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In a city notorious for unscrupulous landlords and the unchecked power of corporations, there is one group that easily inspires the most angry whispering among the heads of many community organizations -- philanthropic foundations.

Tales are told and told again about program officers who don't understand the work they fund; about community groups being made to dance on strings by their foundation patrons; about the capricious way that foundations dole out grants, particularly to small organizations.

For years critics of foundation practices have argued that because foundation dollars are tax-sheltered monies, much of which would otherwise be sitting in the US Treasury, the public has a right to exercise greater control over foundation grant making. Indeed, members of Congress are attempting to increase the amount that foundations are legally mandated to give away every year, though their efforts are meeting resistance . And groups like the National Committee for Responsive Philanthropy
, which was created in 1976, promote "public accountability and transparencies among foundations".

But putting aside the issue of right or wrong, some have long recognized that foundations would simply be more effective in their grant making - whether it be an effort to create more jobs, build more housing, improve public education or strengthen families - if they were more sensitive to the day-to-day realities of the groups and neighborhoods they fund.

In his book American Foundations, which calls for a "foundation anti-trust act" that would break up mega-foundations and make the rest more democratic, Mark Dowie cites a recommendation made way back in 1913 by Jerome Greene. who was later to become secretary of the Rockefeller Foundation. Although he was apparently ignored at the time, Greene proposed the forming of a "public council" to run foundations, as opposed to the "patrician boards that ran foundations at the time", Dowie writes.

Almost a century after Greene proposed a more democratic way of running foundations, most foundations are still highly cloistered, self-perpetuating, elite institutions that seem to answer to no one but themselves. Most foundations function as the vision of one rich white man or family. Peter Goldmark, the former president of Rockefeller said that a typical foundation usually tries to "change some aspect of the larger society in accordance with a view held only by a minority

or even a single person. Its job is not to reflect, protect or govern according to a majority."

But with the government's role in areas like housing production, small business improvement and social programs waning in New York, the collective power and influence that foundations play in shaping organized responses to poverty and issues of social justice, will only increase. So, which one of us is going to tell the emperor when he walks down the street that his butt is hanging out? With so much at stake, is it possible for community development organizations to have a truly honest exchange with the hand that feeds them without that hand feeling bitten?

RELATIONSHIP FULL OF IRONIES

To be fair, I have yet to find a way to build social justice institutions using a for-profit or individual donor model. The non-profit organizations with which I have been affiliated over the past 15 years have been sustained by foundations, beneficiaries of hundreds of thousands of dollars worth of foundation grants. It would be hard to ignore the incredible social good that foundations generate in New York and the world.

But it's also hard to ignore some of the ironies of fundraising in a community development environment. For instance, many foundations, when setting their funding criteria, will place premium value on things like democratic structures, organizational accountability and collaborations with other organizations, without ever observing those practices within their own institutions. My favorites are the foundations who patronizingly dictate that grantees maintain "involuntarily poor people" on their board, while themselves maintaining institutions with little if any input from low-income people.

In just one textbook example of how community change foundations often don't want to live in the world they themselves promote, two years ago a prominent national foundation that sponsors confrontational, direct-action organizing in New York and abroad once punished organizations by withholding hundreds of thousands in grant dollars. Why? Because the organizations had the temerity to target the foundation itself in a welfare reform protest. John Ashcroft couldn't have issued a more chilling gag order.

Foundations move at their own schedules and idiosyncratic discretion and are notorious for shifting leaders and development strategies like pieces on a chess board. They routinely

generate fads in community development practice and anoint those they consider to be the rising stars while unilaterally dictating to neighborhoods and organizations what models of development should be pursued. Another neat trick is when foundations do the exact opposite - sit on the sidelines for 12 or 18 months, not making any new grants because they are "rethinking" their funding criteria, seemingly oblivious to the fact that the world is still spinning.

The result is that grassroots organizations, especially those without government contracts or the capacity to sustain non-grant fundraising campaigns, are constantly kept anxiety-stricken, off balance and insecure. They function in a year round game of financial hide-and-seek, rarely able to conduct long-term planning with confidence.

The most fundamental irony of all is the notion that foundations involved in community development purport to support campaigns and efforts that help people level the socio-economic playing field and exert more control over their lives. And yet it is precisely the disparity of power between foundations and the organizations they fund, and the lack of control that organizations exert, that is so dispiriting to community builders.

One of the greatest threats to community development work is the indulgence of our own propaganda. In my experience, most foundations involved in community building would rather live in a bubble and believe all the blurbs about their grantees that they put in their annual reports or their press clippings, than accept the fact that community development is a protracted, three steps forward, four steps backward, grind being done with the ground shifting beneath your feet.

A DIFFERENT APPROACH

Despite the reasoned arguments of philanthropy reformists like Dowie, foundations are not likely to voluntarily give up power or make themselves more accountable to grassroots voices.

Bob Brothwell, the president emeritus of the National Committee for Responsive Philanthropy and a pioneering veteran of the foundation accountability debate, insists that "calls for accountability always go nowhere". Instead Brothwell, who in 2000 conducted a study of foundation funding of grassroots organizations maintains that we should "talk about what really works, building relationships between foundations and organizations, relationships that are

inclined to support" community organizations. Brothwell described to me the elements of successful "partnerships" between foundations and organization that he discovered in his study: Intimate, two-way, committed investments of time, communication and resources that inherently include a modest degree of power sharing by the foundation.

What stands out above all else in Brothwell's model partnership, is a framework for an on-going working dialogue between a foundation and an organization, an exchange in which the foundation is more committed to the long-term success of the organization than what the organization is able to achieve over a given year. This kind of relationship entails patient, multi-year, institution-strengthening, grant making - not a year-to-year, Pavlovian reward.

This kind of partnership means making grants to the entire organization, not just individual programs. It means frequent conversations where organizations are free to discuss their vulnerabilities and the details of their challenges, without fear that their words will be used against them. It means site visits and interactions where organizations are not expected to exploitatively showcase their "success story" members like show ponies or talking monkeys.

Its a relationship committed to sustaining a stable environment in which community development practitioners can spend more time serving their constituents than reading the funding tea leaves or figuring out where the nut is buried in the next funding shell game. I will even go as far as suggesting that it means letting organizations and local players set funding priorities that fit their communities.

I have certainly worked with a handful of program officers and foundations who maintain exemplary, responsive relationships with their grantees. The most progressive and conscientious foundations even have decision-making advisory committees made up almost entirely of grantees, community leaders and the like. But we all could stand to be shaken out of our complacency and trade places with one another. I would challenge any foundation official, even those who come from the community development and activist ranks, to spend a month in the trenches juggling the demands of a grassroots community development organization. By the same token, self-righteous, know-it-alls like me and other community development professionals should spend some time in the shoes of a typical foundation official to understand how difficult it is to meet the pressures of a foundation mission while sifting through hundreds of applications and trying to responsibly manage relationships with community development organizations.

Maybe we can't expect a wholesale change in the way foundations treat community organizations, but perhaps a few brave, philanthropic leaders could publicly model and promote a new kind of relationship between foundations and community organizations. Of course this would be a long-term process that would require independent monitoring, evaluation and an aggressive advocacy campaign to trumpet the results. All the project needs is a foundation to fund it.

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