

Raising Money While Raising Hell

Catalytic Community Leadership and Successful Fundraising
for Community Foundations

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COMMUNITY
FOUNDATION
INSIGHTS

FSG  SOCIAL IMPACT ADVISORS

About FSG Social Impact Advisors

FSG Social Impact Advisors is a nonprofit strategy consulting and research firm founded by Mark Kramer and Harvard Business School professor Michael Porter with offices in Boston, San Francisco, Seattle, and Geneva. We specialize in helping both nonprofit and for profit enterprises increase social impact through developing strategies, tailoring operations, and measuring results. Our approach combines the analytical rigor and data-driven methodology of world-class strategy consulting with expertise in the management, organizational, and evaluation issues unique to the social sector. We have invested years of in-depth research on best practices in strategy and evaluation as it relates to corporate, private, and community philanthropy.

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About CF Insights

Community Foundation Insights' mission is to enable community foundations to make informed decisions about their operating models in order to achieve greater sustainability and community impact. We pursue this mission through a centralized online database of financial, investment, and operational data that allows members to benchmark their foundations against a self-selected set of peer foundations, as well as through customized advisory services and field-building research, tools, and education. Formed as an initiative of the Council on Foundations' Community Foundations Leadership Team, CF Insights operates as a division of FSG and builds on FSG's cost-revenue tools, research, and experience advising community foundations on issues of strategy.

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Introduction

The CEO for the Community Foundation replaced the phone on its hook. She had just spent a half hour in conversation with the city's mayor, being convinced of the need to better address the integration of immigrants into their community.

This was an issue the CEO knew they should tackle – indeed the foundation was well positioned to provide leadership on immigrant integration given its ability to mobilize a concerted effort to provide needed services such as English as a Second Language education and health care safety net provision. Over the years, the foundation had already built rich relationships with key education support agencies. Yet the CEO knew that this issue would be controversial to some donors, potentially resulting in a loss of funds. “But wait,” she thought to herself. “What if I were to view this as both an opportunity for leadership and an opportunity to bring greater resources to the foundation? Is it possible there could be an upside here for foundation fundraising, or is this all about managing downside risk?”

By their very nature and mandate, community foundations are ideally positioned to catalyze change in their communities; community foundations are well-positioned to know their communities and their communities' needs, to shed light upon these needs and create the knowledge base, buy-in, and concerted action among key stakeholders required to tackle social issues. In other words, community foundations are uniquely positioned to advocate towards building a better community.

However, advocacy and catalytic community leadership have historically been complex to navigate for foundations that rely on fundraising and fees, given the natural hesitancy around alienating donors. Indeed, there is a firmly held but untested notion in the field that acting as a neutral convener is the safest and most appropriate modus operandi for community foundations.

“If The Minneapolis Foundation’s advocacy work makes it something of a canary in the philanthropic mine, I’m happy to report that we’re still chirping, the air is clean and it’s safe to enter”

In a 2005 article, Stuart Appelbaum, then the Vice President for Development at **The Minneapolis Foundation**, argued that his experience at a foundation that repeatedly “stuck its neck out” would suggest it is quite possible to advocate as a community foundation and avoid damaging fundraising. Appelbaum writes, “If The Minneapolis Foundation’s advocacy work makes it something of a canary in the philanthropic mine, I’m happy to report that we’re still chirping, the air is clean and it’s safe to enter.”¹ We at FSG would agree—it is not only safe to enter into catalytic community leadership, it can be a powerful vein to mine in attracting resources to the foundation.

In our work with dozens of community foundations, we have found numerous examples of foundations that have not only managed the downside in fundraising, but have turned advocacy-oriented community leadership into a key driver of giving to and through the foundation.

We will debunk the myth that advocacy-oriented catalytic community leadership is naturally antithetical to fundraising, and will highlight examples where foundations have built their fundraising efforts by playing advocacy-oriented community leadership roles. The article is divided into the following sections:

- **Approaching Catalytic Community Leadership:** *What are the **tools** of advocacy-oriented community leadership?*
- **Becoming a Catalytic Community Leader:** *What is the **process** for moving from a facilitative to a catalytic role?*
- **Linking Catalytic Community Leadership to Fundraising:** *How can we use advocacy-oriented community leadership to enhance **fundraising**?*
- **Learning from the Field:** *What **lessons** can be drawn from successful advocacy-oriented community foundations?*

Through examples and anecdotes from the field we will surface how community foundations have managed to “raise money while raising hell” by following a deliberate and careful process. Creating a track record around transformative change has helped galvanize funds to and through many foundations, as this paper will detail.

¹ Foundation News and Commentary, “The Cost of Sticking Your Neck Out” Sept / Oct 05.

Approaching Catalytic Community Leadership

Despite dramatic growth in the volume of philanthropic giving over the past decades, pressing social problems persist. Communities across the country are struggling with issues of underperforming education systems, under-resourced health care, lack of affordable housing, rampant poverty and homelessness, and discrimination along racial, religious, class, sexual orientation and gender lines—just to name a few.

Community foundations today are recognizing that grants alone do not solve social problems. The hard work of systematically addressing deeply-rooted social issues requires a multi-faceted, multi-stakeholder approach. It requires resolve and patience, capital and collaboration, trust and courage.

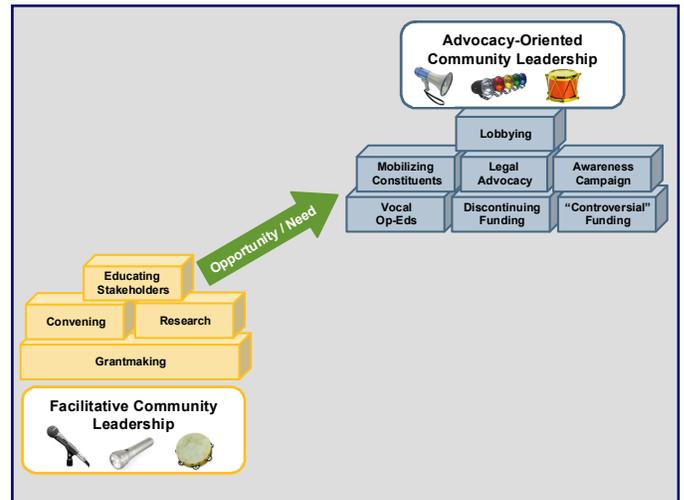
Indeed, many community foundations have moved to supplementing their grantmaking with non-grantmaking activities such as convening, commissioning research, and educating stakeholders to help “facilitate” community problem solving. This facilitative community leadership role can be a critical lever. In general, community founda-

Sometimes what’s required to create change involves “raising some hell” — asking the hard questions, surfacing the difficult issues, and taking a stand in the community

tions that play this facilitative role take great pains to demonstrate neutrality on the issue. However, more is often required to truly gain traction on a community issue. Sometimes what’s required to create change involves “raising some hell”—asking the hard questions, surfacing the difficult issues, and taking a stand in the community.

Advocacy-oriented community leadership is a more intensive form of addressing community issues. Involving the utilization of a larger and more controversial set of non-grantmaking activities, catalytic advocacy-oriented community leadership seeks to take a stand on an issue in order to bring about social change.

As in the following diagram, our research with dozens of community foundations indicates that facilitative community leaders often move into advocacy-oriented community leadership roles when a specific opportunity or need arises. These foundations are able to leverage the “building blocks” of facilitative community leadership



and take on a more advocacy-oriented community leadership role due to the credibility and expertise they have built by being a facilitative leader. In effect these foundations have built enough of a track record to be able to “raise hell,” or stick out their necks and take risks, in a productive fashion.

Catalytic, advocacy-oriented community roles can take many forms, including:

- **Vocal op-eds**, e.g., the **Baltimore Community Foundation** condemned the governor’s education cuts and urged community members to speak out
- **Discontinuing funding**, e.g., the **Heinz Endowments**, **The Pittsburgh Foundation**, and the **Grable Foundation** threatened to, and ultimately did, pull funding out of the Pittsburgh City Schools unless conditions were improved
- **“Controversial” funding**, e.g., the **Robin Hood Foundation** provides general operating support to advocacy-oriented organizations like Housing Works, not explicitly to conduct advocacy efforts but to build organizational capacity and infrastructure to enable the continuation of their work
- **Mobilizing constituents** e.g., the **New Hampshire Charitable Foundation** led statewide efforts to influence policy and legislation, despite a political environment that was hostile to activist intervention, while the **Arizona Community Foundation** recently funded the public education advocacy organization Stand for Children

Baltimore Community Foundation
Transforming a City and Itself



In 2000, the Baltimore Community Foundation (BCF) was a predominately donor advised fund focused organization with limited community recognition and very few funds available for community initiatives.

Over the course of 2000 to today, BCF transformed itself into a catalytic community change agent, and in the process bolstered both the city of Baltimore and BCF's fundraising efforts. BCF employed a variety of tactics from its community leadership tool-kit across select issues, including transit reform, school funding cuts, and forging public private partnerships around controversial issues. The specific steps taken by Baltimore and the lessons the field can learn from BCF and others will be highlighted throughout this article.

“We are moving from shedding light to advocating loudly. This is not about being liberal or conservative, Democratic or Republican. It's just about taking positions that are good for Baltimore. We are confident that we can raise more money through finding and taking thoughtful positions.”

Tom Wilcox, BCF President and CEO

By positioning itself as a critical community asset, BCF has become a \$200M organization that is seeing yearly growth in new discretionary funds opened, gifts to its “Invest in Baltimore” Fund, and donor engagement.

- **Voter outreach**, e.g., **The San Francisco Foundation** funds organizations that combine voter education, registration, and mobilization, in an effort to increase the vote and voice of traditionally underrepresented communities
- **Policy change and lobbying**, e.g., the **New Hampshire Charitable Foundation**, whose CEO is a registered lobbyist, negotiated the de-regulation of public utilities
- **Public awareness and information campaigns**, e.g., **The Minneapolis Foundation** launched a statewide campaign to encourage public participa-

tion in discussion of Minnesota's budget crisis, with visuals including two firefighters, one obscured by black marker scribbles, with a caption reading: “Our counties and cities provide services that keep every Minnesotan safe. If we cut support for services like fire, police, and public works, is that good for Minnesota? Contact your legislators today. Tell them you didn't vote for this. Remind them that people's lives are hanging in the balance of the budget.”



The **Robin Hood Foundation** is vocal about the issues of poverty in NYC and has teamed with SIRIUS and Perri Peltz of WNBC News to highlight stories from Robin Hood-supported organizations.

- **Coalition building**, e.g., the **Greater Milwaukee Foundation** researched poverty and convened a coalition to increase take-up rates of tax benefit for low-income families
- **Establishing task forces** e.g., the **California Community Foundation** stepped up to convene stakeholders on difficult issues facing the community following the Rodney King incident, ultimately creating a fund around the issues and generating \$1M in resources
- **Litigation**, e.g., funders of the Campaign for Fiscal Equity (CFE), a nonprofit organization that filed and won a landmark lawsuit by successfully arguing that the state's school finance system denied students their constitutional right, included **The New York Community Trust**, the **Long Island Community Foundation**, and the **Robin Hood Foundation**, which specifically funded expert witnesses for the lawsuit

Becoming a Catalytic Community Leader

Successful examples of “raising money while raising hell” tend to follow a similar process, as seen in the diagram below, with community foundations first seizing an opportunity to take a stand on a critical community issue, then building extensive buy-in around that issue—from staff, board, donors, and community stakeholders—and, finally, positioning themselves as advocacy-oriented community leaders.



Taking on a more advocacy-oriented role often initially happens when an external opportunity or need propels a foundation to take a stand on an issue it has already been funding in or working on. That the foundation has already engaged in “shedding light” on the issue through grants, research, or even convening, implies that a baseline of internal staff and board interest, donor receptivity, and external credibility has already been established. There are other times when community foundations proactively decide to take on an issue without necessarily being spurred by an external trigger. For example, a strategic planning process could highlight a new area for the community foundation to focus on. In those instances, the issue at hand will still have gone through an internal vetting process before being formally adopted by the organization.

Community foundation staff underscore the importance of having already built credibility on a particular issue with donors, board members, partner organizations, and the community. According to Kevin Griffin Moreno, Program Officer at the **Baltimore Community Foundation (BCF)**, “Taking a stand has to flow out of something central to what you’re already doing. It must be an outgrowth of something you are working on actively already, or it will seem dangerous, artificial, and a surprise to trustees and donors.”

“All of the active stances we have taken have been things we have already been doing. Our recent action on school reform was because we have been working on school reform for years”

For example, Gigi Wirtz, Director of Communications at **BCF** explains that “All of the active stances we have taken have been things we have already been doing. Our recent action on school reform was because we have been working on school reform for years.”

BCF has a history of prioritizing education reform, including funding research and education reform organizations (for example, Advocates for Children and Youth, on behalf of a funding lawsuit), convening stakeholders, and educating donors. In the words of a **BCF** staff member, “Education reform has been of interest to our donors and has been at the core of what we do for quite some time.”

When the state of Maryland announced budget cuts to education funding, **BCF** staff and board members quickly realized the urgency of the situation. Kevin Moreno explained, “We saw that the decision could have devastating impact and erase the gains that had been made and that we had worked towards. We faced the possibility of having everything we worked for and invested in suddenly scaled back.”

Building Buy-In for Issue Level Efforts

Once the opportunity to take a stand has arisen, the foundation then generally builds staff, board, and community buy-in around deploying more advocacy-oriented tools to leverage against the issue.

Strong leadership, particularly at the CEO, senior staff, and board-levels, is crucial to drive this buy-in process. As Tom Wilcox, CEO of **BCF** explained, “We couldn’t have done this without a strong board chair encouraging the board to trust us because we knew this area well.”

Emmett Carson, CEO and President at the **Silicon Valley Community Foundation** and former President and CEO of **The Minneapolis Foundation**, uses the metaphor of a dimmer switch: “There’s a process of getting to ‘full lights on’ that the board, staff, and community has to

go through, in order to not have setbacks. You need to slowly turn those lights on without blinding them. You don't go into transformational leadership lightly. You need to listen carefully to your stakeholders, so when you make a courageous step, people believe you've been thoughtful about how you're proceeding."

This "lights on" process can take multiple, mutually complementary, forms. One foundation CEO conducted individual meetings with each board member to understand their unique positions on a controversial issue and find common ground. Another CEO utilized foundation staff

"You don't go into transformational leadership lightly. You need to listen carefully to your stakeholders, so when you make a courageous step, people believe you've been thoughtful about how you're proceeding"

resources towards providing board members with additional information about the topic under discussion. Other CEOs have brought in external resources, e.g., facilitators, consultants, and organizations like the Alliance for Justice, to ensure that the board and staff were knowledgeable about the most pressing needs in their community and the legal options a community foundation has for catalyzing change. This can also serve to solidify the board and staff's commitment to an expanded advocacy-oriented community leadership role.

After building board support, **BCF** sprang into action. The foundation leveraged its contact lists to send out an advocacy e-blast. Tom Wilcox co-wrote an op-ed in the *Baltimore Sun* with Mark Fetting, CEO of Legg-Mason. The op-ed called on the state's governor to restore equitable education funding for the Baltimore City Schools and urged **BCF's** stakeholders to contact the governor to this end. Ultimately, the efforts of **BCF** and its partners led to the Governor's announcement of a restoration of full funding for the schools.

As Kevin Moreno explained, "If we care about an issue and are invested in a variety of ways—through grantmaking, building content knowledge, donor events, trustee and staff conversations, convening—then we should need a reason *not* to engage."

Building Buy-in For Advocacy-Oriented Community Leadership

Having taken a stand on a particular issue and demonstrated the foundation's thoughtfulness, effectiveness, impact, and the imperative for active community engage-

ment, the next time an issue warrants the possibility of advocacy-oriented action, the foundation can start from a stronger base of support.

Indeed, the process of getting issue-level buy-in often starts to build broader buy-in around the foundation being more advocacy-oriented; in other words, the foundation will have built more broad-based internal buy-in about its leadership role in the community. As Gigi Wirtz explained, "Holding a public forum emboldened us. Before then we had been nervous about going out there and exposing ourselves on anything controversial. But when we had the forum, we got tremendous feedback, and we thought, 'Oh. This is something we can do.' It gave those around us confidence that we would handle other issues with similar care and understanding."

This support is most effective and compelling when it occurs on multiple levels, including the CEO, board, staff, partner organizations, grantees, and the community more broadly. To this end, **The Community Foundation Serving Boulder County** hosted a series of "donor dinners" to gauge reactions and gather input from donors about the foundation's potential shift into a transformational advocacy-oriented community role.

Positioning the Foundation as a Community Advocate

Stuart Appelbaum writes of his experience at **The Minneapolis Foundation**: "At [a board meeting], one of the trustees moved that the word 'advocate' be inserted [into our mission], and, after discussion, the mission was changed to 'an advocate and constructive catalyst for changing systems'."

"When a community foundation is willing to stand for something, it is easier to build a brand and sell it"

The reputational benefits of building higher-level buy-in on the foundation's role as community advocate extend far beyond the organization's staff and board. According to Gigi Wirtz, "When a community foundation is willing to stand for something, it is easier to build a brand and sell it." Indeed, being known as an active community leader can be a key differentiator for the community foundation among its peers, with donors, and the community more broadly.

Linking Catalytic Community Leadership to Fundraising

As illustrated below, there are several ways that advocacy-oriented community leadership can bolster fundraising both *to* and *through* the foundation, moving from raising issue-specific funds to raising general community leadership funds, to building discretionary endowment as the foundation achieves buy-in on specific issues and its overall role as a community leader.



Raising Issue-Specific Funds

At the most basic level, foundations can attract interested donors to the specific issues they are advocating for. Community foundations can create various options for this type of issue-level giving:

- **Influencing Donor Advised Fund (DAF) activity:** Community foundations are uniquely positioned to guide their DAF-holders toward issues the foundation has identified as pressing community needs. For example, **The Denver Foundation** has been able to distribute grants totaling more than \$700,000, raised from multiple sources, including strong support from its DAF-holders, to local and state nonprofits providing hunger relief in 2009.
- **Issue-based donor appeals:** To attract new donors, foundations can create short-term fundraising drives related to a specific issue. In the fall and winter of 2008, many foundations successfully

appealed to their communities for support on recession-related issues such as food, fuel, or shelter. For example, in December 2008, recognizing that many nonprofits in the region were experiencing declining revenues and increasing demand for their service, the **Community Foundation for the Fox Valley Region** hosted a community giving day that raised over \$1,000,000 for local nonprofits.

- **Issue-dedicated funds:** For issues that require a longer-term funding platform, foundations can set-up specific funds. For example, over a decade ago, **The Saint Paul Foundation** made a commitment to creating an anti-racist community. Building on its track record of work in diversity and inclusiveness, the foundation launched *Facing Race*, a multi-year campaign aimed at positively changing the nature of personal, organizational and institutional relationships in the Minnesota counties of Dakota, Ramsey and Washington. *Facing Race* has attracted funding from local and national foundations and corporations.

For issues that require a longer-term funding platform, foundations can set-up dedicated funds or provide a structure for donors to take a more pro-active stance through an issue-specific giving circle

- **Issue-specific giving circles:** Moreover, foundations can provide a structure for donors who are passionate about an issue to take a more pro-active engaged stance through an issue-specific giving circle. The **Ventura County Community Foundation**, for example, hosts the Social Justice Fund (SJF) for Ventura County, which brings together the resources of a Giving Circle of progressive donors and the organizing power of grassroots groups working to determine solutions to poverty and inequality. SJF addresses the causes of social problems through a variety of tools, including influencing policy reforms and institutional changes that eliminate structural inequities. An endowment campaign was launched in 2008, and despite the difficult economic climate it has raised more than \$140,000 toward its 2010 goal of \$400,000.

- **Influencing public funding:** BCF has been able to influence state funding on several issues, starting with family drug treatment programs aimed at shortening time spent in foster care by children of addicted parents. BCF helped raise \$2.5 million in private philanthropy to conduct research, pilot a program, and perform an evaluation to document its success. With this successful investment and documented demonstration, the governor agreed to invest in scaling it. This type of private-public compact has been replicated in other issue areas, including recidivism. According to Tom Wilcox, “Government can capitalize on what foundations are good at: investing in promising practices, piloting, getting results, and then demonstrating how much money can be saved.”

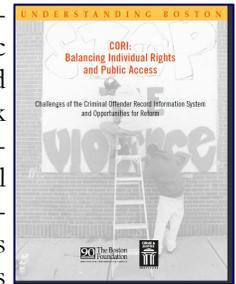
Raising General Community Leadership Funds

As foundations build their track record of successfully raising awareness and action around issues, existing and new donors may begin to provide more general funding to support catalytic, advocacy-oriented community leadership. This type of support can take various forms:

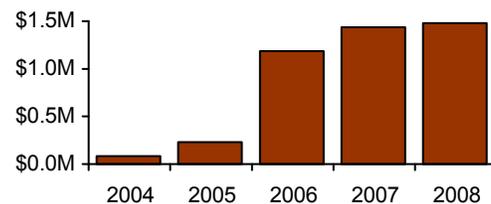
- **Attracting new funds:** Members of the community who are particularly engaged by the success of the foundation’s community leadership may choose to set-up their own funds with the foundation. William Donald Schaefer, who served Maryland as both Baltimore’s mayor as well as state governor and comptroller, seeded a \$5 million fund at BCF in 2008. The William Donald Schaefer Civic Fund complements the foundation’s highly regarded Neighborhood Grants Program, leveraging community advisory and staff oversight and tapping Schaefer’s extensive knowledge of Baltimore neighborhoods and their needs. Schaefer had served as honorary chair of the most recent round of grants from BCF’s Neighborhood Grants Program, where \$118,500 was awarded to 24 neighborhood organizations. According to Mayor Sheila Dixon, “The Baltimore Community Foundation’s Neighborhood Grants program has been an outstanding instrument for this effort.”

As foundations build their track record of successfully raising awareness and action around issues, existing and new donors may begin to provide more general funding to support catalytic, advocacy-oriented community leadership

- **Community leadership funds:** More and more community foundations have been able to establish community leadership funds which attract dollars for community engagement. The *Civic Leadership Fund* at **The Boston Foundation** is a pool of resources targeted to identify and address the region’s most challenging issues by supporting “beyond grantmaking” activities such as commissioning and publishing research, holding forums that provide a platform for informed public discourse, assembling and supporting volunteer task forces to create detailed action agendas, and making real progress in key areas of community life. Success stories involving contentious issues include helping to secure a near doubling of state funds to turn around under-performing schools and changing attitudes and policies around the use of the Criminal Offender Record Information (CORI). In 2008, **The Boston Foundation** raised more than \$1,000,000 for the Civic Leadership Fund. BCF has had similar success in attracting operating gifts to its own Civic Leadership Fund, as well as increased giving for its community leadership activities through “Invest in Baltimore”:



Gifts to “Invest in Baltimore”



- **Discretionary gifts:** As the foundation builds trust around its ability to catalyze community change, it will be better-positioned to attract discretionary gifts from donors who know that their money will be well spent. In 2008, despite the economic downturn, **The Community Foundation Serving Boulder County** was able to raise \$825,000 from September to December. The President of the foundation, Josie Heath, attributes this success to their track record in taking a bold and brave stance on community issues, such as affirmative action. According to Heath, donors trusted the foundation and thus gave unrestricted money. Similarly, BCF has seen an increase in the number of discretionary funds opened in recent years as it has built trust with donors around its thoughtfulness and expertise in the community.

Building Discretionary Endowment

When the foundation has successfully built buy-in around its role as a community advocate, become knowledgeable about the needs and issues of the community and willing to take a courageous stand in tackling community problems, it will be better positioned to build its discretionary endowment, allowing the foundation to proactively and responsively tackle community issues in the future.

“Our support has grown because people now understand that investing in BCF is investing in Baltimore”

Over time, as the foundation is able to position itself as a critical resource for community change, it is increasingly able to make the pitch that investing in the long-term sustainability of the community foundation is tantamount to investing in the long-term health of the community itself. This is the positioning that the **Baltimore Community Foundation** has been able to achieve over the last five years. According to Tom Wilcox, “Our support has grown because people now understand that investing in BCF is investing in Baltimore.”

National Funders: An Under-Tapped Source

As community foundations traverse the landscape of attracting funds for specific issues or general community leadership, sources of funding “close to home” such as individual donors, local private foundations, and area corporations are the typical sources of existing and new fundraising efforts. However, community foundations should also remember that they represent an ideal intermediary for national private foundations to channel their resources, as community foundations have on-the-ground knowledge, networks, and credibility in the communities in which they work. Moreover, community foundations have more freedom and flexibility than private foundations to pursue advocacy since they are considered public charities. Indeed, the legal restrictions on private foundations make community foundations well-positioned to take on this catalytic advocacy-oriented role, serving as intermediaries for private foundations.

While there may be some tension in partnerships between private and community foundations since the latter rely on a fee-based model, many national funders recognize the value that community foundations can bring to an issue. These potential tensions can be mitigated by clearly outlining the terms of the agreement upfront. According to Gary Schwartz, Managing Director of the **Tides Foundation**: “National funders are looking at community foundations as a way to leverage community and local knowledge. Community foundations can approach the development of an issue focus area from the ground up rather than the top down.”

“National funders are looking at community foundations to leverage community and local knowledge”

For example, Tides has provided funding to the **New Mexico Community Foundation (NMCF)** as part of its Reproductive Justice Initiative. Through the initiative’s Catalyst Fund, Tides provides matching funding to recipients such as the New Mexico Community Foundation with the intent to help recipients bring new donors and grantmakers into funding reproductive justice.

NMCF, which met 45% of its \$100,000 match through new donors, tells a story that highlights the kind of donor engagement inspired and supported by Catalyst: “The Catalyst Fund has helped us to leverage expanded reproductive justice support from donors who normally we would not have an opportunity to engage with in such a focused way,” including a 65-year-old Catholic woman, who broke with her church’s teachings on abortion after her daughter was raped. “This intelligent and conservative donor brought deep insight on messaging, donor circles, and her experience with the issue.”²

Another example of a successful partnership between a national funder and a community foundation involves GLBT rights. After a careful and at times contentious process of getting board, staff, and community buy-in around addressing the discrimination of gay and lesbian community members, the **Kalamazoo Community Foundation** formalized its support for GLBT rights with the adoption of a diversity and inclusiveness policy for grantees and the establishment of its Gay, Lesbian, Bisexual and Transgender Equality Fund in 2001. “Fortunately, our raising the diversity issue to a priority level at the Foundation coincided with the potential availability of national and local funding,” Jack Hopkins, President/CEO at that time, explains.

Initial funding to create the GLBT Equality Fund came in the form of a \$50,000 challenge grant from the New York-based National Lesbian and Gay Community Funding Partnership. Contributions from local private foundations and individuals soon followed. The **Arcus Foundation**, a national private foundation with offices in Kalamazoo, New York, and Cambridge (U.K.), provided an enormous boost to the Foundation’s fundraising efforts with a \$250,000 dollar-for-dollar matching grant from its Gay and Lesbian Fund. At the end of 2005, the GLBT Equality Fund endowed assets totaled \$724,000, ranking the fund among the largest of its type at any community foundation in the nation.

¹ “The Catalyst Fund – Tides Foundation Year One Evaluation”, 2008

Learning from the Field

Our research points to a number of critical success factors and lessons learned along the way from community foundations who have moved from a facilitative community role to a catalytic, advocacy-oriented role and, in so doing, increased giving to and through the foundation.

Use Catalytic Community Leadership to Differentiate and Drive Fundraising

All communities need catalytic leadership to make progress on social issues, and donors and funders within a community should be made aware of the resources required to sustain this leadership. Smart staff and boards within the community foundation field are seeing a virtuous cycle between catalytic leadership and fundraising, and aren't shy about informing the community of their needs. Says **The Boston Foundation's** Paul Grogan, "A

Smart staff and boards within the community foundation field are seeing a virtuous cycle between catalytic leadership and fundraising

key message to funders of our Civic Leadership Fund is that if they want [us] to continue playing the vital role in community that we play today, they need to help support that work." Tom Wilcox echoes this, stating, "We are confident we can raise more money through finding and taking thoughtful positions."

In effect, those in the field who are effectively "raising money while raising hell" see the two activities as both essential and intertwined. "When I want to tackle an issue," says Emmett Carson, "my strategy for making progress is about the steps I need to take in mobilizing change, but it's also about figuring out how to obtain the funding resources to support our efforts."

Enable Timely Decision-Making

It can be important for a community leadership-oriented foundation to quickly take a stand on an issue as the issue is happening, when timing is critical. According to Emmett Carson, "Leadership is not a consensus activity. Public policy is time sensitive, and sometimes you see opportunities where things are happening and you need to respond to them."

This can be facilitated by creating processes that allow for decision-making to happen quickly and efficiently, and may get easier over time as more and more trust is built in the foundation leadership. At **BCF**, having trustee members serve on program committees creates both a "vetting mechanism" and a way of generating critical

early support for an initiative among peers. As Tom Wilcox explained, "We used to have a clearance process for writing an op-ed that was so cumbersome that we never did it. Your board has to enable you to act fast. If you're not ready to take a position quickly without an extensive process, you're not ready to be in this role."

Leverage Leadership at the Board Level

The process of building support among a diverse set of board members can serve as a microcosm of the broader process that must be undertaken in the community to bring people along on an issue, and can build advocates in board members who can then go out to their respective communities, armed with passion and commitment.

As Emmett Carson explained, "Having a board that truly reflected all elements of the community—bank presidents, community advocates, corporate leaders—say 'We stand behind this particular positioning' really means something. When you can say there's been thoughtful process and engagement and board discussion of action, people are less uncomfortable, because they feel that your process was sound and others have had a chance to vet this."

"It's taken a long time for us to come around and say, 'We're not a neutral convener in every case. We're an advocate for things that make a difference in this community' "

Josie Heath described the process of bringing the foundation's board along; initially, board members were worried about undermining the reputation of the foundation and its role as a community steward. Through rich and sometimes difficult conversations over a number of years, the foundation's board has embraced its role as an active community leader. Heath explains, "It's taken a long time for us to come around and say, 'We're not a neutral convener in every case. We're an advocate for things that make a difference in this community.' It's been an evolving thing over a period of five or six years."

Build the Necessary Skills to Benefit Leadership and Staff in Advocacy-Oriented Roles

As community foundations delve into advocacy-oriented roles, having on-the-ground knowledge of how advocacy and lobbying works can be important. According to Josie Heath, "You need to have the right people on the bus with you. You need staff or consultants who understand lobbying and advocacy—people who know how to listen to the community."

Foundations such as **BCF** have even hired new staff with relevant lobbying or legislative expertise. This expertise does not have to come “in-house,” however, and other foundations have contracted with lobbying firms for tactical expertise. It is also important for a foundation’s leadership to acknowledge that the organization, board and staff are taking on new roles within the community—as advocate and leader. As such, recognition of the challenges that come with this new role, and discussion of how to address those challenges, is often necessary.

Many foundations point to the importance of allowing for open dialogue among program and development staff and among board members with differing views, including regular opportunities to air their positions or issues. Jack Hopkins reflected on the process of coalescing staff support for a GLBT rights initiative: “It was a continual conversation. It was a new place for us to be, and we were all learning. It was really helpful for us to bring in people from different parts of the community representing diversity in all forms, making sure we all remembered it was not a GLBT issue but a community issue.”

Consider Beginning with a “Safe” Issue

Given the pattern of building buy-in on an initial issue before building higher-level buy-in about the foundation’s advocacy-oriented role in general, some community foundations begin the process first with a relatively “safe” issue—one that they have a history of funding and engaging on, and one that is relatively uncontroversial. Tom Wilcox explained, “It can be easier to build trust first on an issue that is less of a ‘hot button.’ Be very strategic about which issues to take on first.”

Of course, it is not always possible to choose to work on a “safe” issue, given the urgency with which community foundations often have to react to a situation that threatens their community. Josie Heath acknowledges that “if I had planned the sequence of how we take on transformation, I wouldn’t have wanted to take a public stand on a public issue so early. But there are strong forces that come upon you that cause you to examine: Can we duck this, or is it so important that we need to take it on?” It may therefore be prudent for foundation leaders to use a “safe” issue to tee up the conversation about the foundation’s role in the community with their board and staff, before an urgent issue presents itself, when possible.

In particular, foundation boards and staffs can consider having proactive conversations focused on:

- Comfort level in taking on “controversial” issues
- Ideal community role for the foundation
- Interest in “owning” and “solving” issues
- Key areas of need in the community
- Levers in the advocacy “toolkit”

- Potential partners for catalytic community change
- Key organizational values and culture
- Options for raising funds around the issue

The “**Board & Staff Discussion Facilitation Tool**” at the end of this paper can help you with this process.

Be Cognizant about the Pace and Process

Taking on an advocacy-oriented community leadership role involves two often time-consuming processes: change management, associated with taking on a new role and building new capacity and skills for that role; and addressing policy change. Both of these processes imply that this will be long, tough work. Foundation CEOs point to the importance of recognizing the time and hard work this worthwhile effort takes.

“There needs to be a deliberate process of getting people the right information to make them comfortable that they’ve vetted the topic adequately”

For example, according to Emmett Carson: “People have said to me, ‘You took four years to get all day kindergarten!’ That may seem like a long time, but my board only met four times a year, and of course this wasn’t the subject of every board meeting. There needs to be a deliberate process of a year or two of getting people the right information to make them comfortable that they’ve vetted the topic adequately.”

Anticipate Potential Challenges and Risks

There can of course be a cost to sticking one’s neck out. Before community foundation leaders take a stand on an issue, it is important to recognize that there may be a risk of displeasing donors, staff, or community stakeholders. Leaders and boards should openly talk about the potential risks and challenges and decide jointly that these will be worth facing. Once potential challenges are identified, addressing these proactively and preemptively can become part of the overall communications and action plan.

As Emmett Carson cautioned, “Leadership gets lonely when you stand out on a limb and you say you’re doing this because we think it’s right. There has to be an understanding that only in retrospect will people say, ‘Wow, that was wonderful.’” Jack Hopkins echoed this sentiment: “There can be great cost to those who step out to be leaders. People shouldn’t shy away from this important work, but they should recognize that there can be consequences.”

All of the community foundation leaders we spoke to as part of this research agreed that the benefits eventually far outweighed the risks in each of the issues they tackled.

Conclusion

By serving as catalytic, advocacy-oriented leaders, community foundations can seize the opportunity to differentiate themselves in the eyes of donors, partners, and external stakeholders while meeting mission-critical impact goals and solving issues in their communities.

Given the unprecedented needs in today's communities, community foundations, organizations well positioned to address critical community needs, must step up to achieve change in their communities and not let largely unfounded fears of alienating donors stand in their way

Particularly now, at a time when community need is high, endowments are low, and resources are stretched, community foundations can increase their impact by serving as catalytic leaders in their communities and bringing the full range of resources to bear to tackle community issues. Especially because cash resources are down, community foundations' access to their non-grantmaking tools of advocacy-oriented leadership are even more important. As Josie Heath explained, "In spite of the financial crisis, where people were saying, 'What an awful time to try to launch this work,' we've said, 'What a great time to try to take this on!' Just when the community needed us to be bold, we were moving in that direction. What a great opportunity for the foundation and our community."

"Just when the community needed us to be bold, we were moving in that direction. What a great opportunity for the foundation and our community"

For the community foundation leaders we interviewed, advocacy-oriented leadership is not primarily seen as a tactic to raise money or a risk factor in losing money; rather, advocacy-oriented leadership represents an oppor-

"If you pursue an issue out of a passion for your organization's mission, values of the organization and needs of the community, then I think when raising 'hell' on issues, contributions will flow"

tunity to do mission-critical work and achieve impact in the community. Jack Hopkins argues, "If you are just going to pursue community leadership because you want to raise money, that is the wrong reason. If you pursue an issue out of a passion for your organization's mission, values of the organization and needs of the community, then I think when raising 'hell' on issues, contributions will flow because there are enlightened people in the community who recognize the importance of the community foundation's role in providing community leadership on issues."

Indeed, the need has never been greater. Community foundations, as actors invested deeply in their communities, have an imperative to take on and solve their community's most pressing issues. As our research and experiences demonstrate, playing such a role takes time and is not without significant challenges, though the threat to successful fundraising remains unproven in our research and the potential upside for fundraising is exciting. Playing an active change agent role in their communities represents an opportunity for community foundations to differentiate themselves and leverage dollars for the foundations, and by extension, for the constituencies and communities they serve.

Given the unprecedented needs in today's communities, community foundations, organizations well positioned to address critical community needs, must step up to achieve change in their communities and not let largely unfounded fears of alienating donors stand in their way. Says Jack Hopkins of catalytic community leadership: "We are a community foundation. It is what we must do!"

Board & Staff Discussion Facilitation Tool

Use the tool below, either formally (collect, tally, and present responses) or informally (as a conversation starter) to conduct a discussion with your board and / or staff about your community foundation and catalytic community leadership.

WHERE ARE WE TODAY?

How would you describe our community leadership today?	1 Facilitative	2	3	4	5	6	7 Catalytic, advocacy-oriented
How would you describe our primary purpose today?	1 "We attract and channel donor funds"	2	3	4	5	6	7 "We own and solve community issues"
How well are we currently leveraging our advocacy tool-kit?	1 We use few tools to address issues	2	3	4	5	6	7 We use a broad array of tools to address issues
How well defined is our strategy to fund community leadership activities?	1 Not well defined and with limited funding support	2	3	4	5	6	7 Well defined and with strong funding support

WHERE DO WE ASPIRE TO BE?

Where would you like to see our community leadership in five years?	1 Facilitative	2	3	4	5	6	7 Catalytic, advocacy-oriented
Where should our primary purpose reside in five years?	1 "We attract and channel donor funds"	2	3	4	5	6	7 "We own and solve community issues"
How should the use of our advocacy tool-kit evolve in five years?	1 We use few tools to address issues	2	3	4	5	6	7 We use a broad array of tools to address issues
List up to three issues you'd like to see the community foundation address							
What donor reaction do you anticipate? Who might want to fund this issue?							
Which tools in the community foundation's tool-kit would benefit this issue?							

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- Michael Park, Senior Vice President, Finance & Administration, Robin Hood Foundation
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