

LETTERS TO THE EDITOR: Grant Makers Should Take Risks to Build a Better Society

To the Editor:

The current U.S. economic recession continues to wreak havoc on the economy, jobs, and livelihoods. All of us in the nonprofit world have been severely impacted.

Many foundations have seen their assets decline by 30 percent or more since the crisis began.

As individuals, corporations, and foundations give less, nonprofit groups are preparing to slash their budgets, lay off employees, and do more with less, with significant impact on the communities they exist to serve.

Those same families and communities are faced with record levels of unemployment, rising health-care and food costs, and a mix of other challenges that threaten their basic quality of life.

Yet at the same time, we are in the midst of historic opportunities to transform our society to be more equitable, just, and sustainable by enacting new policies on health care, education, green energy, labor standards, immigration, scientific research, criminal justice, and a range of other issues that directly benefit the communities that philanthropy supports.

As philanthropic leaders, in this time of peril and promise, we must ask ourselves, what is our role?

Do we exist only to ensure our perpetuity or do we exist to take risks at moments like these and help move our nation closer to fulfilling our essential values and create a thriving society?

We believe philanthropy has an obligation to move beyond its comfort zone and seize the opportunity to do as much as we can to support nonprofit groups to meet the needs of their constituents and seize the opportunities of this historic moment.

Just as the Pharaoh told Joseph in the Old Testament story to store corn in times of abundance so there would be food in times of scarcity, we argue that foundation assets, which grew and thrived over the last decade should now be made available to help those who are most in need.

At the French American Charitable Trust and the Hill-Snowdon Foundation, though we may come from very different places, we are approaching this crisis as a moment of opportunity in much the same way.

The trust will be spending down its assets no later than 2016; therefore by maintaining its current level of spending coupled with the 15-percent decline in assets, it is rethinking if it will continue to exist that long.

Hill-Snowdon is also maintaining its spending in 2009 at last year's level, which, given a near-30-percent decline in assets, translates into an increase in its payout. Also, in celebration of its 50th anniversary, the foundation created a special Big Picture Fund to help its grass-roots partners step back and engage in big-picture thinking and strategizing with its allies to help seize this unprecedented moment for change.

In order to help their grantees, both foundations are also making available capacity-building money to help nonprofit groups weather the storm and strengthen their internal capacity.

Maintaining giving during these challenging financial times, creating special pools of funds, and offering technical assistance are just a few ways that foundations can help nonprofit groups.

Another way that foundations can help their nonprofit allies includes investing in communities with program-related investments or using one's investments to make mission-related investments in community banks.

Many foundations are maintaining their giving this year and we applaud this courageous decision. We hope next year, which may be even more of a fiscal challenge, that more of our colleagues will employ some of the giving strategies that we outlined above and invest in advocacy and community organizing as leveraging strategies, even as they consider cost-cutting measures.

With the difficult circumstances we face, it is natural to see the glass as half empty or adopt a scarcity paradigm. However, we would urge our colleagues to strike a healthy balance between purpose and perpetuity, guided by a paradigm of abundance.

We must be abundant in our boldness, creativity, persistence, and vision moving forward to counteract the paradigm of scarcity and make the most of this moment.

After this moment passes and we look back on our response, will we be most proud of protecting our assets for later use, or that we acted boldly and used our assets in this critical moment to ensure a better future for our nation and its people?

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