires board approval of proposals, and requires grantees to report on their work. In contrast, IWF staff develop a general work plan and budget for the BPW initiative at the beginning of each year. Once the board approves the plan, the BPW project director can disburse grants at any time throughout the year, which enables her to respond quickly and intuitively to emerging opportunities. Grantees do not develop formal grant proposals or report on the use of IMF funds. Foundation staff recognize that, at least in Phase I, their standards for grant-making in BPW seem less rigorous than for other initiatives, but they also believe that their direct interaction with BPW enables them to hold grantees accountable in a more personal way.

WHAT CHANGES IN THE COMMUNITY DOES THE FOUNDATION POINT TO AS SIGNIFICANT?

IWF’s investment in BPW is new and evolving, so leaders do not yet expect to see tangible results. They believe that Phase I’s accomplishment has been to position IWF as a respected convener, facilitator, and advocate for the community; build relationships with neighborhood organizations and leaders; and cultivate the community’s trust. In that, they have succeeded. As the representative of a community organization notes:

The fact that we don’t receive a lot of funding from IWF actually minimizes the power dynamics you usually have with funders, because we are not dependent on them for anything. Other funders often make you feel inadequate and you get the sense that you are being manipulated, but this isn’t the case with IWF. They work with us as a partner.

WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?

Demonstrating the patience needed to achieve long-term change. IWF staff know it takes time to build trusting relationships, especially in a neighborhood where a string of other funders have broken their promises. Still, they sometimes feel pressured by community and board members to develop specific plans for BPW, demonstrate measurable results, and demand more accountability for the use of IWF funds. Leaders believe that some of this tension is good for the foundation’s work. Nonetheless, staff have responded by minimizing IWF’s financial commitment to the neighborhood, engaging the
community in a comprehensive and strategic planning process, and assembling a diverse board whose members understand the concepts of “success” and “accountability” in a community context.

**Empowering community partners without confusing them.** IWF wants community members to find their own solutions, rely on themselves, and develop their own agendas for community change. Therefore, staff do not prescribe work for grantees, go to great lengths to clarify how the foundation can help, or seek credit for initiatives’ outcomes. A pitfall of this approach is that IWF grantees may be frustrated by the fuzziness of their relationship with the foundation; they can feel awkward about making grant requests and occasionally struggle with their own long-term planning given the uncertainty of funding. The foundation tries to respond to these concerns by being as open and accessible to the community as possible and by founding its grantee relationships on honest, mutual exchange.

**Engaging the truly “disadvantaged.”** IWF operates on the premise that staff need to understand residents’ concerns and cultivate their involvement before the foundation can stimulate meaningful change. However, it tends to be the residents who already feel ownership of their lives and their community who seek out services and consistently attend Neighborhood Association meetings and foundation workshops—not those whom IWF most wants to reach. Furthermore, many of the local nonprofit organizations that aim to serve disadvantaged residents are so involved in securing funding that they can’t spend enough time reaching out to the hard-to-reach. IWF has only just begun to respond to this challenge, mostly by partnering with nonprofits to organize resident focus groups.

**INTERVIEWEES**

- **Bridget McDermott Flood,** Executive Director of IWF
- **Jean Durel,** Benton Park West Neighbor Project Coordinator
- **Al Litteken,** Vice-Chair of the IWF Board
- **Marlene Levine,** CEO of South Side Day Nursery
- **Eric Winters,** Secretary of the Benton Park West Neighborhood Association
- **Sarah Smith,** IWF Board member
- **Molly Hammett,** Children’s Ministry Coordinator at Olive Branch Presbyterian Church
SUMMARY

Jack Maddox, owner of the gas and electric utilities in Hobbs, New Mexico, established the J. F. Maddox Foundation in the mid-1970s as a way to give back to the community. The foundation has the largest asset base in the state—approximately $170 million—and targets almost all of these resources to Hobbs and the surrounding Lea County (population < 150,000). The foundation aims to revitalize the community and county primarily through work in education, economic and community development, and leadership development.

HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THIS PARTICULAR NEIGHBORHOOD?

Maddox initially used its resources to provide student scholarships, but after about a decade began to distribute grants throughout southeast New Mexico and West Texas. For the first 20 years, Maddox kept a low profile as a large, anonymous donor; leaders didn’t want to attract notice and worried about being inundated with grant proposals.

At a retreat during the mid-1990s, however, several internal and external forces converged that challenged the foundation to become more proactive, public, and community-oriented. The foundation was struggling to meet its required payout level because, as a board member recalls, “the local community didn’t know how to use a foundation and we had discouraged people from learning about us by keeping such a low profile.” Board members were dissatisfied with the scattered grant-making and believed the foundation could achieve greater impact by concentrating resources more strategically in Lea County. Hobbs had dropped from being one of the world’s leading centers for gas and oil to being only one of the top producers in New Mexico. Concurrently, a substantial portion of residents moved away, including the young professionals who composed the tax base; community infrastructure decayed; the poverty rate rose until more than half of all households had an annual income under $21,000; and high school graduation rates plummeted. Moreover, Lea County’s geographic isolation kept it off the maps of other funders. Foundation leaders realized that they couldn’t attract other resources to Lea County unless they began to publicize their grant-making and actively help grantees leverage other funding streams.

WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE FOUNDATION’S WORK?

Foundation leaders are very conscious of how large their asset base is compared with community resources. They view grant-making as a process of negotiation, rather than a one-way conversation, and use the resources to broker conversations about problems and solutions with the mayor, school system, United Way, and other community leaders and organizations.

Maddox encourages candor, trust, and push-back from grantees—qualities that are fairly easy to cultivate in a small community where foundation leaders and staff have lived and worked for more than 30 years. (As one trustee notes, “At any time I can invite my neighbors over for some wine, and by
probably the second glass will get an honest opinion about how the foundation and its work is perceived and how we can be more responsive and sensitive to the community’s needs.”)

Foundation leaders view failed grants as learning opportunities, rather than reasons to end a relationship with the grantee. To avoid failure, however, they ground their initiatives in research-based “best practices” and only move forward if they and their partners can develop the necessary expertise and buy-in. It is not unusual for Maddox to study an issue or strategy for a year before launching an initiative—soliciting big-picture concepts and strategies from national experts, visiting model programs around the country, networking with other funders through such forums as Grantmakers for Education, and paying for foundation and partner staff to attend cutting-edge professional development opportunities. The result, a local public official explains, is that grantees “know [Maddox is] going to do their own extensive research about whether my ideas are viable, which will in turn help me to validate or revise my own thinking.”

WHAT STRATEGIES HAS THE FOUNDATION USED?

After deciding to take a more proactive role in the community, Maddox created a 10-year, $8-million initiative to improve Hobbs’s school system. This work centered on implementing a rigorous Advanced Placement curriculum (with appropriate professional development and incentives) in Hobbs high schools and a Core Knowledge curriculum in Hobbs pre-K and elementary schools:

- Instead of dictating a school reform agenda, Maddox cultivated input and buy-in from teachers, principals, and district leaders. The foundation paid for “legions” of teachers and all (12) high school principals to visit high-performing schools where they could see the curricula being used; it also sent seventy-four teachers and school staff to a national, week-long Core Knowledge conference in California. Although Maddox only hoped for four schools to adopt Core Knowledge, all twelve chose to do so. A former teacher recalls: “I was originally against the new curriculum but the Foundation paid for us to go to all these conferences and network with other teachers. They made us feel like professionals and like our opinions mattered, and it seemed strange to not try to improve what we were doing.”

- Maddox paid for the school system’s lengthy planning and development process and covered all of the school’s initial supplies, professional development, and start-up costs. The foundation supported the changes with incentives for teachers and students. Advanced Placement teachers receive additional money if they agree to provide AP tutoring outside of school hours; participate in vertical, subject-based strategy teams; and hold themselves accountable for students’ scores on the AP exams. Students receive financial awards for taking and mastering AP courses; students who score a 3 or higher on multiple AP exams may receive a new computer.

The foundation’s economic development initiatives focus on diversifying the county’s economy to make it less dependent on the price of oil and raising awareness of the importance of a diverse economy:

- Maddox created the Lea County Community Improvement Corporation to convene all of the major civic, business, and political leaders around a consensus direction for the county’s development. This group commissioned an economic analysis of the community to identify its assets and deficits
and discovered, among other findings, that Hobbs is a retail base for 100,000 people in the surrounding New Mexico and Texas region.

- Maddox facilitated town hall meetings on the study’s findings, supported the development of a strategic plan, and held additional community meetings to get feedback on the plan. The foundation then helped to attract Home Depot, Wal-Mart, a uranium enrichment plant, and several popular restaurant franchises to the area.

- Maddox helped to create a housing agency to oversee development of affordable housing; provided money for a Hobbs business incubator program; partnered with a micro-loan lender and a community venture capital firm to help local entrepreneurs obtain capital; and accelerated its investment and advisory role in the New Mexico Junior College so the college could develop a work-force development training center.

The foundation’s community development work encompasses several strategies:

- Maddox partnered with the City of Hobbs on a multimillion-dollar beautification effort known as the Turner Street Project. Maddox provided the capital for redevelopment of the main city thoroughfare, including sidewalk refurbishment, tree planting, landscaping of adjacent properties, creation of walking/bike trails, improved road signage, and construction of a community billboard. The success of the Turner Street Project encouraged Maddox to make a $15-million commitment from its endowment, matched by $5 million in city funds, for a more extensive redevelopment of downtown Hobbs.

- Maddox has expanded and strengthened nonprofit organizations and service providers in Lea County. After hiring a research firm to assess local social service delivery, utilization, and capacity, Maddox supported the creation of a homeless shelter, a residential treatment center for adolescents, a food bank, a teen center that addresses gang problems, and a drug treatment center. The foundation gave nonprofit organizations money to remodel and improve their buildings; helped the New Mexico Junior College develop and finance a Western Heritage Museum; linked all of the local and college libraries through a private, virtual network so they could share databases, books, and other online resources; and gave the College of the Southwest (a major Maddox beneficiary) a 5-year, $15-million grant to transform into a residential college and to become financially independent from the foundation. The foundation also matched one of every four dollars raised by the local United Way affiliate, boosting revenue by about 60 percent.

- The foundation supports arts and recreational organizations and a yearly community festival; created a college scholarship program for local students; and organized the Jack Maddox Distinguished Lecture Series, which brings nationally recognized speakers to Hobbs.

Maddox has been stymied in its leadership development activities. However, the foundation did assemble a community advisory committee to design a one-time leadership training program for sixty aspiring community leaders. After the training, Maddox encouraged participants to apply for money to start community projects and tried to connect them with networking opportunities. Many of Hobbs’s civic leaders say the effort had a positive impact by spawning new and vibrant community organizations, such as the Hispanic Chamber of Commerce.
WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?

Maddox does not have a traditional grant cycle; it accepts unsolicited applications at any time, although the foundation initiates most of its own projects. Foundation leaders believe their informal approach makes Maddox more accessible to community members and enables them to act on opportunities more quickly.

The foundation board is composed of Maddox family members and one non-family member whose role is to give “outside” opinions. The two Maddox trustees who still live in Hobbs are actively involved with day-to-day operations and are deployed to meetings and community forums when their reputation or community relationships might facilitate the foundation’s objectives. An advisory board elicits input from a rotating cast of community leaders.

Each board member and the advisory board director has a fund to use for pet projects and regional interests, so that those investments do not distract the foundation from its overarching community mission.

Mindful of the economic revitalization and diversification that Hobbs and Lea County require, foundation leaders selected an executive director with business expertise (a successful track record of acquiring, managing, and reviving failing hospitals) rather than experience in the philanthropic or social service arenas. Many of the foundation’s community partners praise the choice, noting that the director’s calm, direct, and efficient business approach improves relationships with grantees.

WHAT COMMUNITY CHANGES DOES THE FOUNDATION POINT TO AS SIGNIFICANT?

Much of the foundation’s work has had a positive impact on the community. The school reform effort, for example, helped to:

- Reduce the school drop-out rate. Hobbs now has the lowest drop-out rate in New Mexico.

- Increase academic rigor for more students. About half of all Hobbs high school students take Advanced Placement classes. At one time, Hobbs had more students taking AP courses than the entire school district of Albuquerque, which is 50 times the size of Hobbs.

- Foster a culture of achievement in the schools. Students can earn a varsity letter in academics along with financial rewards and, potentially, a home computer as a sign of their accomplishments.

- Attract state recognition. Hobbs was recently ranked one of the five best school districts in New Mexico.

Maddox is proud of these improvements, especially given a 60-percent increase in students eligible for free or reduced-price lunch and a 70-percent increase in Latino students, many of whom are English-language learners.
WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?

Leadership recruitment and development. Hobbs has a dearth of professionals and emerging community leaders. While Maddox strives to make Hobbs a more attractive and welcoming place for young families, foundation leaders recognize that they can’t change the geographic isolation and relative lack of natural attractions. They also believe that neither Maddox nor any other local organization has the expertise to train the young community leaders who do exist. Maddox is leery of being too aggressive about leadership development because it wants to avoid the perception that the foundation is “packing the court” with handpicked community advocates. To address this challenge, Maddox tries to invest in new organizations so that young entrepreneurs indirectly receive support for innovative ideas.

Balancing multiple community roles. One of the drivers behind Maddox’s success is the network of personal and professional relationships that its staff and board members have. However, foundation representatives also are friends, neighbors, and relatives of community members and concerned citizens of the town and county. Often, it is a struggle to keep these roles separate. When the foundation’s director attends a PTA meeting or a trustee runs for public office, they must think about how their actions will be perceived and how to make their role in that setting clear.

Sustaining a community orientation. All of the next generation of Maddox family board members grew up in Hobbs, but none of them live in the community now; in fact, most live outside the state. Foundation staff and leaders worry that the foundation could lose the hands-on approach and intimate community connections that have contributed to its success. To prepare for the generational shift, Maddox began bringing young family members onto the board as early as possible. Eventually, Maddox may have to establish a more formal advisory board and expand its staff to compensate for the lack of locally based trustees.

INTERVIEWEES

Bob Reid, Executive Director, Maddox Foundation
Jim Maddox, Trustee, Maddox Foundation
Don Maddox, Trustee, Maddox Foundation
Monty Newman, Mayor of Hobbs
Alberto Caballero, President, Hispanic Chamber of Commerce
Gary Dill, President, College of the Southwest
Steve McCleery, President, New Mexico Junior College
Stan Rounds, former Superintendent, Hobbs Public Schools
Sam Spencer, board member, United Way
Joe Calderon, Hobbs City Commissioner
Paul Campbell, former school board member
Becky McMurray, Curriculum Administrator, Hobbs Public Schools
SUMMARY

In 1984, Pfizer made a corporate decision to improve the quality of the neighborhood immediately surrounding its pharmaceutical manufacturing plant in the Williamsburg neighborhood of Brooklyn. Since then, it has worked on neighborhood education, safety, employment, and housing. Pfizer’s Brooklyn redevelopment initiative is not directed by the corporation’s philanthropy group. Instead, initiatives and components are overseen by the company’s global manufacturing division and the Brooklyn plant manager. Philanthropy staff view their participation as one element of a broader strategy, but the commitment is embedded throughout the company.

Pfizer’s philanthropic giving takes three forms. A corporate philanthropy office and the Pfizer Foundation provide financial support. (The foundation technically is private, but the company’s current and former chief executive officer (CEO) are board members and company personnel staff it pro bono. This setup enables the foundation to draw on the company’s tax, financial, legal, and technical staff and other resources.) Staff who are responsible for the foundation’s philanthropic activities, both in the United States and internationally, are located at Pfizer’s New York headquarters but often work collaboratively with staff at other offices or plants, such as the one in Brooklyn.

The foundation’s endowment is about $350 million and its spending rate is 10 to 12 percent. Total cash giving by the company and foundation was about $98 million in 2004, including an extensive employee matching gift program that amounted to $31 million.

HOW AND WHY DID THE COMPANY EMBED ITSELF IN THIS PARTICULAR NEIGHBORHOOD?

Pfizer Inc. has operated in Williamsburg since its founding in 1849. Once a thriving neighborhood and one of New York’s most important manufacturing centers, Williamsburg experienced disinvestment and decay after its industrial base evaporated in the 1950s and 1960s. The “community” spans five Census tracts and is part of the so-called Broadway Triangle (Brooklyn Redevelopment Zone). About 13,000 people live in the 30-block area surrounding the plant. Approximately equal proportions of Hispanic and African-American residents compose almost 90 percent of the population. Forty-five percent of all families live in poverty.

In the early 1980s, Pfizer decided that it had to either leave the area or do something to make current and future employees feel safer. Pfizer’s CEO at the time made a strong case to the board that Pfizer should stay—out of enlightened self-interest, because it was the right thing to do for workers (many of whom were second- or third-generation Pfizer employees), and for the neighborhood’s general well-being.
WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE COMPANY’S WORK?

Pfizer’s leaders believe that neighborhood problems are interdependent and therefore must be addressed comprehensively. They also are committed to staying the course over a long time period. Pfizer has been rooted in Williamsburg for more than 150 years and has engaged in community development for more than 20 years; philanthropy staff do not anticipate ending their initiatives (barring unforeseen changes in the pharmaceutical industry), although specific activities, objectives, and grantees change periodically.

Because of their long-term agenda, Pfizer’s philanthropy staff view their work in terms of phases. Early efforts need to stimulate a sense of urgency and produce some tangible results, but over time the momentum ebbs and flows as individuals come and go and political contexts change. “Sometimes you have to wait for the right person to come along to energize a particular aspect of the work, people who are ready to commit their heart and soul to this work. Sometimes it’s serendipity—an opportunity comes up and it mobilizes people,” a source explains. “A largely organic timetable like that is only possible when you expect to be there for the foreseeable future.”

Pfizer’s work in Brooklyn emphasizes partnership with community organizations, government agencies, and other companies. Pfizer also has a long history of encouraging personal philanthropy on the part of its employees, through matching gifts and support for volunteering, and the company donates medicine to low-income and uninsured patients through arrangements with clinics and hospitals.

WHAT STRATEGIES HAS PFIZER USED?

Pfizer’s initial approach was to identify the fundamentals of a healthy neighborhood and then work to establish them in Williamsburg. In 1984, the company’s philanthropy became more strategic. Pfizer co-sponsored a neighborhood assessment and, after much analysis and discussion of the results with public, private, and nonprofit players, they settled on a four-pronged focus: housing, education, jobs, and safety.

Within each strand of work, Pfizer finds partners who can help revitalize the neighborhood. For example:

- To address housing shortages, Pfizer collaborated with the NYC Housing Partnership and with the NY Equity Fund developed by Local Initiatives Support Corporation and the Enterprise Foundation. The city’s Public Development Corporation designated the Broadway Triangle as a pilot site for special assistance in housing, schools, job creation, and public safety. In 1991, construction began on more than 140 two-family, owner-occupied homes for low-to-moderate-income families and more than 400 renovated apartments. Some of the 44 acres of land within the development area came from Pfizer and some from the city. Fifteen separate government agencies reviewed and approved the project over a 3-year period. Although Pfizer has not developed any more housing, staff from the plant frequently attend meetings of tenants’ associations and make sure the housing is well maintained.
In the employment arena, Pfizer reinvested almost $100 million to modernize technology in its own facility. The changes enabled the plant to operate three shifts per day, which increased the number of jobs from about 600 to 1,200. Pfizer also recruited Arlington Press, a major supplier of pharmaceutical labels, to relocate to an industrial park next to Pfizer and invested $1.8 million in renovations to meet Arlington’s needs.

On the public safety front, Pfizer examined data on where crimes occurred and found that the local subway station was a problem area. Renovation of the station became the centerpiece of Pfizer’s neighborhood safety strategy. Company officials worked with the Metropolitan Transit Authority to develop a safety plan, spending $120,000 to install closed-circuit video cameras that are monitored by the pharmaceutical plant’s own security team 24 hours a day; incidents are reported to the police. Pfizer also gave the police scooters to patrol the area, and the plant’s security staff (equipped with two-way radios) walk through the neighborhood continuously.

Pfizer’s education work began in partnership with The Beginning with Children Foundation (BCF), an organization devoted to providing excellent education for low-income children and to changing the education reform landscape for charter schools. The partners created an innovative public elementary school in a former Pfizer administrative building directly across the street from the plant. It took 3 years to renovate the building (which Pfizer donated, along with a $500,000 contribution to renovation costs) and secure agreements with the United Federation of Teachers and the Board of Education. The school opened in 1992; today, it serves 450 K-5 students selected by lottery from a long waiting list. The school is a model for education reform that influenced city and state policies for charter schools and earned awards, media attention, and philanthropic support from other companies and foundations. Pfizer continues to provide financial, technical, and volunteer support to the school.

Plans are underway to convert Pfizer’s original building, which has been closed for 20 years, into a community education center with adult education, job training, and literacy classes; after-school programs; teacher training, including a science lab; and a mini-museum of Pfizer’s history in Williamsburg. Pfizer will contribute and renovate the space, and a partnering nonprofit organization will raise operating funds.

WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE COMPANY DEVELOPED TO SUPPORT THE WORK?

Pfizer created “cross-functional, cross-divisional virtual teams” whose members and resources can be mobilized in different configurations depending on the particular task at hand. Thus a variety of staff may be involved in a project, including the plant manager, community or government relations staff, corporate finance staff, and company lawyers.

Many of Pfizer’s contributions involve noncash resources (e.g., donated land and buildings, volunteer mentors for youth, and security monitors for the subway station) given directly rather than through an intermediary. A good example involves the playground created for the school in Brooklyn. Pfizer donated the land and made a $100,000 gift to the nonprofit directing this $1-
million project; the nonprofit then leveraged $300,000 in public funds. A Pfizer employee served as project manager, overseeing site preparation (which included reclamation of a brownfield) and managing the contractors.

Pfizer’s partner organizations underscore the relationship’s mutual benefits. For example, both partners’ names appear on the school created by Pfizer and The Beginning with Children Foundation, which gives BCF greater visibility when members of Congress and international dignitaries visit. School leaders, meanwhile, use Pfizer’s credibility and ongoing support to obtain other resources. When something malfunctions at the school, Pfizer plant personnel come to fix it; the former plant manager sits on the school’s board, and other Pfizer staff provide advice, ideas, and referrals to additional resources. Meanwhile, Pfizer’s Senior Director of U.S. Philanthropy sits on Beginning with Children’s board.

Pfizer partners appreciate that the company makes a long-term commitment. “If you both believe in the other [partner] it’s a powerful thing,” says one. “The give and take you need to work together happens consistently with Pfizer.”

WHAT CHANGES IN THE COMMUNITY DOES THE COMPANY POINT TO AS SIGNIFICANT?

Although Pfizer’s corporate culture emphasizes outcome-based research and development, the company does not measure its community work against a specific goal. Some activities clearly have had a positive effect (e.g., more housing units, a new playground, a school with increasingly positive test scores, and lower neighborhood crime rates). Pfizer does not plan to evaluate its work in Brooklyn, however. One reason, staff suggest, is that the work is “just what the company does to be a good citizen”; another is that too many of the factors influencing neighborhood success lie beyond Pfizer’s control.

WHAT WERE THE BIGGEST CHALLENGES? HOW DID PFIZER CONFRONT THEM?

Staying out of the political fray. The struggle for land within the neighborhood is intense. Latino and Hasidic communities have both experienced strong housing pressures that sometimes pit them against each other. Conflict also exists about whether to use existing land for affordable housing or for business development that could bring in more jobs. Two community boards and a variety of local legislators and city council officials also define the political context. Pfizer aims to maintain an open dialogue with all parties and not get drawn into local conflicts. At this point, there appear to be few opportunities to balance the interests of all parties.

Attracting other businesses to the area. Pfizer’s initial plan included efforts to recruit other light industry to the area. Only one company was recruited, however. Pfizer continues trying to attract other companies in an effort to increase local employment.

Being patient. Much of Pfizer’s neighborhood work has taken years to develop and move forward, given the many (and sometimes competing) bureaucracies and organizational hurdles involved. The company’s long-term horizon makes this timeline possible, if wearing.
INTERVIEWEES

Rick Luftglass, Senior Director/U.S. Philanthropy, Pfizer Inc. and Executive Director, The Pfizer Foundation
Angelo Santisi, Site Leader, Brooklyn, Pfizer Global Manufacturing
Caroline Forte, Manager of Communications and Community Relations, Brooklyn site, PGM
Mimi Clarke Corcoran, Executive Director, Beginning with Children Foundation, Inc.
Michael Rochford, Executive Director, St. Nicholas Neighborhood Preservation Corporation
SUMMARY

The Piton Foundation is an operating foundation that develops, funds, and manages programs in three interconnected areas: improving public education, creating economic opportunities, and strengthening neighborhoods. Piton’s Strengthening Neighborhoods program supports efforts to develop leaders, organize communities, and build local institutions’ capacity to promote community change and to improve neighborhood residents’ quality of life. A key component of this work involves the collection, dissemination, and use of data to inform community actors and shape community responses.

Strengthening Neighborhoods focuses on all Denver neighborhoods that have a high concentration of poor families, with special attention to four neighborhoods that also are targeted by Piton’s Education and Economic Opportunities program. The four neighborhoods receive about 30 percent of the foundation’s budget (about $1.9 million per year).

HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THESE PARTICULAR NEIGHBORHOODS?

The decision to target specific neighborhoods evolved from a fairly traditional grant-making approach that concentrated on improving the lives of children in poverty. Over time, as Piton supported work in neighborhoods (and began to develop relationships in them), formed partnerships with other foundations, and created resident leadership programs, foundation leaders recognized the benefits of community-driven responses to the needs of children and families. Having a neighborhood focus enabled Piton to work at a manageable scale, concentrate resources, and respond to the issues deemed most important by residents. Neighborhood selection was driven in part by Piton’s collection and analysis of data on the relative level of need, but also by the fact that in these four neighborhoods Piton had developed strong relationships with neighborhood actors.

WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE FOUNDATION’S WORK?

Piton’s goals and strategies align differently in each program area, although there is overlap around strategy development, the value of data for problem analysis, and the use of advocacy and organizing to promote social change. Strengthening Neighborhoods’ theory of change focuses on relationships and capacity building. In order to promote community change and address the needs and circumstances of families in disadvantaged neighborhoods, one must promote opportunities for leadership development and engagement and support people’s capacity to succeed in meeting their own self-determined goals.
WHAT STRATEGIES HAS THE FOUNDATION USED?

Piton’s approach is iterative, building on the lessons and relationships developed in neighborhoods and in the public, nonprofit, and philanthropic sectors. Fundamentally, Piton emphasizes leadership development; facilitation of community organizing; and the collection, analysis, and use of data to inform policy and planning and to promote and guide social action.

Initially, Piton’s interactions were with leaders of nonprofit organizations working in disadvantaged communities. The process of developing community profiles to understand residents’ perspectives, however, revealed that residents did not always view these leaders as well connected with the community and its priorities or able to legitimately represent the community. Piton’s response was to focus increasingly on fostering and supporting resident leadership of and engagement in social change. At first this occurred through small neighborhood advisory groups, but the groups had limited impact on broad neighborhood engagement and capacity building. So Piton created a Neighborhood Leadership Initiative, which provided leadership training and skill building for residents of selected neighborhoods.

Piton’s Neighborhood Leadership Initiative laid the groundwork—i.e., partners, relationships, skills, and experience of foundation staff and residents—for the foundation’s recent work on community organizing. This includes support for local organizing intermediaries that work with communities and Piton’s role as the local fiscal agent for the Annie E. Casey Foundation’s Making Connections initiative. (Partnerships with national foundations have always had an important role in Piton’s work by contributing resources and exploring new areas of work.) In addition, Piton gives grants to community groups for reform efforts and helps them form relationships with government officials and policymakers.

WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?

Several important elements of Piton’s structure contribute to the foundation’s capacities and approach:

- Piton restructured in 1992 as an operating foundation, shifting both its attention and its staff capacity to hands-on work with and in communities. Piton still provides grants (although not for unsolicited requests), but its principal focus is operational.

- Piton is not an endowed foundation. Instead of basing expenditures on a percentage of assets drawn down from endowment income, foundation staff produce an annual budget based on work plans developed in each program area. They submit the budget for approval to the parent corporation, Gary Williams Energy Company. The corporation may allocate funds beyond the requested budget to satisfy a compelling reason or opportunity.

- The board and staff are small, and senior managers of the corporation are intimately involved with and committed to the foundation’s work. Every week, foundation staff meet with the corporation’s founder, chief executive officer, and chief financial officer. Decision making is highly streamlined.
The hybrid nature of the foundation (incorporating elements of private, corporate, operating, and community foundations) provides for both control and flexibility, including the ability to tap into corporate resources for political work that the foundation cannot do directly.

The characteristics and proclivities of Piton staff and trustees also contribute significantly to the work, including: level of commitment and buy-in to the foundation’s social-change agenda; variance in professional backgrounds and skill sets (only one staff member comes from a philanthropic background); and capacity to interact and build relationships within the public and private sectors, with community residents, and with other foundations.

WHAT HAS THE FOUNDATION ACCOMPLISHED?

The major accomplishments of Piton’s Strengthening Neighborhoods program have been around neighborhood leadership development, community engagement and organizing, and social action on such issues as school reform, housing, and juvenile justice. Outcomes include:

- Creation of a community court that promotes a “restorative justice” approach to youth crime and delinquency
- Action by the Environmental Protection Agency to amend regulations for lead and arsenic toxicity levels, which made federal funding possible for neighborhood cleanup
- Action by Denver Public Schools to improve school safety, provide after-school and bilingual programming, establish teacher home-visiting programs, and cultivate parental involvement in decision making
- Action by local government to open a neighborhood police substation, implement a comprehensive traffic plan, improve street-scapes, install new curbs at a dangerous intersection, and address other infrastructure issues
- Organizing at the policy level, including formation of a coalition of local foundations and community-organizing groups that advocates for changes in health care, housing, labor, and environmental policies
- Development of cadres of neighborhood leaders who are involved in community development and action, either as staff or volunteers

WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?

Community engagement and partnership. It takes a lot of time, spread over a long period, to build the necessary alliances with community and organizational partners. Community partnership requires patience, a willingness to try new things, and an openness to trial and error. It takes many types of relationships, along with opportunities and mechanisms for interacting with large numbers of people, to engage community partners effectively. And it takes trust to
gain the community access that will provide those relationships. Foundation-community relations are complicated by inherent power dynamics, and it can be difficult to acknowledge and work through the inequities without becoming stymied by them—to be both responsive and responsible and to be “in service” rather than “subservient.”

**Staffing.** Community work is labor-intensive and challenging, all the more so when the foundation has a relatively small staff. In addition to having substantive knowledge that they can apply and share, staff must be able to form personal and professional relationships with neighborhood residents. They must be able to accept the exposure and risk that come from such relationships. They must be able to listen without pushing their own agenda and to understand the impact of poverty on residents of distressed neighborhoods. Most staff do not come to the job with these skills comfortably in place, and some are better than others at acquiring them.

**INTERVIEWEES**

- **Terri Bailey,** Senior Research Officer, The Piton Foundation  
- **Mary Gittings Cronin,** President and Executive Director, The Piton Foundation  
- **Ron Williams,** Chief Executive Officer, Gary Williams Energy Company and Trustee, The Piton Foundation  
- **Sam Gary,** founder and Chair, The Piton Foundation and Gary Williams Energy Company  
- **Dave Younggren,** Chief Financial Officer, Gary Williams Energy Company and Trustee, The Piton Foundation  
- **Phuonglan Nguyen,** community resident and co-coordinator, Community Learning Network  
- **Candace RedShirt,** community resident and Community Technical Assistance Coordinator, Making Connections  
- **Debra Johnson,** community resident and Community Justice Advocate to the Cole Community Court  
- **Linda Wurst,** community resident and organizing committee member, Metro Organizations for People  
- **Mike Kromrey,** Director, Metro Organizations for People (grantee)  
- **Cec Ortiz,** Director, Denver Division of Workforce Development
SUMMARY

The Self Family Foundation, which has assets currently worth $36 million, has invested in the city of Greenwood and the surrounding rural county for more than 60 years. After focusing mainly on building the area’s institutional infrastructure, in 1996 foundation leaders turned their attention to neighborhood development. This takes the form of a foundation-paid staff person, housed at the Chamber of Commerce, who works to strengthen and expand neighborhood associations within Greenwood’s low-income neighborhoods. Foundation staff also play a variety of roles that provide leadership and support for positive community change.

HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THIS PARTICULAR NEIGHBORHOOD?

This foundation’s neighborhood work builds on its historical role in Greenwood, a traditional mill town of 23,000 residents in a rural county of 68,000 people. The late James C. Self, the founder of Greenwood Mills (a major textile operation that for decades was Greenwood’s largest employer), had a strong sense of responsibility toward his employees and community. His company built 1,500 houses for employees, clustered in “villages” that each had its own schools, churches, and stores. Self also recruited other major employers to Greenwood, including the Fuji and Capsugel-Pfizer companies.

James C. Self created his foundation in 1942 as a way to build a hospital for the region. The Self Regional Hospital opened in 1951 and continues to be a flagship institution; with 2,200 employees, it is the county’s largest employer. The Self Family Foundation also established the Lander University School of Nursing, the Greenwood Genetics Center, the J. C. Self Research Institute for Human Genetics, and the Greenwood Community Children’s Center, among other local institutions.

In the 1990s, restructuring of the textile industry caused Greenwood Mills to downsize dramatically. The loss of jobs hit Greenwood hard, despite the economic diversity promoted by James C. Self. Eighty percent of Greenwood Mills employees had worked for the company more than 25 years, and many were second- or third-generation mill workers. But while some textile companies closed their doors and left town, the Selfs felt a deep commitment to Greenwood and continued to look for ways to invest in its future.

In 1996, foundation trustees embraced the asset-based approach of John McKnight and Jody Kretzmann, leaders of the Asset Based Community Development (ABCD) Institute in Chicago. Kretzmann spent a lot of time in Greenwood, meeting with trustees and neighborhood groups, and the ABCD model has now guided Self’s approach for almost a decade.
WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE FOUNDATION’S WORK?

The Self Family Foundation believes that long-term change requires empowered citizens who understand that they can be change agents in their communities. The foundation’s role is not to dictate an agenda but to act as a “gapper” or bridge between resident associations and institutions in the broader community. In that sense, the foundation is the “second investor” for projects driven by the residents; it brokers money, influence, and resources and recruits other powerful institutions to the “gapper” role. This approach is consistent with the foundation’s motto, *Helping People Help Themselves*.

The foundation follows the ABCD Institute’s guiding principles for community engagement, which revolve around relationships within the neighborhood and between neighborhood residents and the larger community. Foundation staff attend neighborhood meetings and are accessible to neighborhood groups, which keeps them well informed and well positioned to connect the groups to outside institutions and resources. Similarly, the principle of fostering citizen-centered, “inside-out” organizations drives the foundation’s focus on building strong neighborhood associations.

WHAT STRATEGIES HAS THE FOUNDATION USED?

Self’s strategy for developing neighborhood leaders and generating political clout is to strengthen existing neighborhood associations, build new ones, and create a Neighborhood Association Council (NAC). For example:

- The foundation, the hospital, and other funders share the cost of a full-time staff person, based within the nonprofit arm of the Chamber of Commerce, whose job is to make residents able to participate effectively in neighborhood development, especially in low-income areas. A secondary goal of this investment is to build the Chamber’s ability to interact positively with Greenwood’s various communities.

- The NAC convenes monthly for neighborhood leadership training and presentations by public-sector officials, such as the police chief, the official in charge of zoning board enforcement, and the city manager. Thirty to 35 people attend each month. The NAC also sponsors special events, such as community forums for political candidates.

- The foundation sponsors a seven-member team that participates in the ABCD Institute’s 4-year Learning Circle with similar teams from around the country. Team members include a representative from the foundation, the hospital, the United Way affiliate, and the economic development partnership. ABCD trainer Mike Green visits Greenwood periodically to consult with the team.

A complementary strategy is to support the United Way’s community planning process. Foundation staff participated in the process (including chairmanship of an Economic Development Task Force), which produced a 5-year agenda for strengthening health, young children, families, education, and the local economy. The foundation now is leading some
efforts to implement the plans. For instance, it has challenged other partners to make matching contributions to a $3.5-million capital campaign to turn Greenwood’s old Federal Building into an arts complex, part of a larger plan to revitalize the town center.

**WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?**

In a small town such as Greenwood, money is only a small part of the resources the foundation brings to the table. Relationships are paramount. The foundation’s president, Frank Wideman (who is white), and its program officer, Mamie Nicholson (who is African-American), both have long-standing family roots in the area and are tied into many of its social networks. They are accessible to residents and participate in numerous community meetings and advisory groups, even after their grant to the group or organization has ended. People frequently ask their advice and look to them for leadership.

Wideman and Nicholson, however, talk about “leading by stepping back” (although the question of how far to step back, especially when there appears to be a leadership vacuum or conflict among community interests, is a constant concern). Wideman and Nicholson are careful not to control the agenda or dictate the solution to a problem. They can plant ideas, but others have to own them if they are to have lasting value. This style of working generates relationships characterized by mutuality and trust. Despite the foundation’s powerful role in the community, neighborhood residents and business leaders feel free to “push back” when they have a perspective that is different from that of the foundation.

Open communication and transparency are crucial when so much of the work depends on relationships. Wideman and Nicholson talk frequently with each other and their board members, and they make formal reports to the board quarterly. Although board members are not actively involved in the foundation’s day-to-day work, they appreciate the long-term nature of community change and the importance of realistic expectations for near-term outcomes.

**WHAT HAS THE FOUNDATION ACCOMPLISHED?**

Since the foundation began its neighborhood development work, the number of neighborhood associations in Greenwood has grown from about a dozen to more than sixty. Although no evaluation has been conducted, foundation staff see indicators of significant change, particularly in the neighborhood’s relationship to city officials. For example, instead of letting trash build up in the neighborhood, residents are more likely to call a city official and make sure the neighborhood gets appropriate services. Residents can call these individuals by name because they have had breakfast with the city manager or they have attended a meeting with other officials. Other important indicators of change include improved parks and gardens due to beautification projects, an increase in Block Watches, and a significant reduction in crime in the areas in which there are strong neighborhood associations. These associations work closely with the police and have been able to close down some local drug houses.

The formation of a citywide council has helped neighborhood groups work with local government on issues of concern. For example, residents identified the city’s housing codes as a
barrier to improving the condition of housing in low-income neighborhoods. The NAC and the mayor’s office convened property owners, landlords, renters, and representatives from neighborhood associations to develop tougher codes. Although competing interests made this process challenging, the group did agree on code changes that the city subsequently adopted.

**WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?**

**Finding philanthropic partners.** The philanthropic infrastructure in South Carolina is relatively underdeveloped. Although the foundation frequently partners with local businesses and has helped to create a donor’s forum with about eight members, there are few other foundations with resources dedicated to the Greenwood area. This is especially challenging because the foundation’s grant-making budget is relatively constrained in 2004-2006, due to some commitments made several years ago. One way that the foundation plans to address this challenge is to work with United Way and other local partners to leverage additional, permanent capital in the form of a community foundation.

**Evaluating the foundation’s work.** The Self Family Foundation has not invested in an evaluation of its neighborhood development work. In a small town such as Greenwood, foundation staff get regular feedback about what is and isn’t working from the networks in which they are embedded, as well as from outside consultants. Although they view the value of evaluation as limited at this point, they do acknowledge the lack of an accessible written record of their lessons to share with similar efforts around the country.

**Growing new neighborhood leadership.** It is difficult to retain existing neighborhood leaders while also bringing in new, often younger ones. Foundation staff and partners recognize that going deeper is the key to moving the community’s agendas forward with sufficient energy and momentum, and they are considering new ways to expand and transfer leadership.

**Engaging the fourth generation of Selfs in the foundation.** The foundation’s seven-member board includes a seat for each of the four Self family branches and three seats for other community leaders. In many family foundations, the founder’s descendants move away and want to invest in their new community, or their interest in the foundation overall diminishes. The Self family addressed this challenge by involving the eleven members of the fourth generation in a Next Generation Adjunct Board, established in 1997. The Adjunct Board meets twice a year and recommends grants worth 5 percent of the foundation’s total distribution.

**INTERVIEWEES**

- **Frank J. Wideman III,** President, The Self Family Foundation
- **Mamie Nicholson,** Program Officer, The Self Family Foundation
- **Tim Ervolina,** Chief Professional Officer, United Way of Greenwood and Abbeville Counties
THE WALKER FAMILY FOUNDATION
2829 Lakeland Drive, Suite 1600, Jackson, MS 39232 • (601) 939-3003 • Director: Marcie Skelton

SUMMARY

The Walker Family Foundation was created in 1979 when Bill Walker sold his family’s chain of dollar stores and used 10 percent of the profits to endow a philanthropy (now worth approximately $10 million). The foundation has always been tied to the city of Jackson. In the early 1990s, however, leaders decided to target resources to revitalizing North Midtown, a small neighborhood with 2,500 residents, mostly African Americans, that at the time was considered the city’s poorest community. In 1994, Walker chartered the North Midtown Community Development Corporation (CDC). The foundation now funnels all of its money into the neighborhood through the CDC and plays an active role in the CDC’s management and operations. Over the last decade, Walker has invested about $5 million in development of the CDC and the community.

HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THIS PARTICULAR NEIGHBORHOOD?

During its early years, the Walker Family Foundation’s grant-making lacked a formal strategy. After the founder learned that more young black men were in prison than had graduated from college, however, he decided to try to rectify the imbalance on a local level. The foundation created Camp Beacon, a 1-month summer experience for high-achieving but disadvantaged African-American youth from the Jackson public schools. Functioning as an operating foundation, Walker ran the camp for several years. Although Camp Beacon was a positive place for the campers, foundation leaders weren’t sure it could make a long-term difference because participants spent the other 11 months of the year in impoverished and unsafe communities.

Walker converted Camp Beacon into Project Beacon, a partnership with two Midtown public schools that hired experts to enhance the schools’ academic and youth development programming. Foundation leaders believed it was crucial to reach parents as well as students and saw schools as the most promising medium for such outreach. However, Project Beacon struggled from the start as the schools and foundation tangled over control and direction of the initiative. The partnership soon fell apart.

The Beacon experience taught Walker several lessons that led to a community focus. First, foundation leaders decided they had to do the work themselves instead of relying on other agencies to share their vision and strategies. Second, they learned that community relationships are vital to change efforts, which led them to embrace a grass-roots approach. Third, they recognized that if the foundation wanted to produce college graduates instead of inmates, it had to approach the challenge in a comprehensive, holistic manner.

Those insights spurred Walker to charter the North Midtown Community Development Corporation. The CDC, under the initial leadership of Walker’s former director, was designed to anchor the community and provide a platform for community redevelopment. In that sense, the CDC was an extension of the foundation that could act more creatively and take greater risks.
The foundation chose North Midtown because of the neighborhood’s serious problems and its central location. North Midtown is bordered by a college, a hospital, and a booming commercial corridor. Consequently, foundation leaders believed that the city’s powerful elites had a vested interest in supporting efforts to revitalize North Midtown. In addition, the neighborhood was a defined geographic area that many middle-class residents had to drive through to get to work, which gave the initiative added visibility. Finally, Walker’s support for Camp/Project Beacon had already established trust and credibility with some of the families living in North Midtown.

WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE FOUNDATION’S WORK?

Walker’s leaders believe that the foundation should be personally involved in community-change work. They also express a lack of concern about organizational boundaries or strictly defined roles and responsibilities. Indeed, the foundation has served as an operating foundation, a traditional grant-maker, and a hybrid by chartering, running, funding, and managing the North Midtown CDC.

WHAT STRATEGIES HAS THE FOUNDATION USED?

Walker promotes changes owned and led by the community. Thus it hired an executive director for the CDC who lives in North Midtown; recruited thirty part- and full-time CDC employees, half of whom are North Midtown residents; developed a board that comprises local residents, property owners, and other local stakeholders; and hired a community organizer to go door to door learning about community needs. At the same time, Walker uses its connections to link the CDC with power structures, perspectives, and expertise outside North Midtown.

Using its credibility and commitment to North Midtown to attract other funders, including the city and state, and nonprofit service providers, Walker nurtured North Midtown CDC into a $1.5 million agency. As a former nonprofit director explained, “We felt secure investing our energies in Midtown because on one hand the foundation was lending its reputation and financial support to the community in a long-term way, while at the same time the CDC truly represented the community. [Staff] never ‘went home’ because they were already there.” Adds another nonprofit executive, “You can have the shell of a CDC or a real CDC that does real work. Walker made the North Midtown CDC real.”

Walker established an agenda for the CDC—building social capital, improving the quality of life, eradicating substandard housing, and promoting educational and economic opportunities for Midtown residents—through a large-scale convening and planning process that included resident- and community stakeholder-led subcommittees. The foundation repeats the community discussion process periodically to reflect on and evaluate the work in North Midtown and to ensure fidelity to residents’ most pressing concerns. In addition, the foundation and CDC jointly facilitate community meetings and events as a way to build trust and create a welcoming environment.

CDC activities and programs include:

- Bi-monthly resident meetings
- A block captain program
- Monthly meetings of organizations working in Midtown to discuss community issues
- Participation on the Midtown public schools’ advisory committee
An annual National Night Out (attended by 400 residents in 2004) that celebrates the community

Resident-driven community cleanup days

An after-school program for sixty pre-K to middle-school students, including a computer and reading lab

“The Crew,” an effort to help young males who dropped out of school complete their GED studies, develop life skills, and give back to the community

A partnership with the state Department of Human Services to jointly run a job readiness, placement, and retention program for TANF participants (the only such partnership between the state and a community)

A business incubator program that will provide financial support and business expertise to entrepreneurial residents of Midtown

A bingo operation in Southwest Jackson that has raised enough revenue to cover the CDC’s administrative costs

An agreement with city police that assigned an officer to North Midtown

In the area of housing, the foundation and CDC have tried to gain control over as much property as possible and to persuade landlords to create safe, affordable, and aesthetically pleasing housing stock. Walker helped the CDC partner with Habitat for Humanity to build over 180 new homes; brokered a relationship with the city of Jackson to purchase and manage vacant lots in the community; helped the CDC apply for and receive a multi-year Americorps grant to refurbish existing homes; and strategized about ways to develop mixed-income housing.

WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?

The foundation follows a yearly grant cycle, but North Midtown CDC is exempt from the normal application process. Instead, the foundation’s director works with CDC leaders to identify needs, agree on an appropriate grant level, and strategize about resource use.

The foundation’s director—its only full-time staff member—spends little time reviewing grant proposals and identifying new funding initiatives. Instead, she devotes most of her time to working directly with the CDC and helping to manage its operations. One consequence is that the foundation’s board cannot expect the foundation to have a hand in too many different initiatives or to take public credit for high-impact funding. Board members are satisfied by knowing that Walker’s intimate involvement with the CDC is a significant force behind North Midtown’s positive development.

WHAT CHANGES IN THE COMMUNITY DOES THE FOUNDATION POINT TO AS SIGNIFICANT?

The foundation’s most obvious accomplishment is the fact that the North Midtown CDC is an active, vibrant voice for and leader of the community. Walker has grown the CDC into the most significant force for positive development in North Midtown and an entity that is truly owned and led by community residents. Accomplishments include the construction and refurbishment of over 200 homes; beautification of the community’s streets, public spaces, roads, and park; educational and economic development services that enabled 75 percent of “Crew” participants to pass the GED test and produced
similar results for participants in the welfare-to-work program; and a sense of safety among community members.

A good indication of the community’s progress came in 1996 when foundation leaders convinced the city of Jackson that the Olympic torch, which was coming through the city on the way to Atlanta, should pass through North Midtown. A few years before, such an event would have been unthinkable because of the level of violence and blight in North Midtown. Because of the foundation and CDC’s efforts, however, neighborhood and city residents felt secure enough to witness the historic event together in North Midtown.

WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?

Partnering effectively with school systems. Ever since Project Beacon dissolved, Walker has wanted to re-engage with schools in North Midtown. The schools have resisted a partnership, however, and foundation staff struggle to cut through the layers of bureaucracy and distrust that stand in the way. To overcome the impasse, Walker has invited school officials to CDC board meetings and community events, and a CDC representative serves on the school advisory committee. These efforts have had limited success, however.

Developing an appropriate exit strategy. Walker’s close relationship with the CDC requires a careful balancing act. The foundation seeks to provide direction, expertise, and financial support while helping the CDC take control of its own operations and become financially independent. The foundation has begun to scale back its level of investment in the CDC, and by 2008 it expects the CDC to apply for funding like other nonprofit grantees. Some staff are worried about this strategy and question whether the CDC is strong enough to function completely on its own. The questions about exit and sustainability are clouded by the fact that foundation staff and board members have been involved in the day-to-day operations of the CDC and the redevelopment of North Midtown for many years, and it is difficult to separate their personal feelings from what is best for the organization’s development and its work.

INTERVIEWEES

Marcie Skelton, Director of the Walker Foundation  
M. C. Burks, Executive Director of the North Midtown Community Development Corporation  
Don Taylor, Executive Director of the Mississippi Department of Human Services  
Nina Redding, former Executive Director of Habitat for Humanity  
Phil Eide, Deputy Director of the Enterprise Corporation of the Delta and former Executive Director of Jackson Metro Housing Partnership  
Gloria Walker, Trustee and Chairman of the Walker Foundation Board  
Pat Williams, Project Coordinator of the Community Development Division of the Office of Housing and Community Development, City of Jackson  
John Jenkins, former Director of the Walker Foundation
SUMMARY

Walter Woodard founded the Woodard Family Foundation in 1944 to benefit Cottage Grove, Oregon, a town 25 miles south of Eugene where Mr. Woodard lived and made his fortune. The foundation’s style and governance has evolved over three generations of family involvement, but it still pursues its original purpose with increasingly visible success.

HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THIS PARTICULAR NEIGHBORHOOD?

Walter Woodard was in the lumber and home-building business in Cottage Grove, Oregon, and as he prospered he established a foundation to benefit the community that created his wealth. Cottage Grove’s vitality declined along with that of the area’s timber industry, however, and today the community struggles to maintain its identity apart from Eugene. Timber is still the town’s largest industry, but the strong work force offers potential for a diverse economic base that includes tourism, agriculture, and commercial call centers.

Woodard’s son, Carlton, led the foundation after his father retired, and Carlton’s son, Casey, now leads it. Woodard’s current goal is to help Cottage Grove continue to be a high-quality place to live and raise a family.

WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE FOUNDATION’S WORK?

The foundation pursues two types of philanthropy. Its “checkbook philanthropy,” characterized by small grants to community agencies, provides ongoing support to established community agencies and organizations, with a clear preference for character-building grantees (such as the Boy or Girl Scouts) rather than remedial or problem-focused grantees.

Woodard also supports one-time projects that have potential to enhance Cottage Grove’s economic and cultural independence. The theory is that the town has the human capital base needed to attract and sustain businesses, but it needs more civic infrastructure to retain and attract residents and businesses. Prominent components of that infrastructure are health care, educational, civic, and cultural institutions, and the foundation promotes improvements in all of those areas.

WHAT STRATEGIES HAS THE FOUNDATION USED?

The Woodard Family Foundation makes small, renewable grants to agencies and organizations to cover recurring operating expenses or one-time special needs. The foundation continues to
provide this kind of support in the community because board members like it and because the community has come to expect it.

In addition, Woodard increasingly supports large, ambitious, creative, and proactive projects designed to make Cottage Grove more attractive to residents and more competitive for prospective businesses. In its pursuit of this type of investment, the foundation has:

- Made “seed grants,” often substantial ones, to attract other contributors to projects whose costs far exceed Woodard’s own capacity for funding
- Formed or joined coalitions of individuals and organizations to initiate, develop, and finance large projects—often leveraging Woodard’s own dollars and prestige to initiate the process
- Provided “sweat equity,” in the form of Woodard family members’ time and effort at various stages of project development

The foundation deliberately stays in the background of these strategies, preferring to have non-political citizen leaders or citizen organizations serve as the “out front” actors. The foundation does this both because of a preference for working “behind the scenes” and because leaders believe that projects are more sustainable over time when developed in this fashion.

WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?

Several internal changes accompanied the evolution of Woodard’s grant-making. The emphasis on community-building investment required a more active foundation presence in initiating ideas and projects, forming and working with coalitions to finance and implement projects, leveraging the foundation’s funds and expertise, and managing day-to-day operations. Both as a cause and a consequence of this evolution in grant-making, Casey Woodard (Carlton’s son and the founder’s grandson) has assumed leadership of the foundation and commits 20 percent of his time to its work.

Another change has been to designate approximately 75 percent of the foundation’s available dollars to projects focused on Cottage Grove, with the remainder divided among trustees (all of whom are family members) for their own projects. Because the fourth generation is geographically scattered beyond Cottage Grove, pressure to use the money in other places has grown, and the 75-25 split is a compromise between the founder’s intent and the third generation’s interests. Individually designated grants are made without much board discussion, allowing the board’s corporate focus to remain on Cottage Grove.

WHAT CHANGES IN THE COMMUNITY DOES THE FOUNDATION POINT TO AS SIGNIFICANT?

In keeping with the belief that Cottage Grove needs a vital infrastructure to attract new residents and businesses, the foundation focused recently on conceiving and developing:
A new community center housing the public library, other services, and attractive meeting spaces

An architecturally outstanding new community hospital

A new professional theater

Significant school improvements

The foundation achieved these changes through its leverage power, dollars, and sweat equity. The willingness and in some instances imperative to collaborate and to stay in the background when strategically desirable have been key to the foundation’s successes.

WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?

**Intergenerational changes in leadership.** If the foundation had taken the predictable path as subsequent generations took over, it would undoubtedly have continued its “checkbook philanthropy” and it would have done its grant-making farther and farther from Cottage Grove as the family members on the board dispersed to other parts of the country. The challenge has been to continue to honor the founder’s intent to benefit Cottage Grove while also holding the board (and thus the family) together in its philanthropic activity. The response to this challenge, successful so far, has been the 75-25 split between Cottage Grove funding and individual board member designated funding.

INTERVIEWEES

*Casey Woodard, Woodard Family Foundation*
*Carlton Woodard, Woodard Family Foundation*
*Kevin Pendergast, strategic consultant, Cottage Grove*
*Jim and Barbara Gant, residents of Cottage Grove*