

Dick Matgen, Peninsula Community Foundation “Responding to What Nonprofits Need”

A few years ago, the Peninsula Community Foundation received a request for funds from a pastor in a rural area of San Mateo County, California. The pastor was seeking funds to support her church’s work with poor agricultural workers — providing blankets, rice and other necessary items. However, she had never written a proposal or put together a program budget — and it showed.

According to Dick Matgen, a former Roman Catholic priest who was managing the foundation’s faith-based grantmaking at the time, it would have been easy to turn down the pastor’s request because the proposal wasn’t up to snuff. But Matgen and his colleagues decided to fund her work — and they didn’t stop there. They also provided her with hands-on technical assistance in everything from budgeting and maintaining a database to writing a winning proposal.

Today, the pastor runs a full-service nonprofit agency with a staff of five serving 500 agricultural workers each year. “And she can write a mean proposal,” Matgen added.

Matgen said his decision to support the pastor is a reflection of the Peninsula Community Foundation’s “grantee-centric” approach to its work. “We see our job as supporting the community, and we want to be responsive to what nonprofits need,” he explained.

In discussions during the GEO focus groups for the Change Agent Project, Peninsula Community Foundation grantees praised the grantmaker for its fast turnaround on grants, the quality of interactions with foundation staff, and its support for capacity-building activities. The foundation’s Grantee Perception Report, compiled by the Center for Effective Philanthropy based on interviews with more than 100 grantees, offers evidence that its grantee-centric approach has contributed to grantee results.

“The foundation has really partnered with us to make our program a success — even with risk and long-term commitment involved,” commented one grantee. “They have passionately provided resources, referrals and support for our organization.”

Another grantee touched on the foundation’s 10 years of support: “The funding is very flexible. It has sustained our work over periods of uncertainty with other funders.”

Variations on the word “flexible” come up again and again in the grantee comments. Another oft-mentioned word: “responsive.”

The foundation’s responsiveness is evident in a number of change agent practices. According to Matgen, for example, it is the foundation’s policy to respond to grantee proposals — or at least to provide some idea about where things stand — within 1 to 2

months. Usually, he says, discretionary grants of \$10,000 or less are awarded within that same frame of time, with larger grants taking somewhat longer.

The foundation's approach to grantee reporting provides additional evidence of a unique kind of responsiveness to the realities of running a nonprofit. While the foundation is insistent on receiving reports from grantees, it routinely offers extensions with the stipulation that any subsequent grants will be delayed. And, it does not insist on rigorous evaluation of grantee projects, encouraging nonprofits to use statistics and data that they are already collecting in order to show results.

"Evaluation is expensive and can become a real challenge for many of these organizations," said Matgen.

But what if the grantee does not achieve outcomes laid out in its grant agreement? The knee-jerk response among many grantmaking organizations might be to stop funding the grantee or to punish it in some way. Not so at the Peninsula Community Foundation.

"Our approach is to get together with the grantee so we can learn from them why things didn't happen the way they planned," Matgen said. "And we can then launch a process to see if they need technical assistance to get better results."

"A Team Approach"

The foundation's ability to support nonprofit success is enhanced, Matgen believes, by its team approach to grantmaking. Rather than placing responsibility for the foundation's eight portfolios in the hands of eight individual program officers, the staff is divided into teams, with most program officers serving on two or three.

"No one is making grant decisions in isolation; it is always a group of people," Matgen said. The team approach, he added, leads to a lack of competition among program officers — "a lack of turf wars," as Matgen put it.

Providing and supporting technical assistance for nonprofits has become a hallmark of the Peninsula Community Foundation's work. In addition to serving on two other teams, Matgen heads the foundation's Strengthening Nonprofits Portfolio team, which provides grants to nonprofit "infrastructure" organizations — i.e., nonprofits that work to build the capacity of other nonprofits.

Matgen's seven-member team also is responsible for the operations of the Peninsula Nonprofit Center, which provides technical assistance, educational programs, training and other resources for nonprofits on issues from grantwriting to strategic planning and board development. According to Matgen, the center organizes 50 to 60 educational workshops and other events every year, together with CompassPoint Nonprofit Services and other partners.

When asked what personal qualities he brings to his work at the Peninsula Community Foundation that might make him a change agent in philanthropy, Matgen notes an enthusiasm for "helping people reach their potential."

“When someone comes to talk to me, I want to know what their interest is and how I help them pursue that rather than telling them what I think they should be doing,” he said. Being a change agent, he added, means appreciating that the people who are working at the community level are the experts — and providing them with the resources they need (financial and otherwise) to do their jobs.

For more information: www.pcf.org.

Gladys Washington, Mary Reynolds Babcock Foundation “I don’t speak foundation-speak.”

Gladys Washington talks a lot about tearing things down. But she’s not in the demolition business. She is the senior program officer with the Mary Reynolds Babcock Foundation, a Winston-Salem, North Carolina, grantmaker committed to “building just and caring communities” in the southeastern United States.

What Washington talks about tearing down are the barriers that too often stand between grantmakers and their grantees. “People here (at the Babcock Foundation) are committed to developing an honest, two-way relationship with our grantees,” she explains.

Bernie Mazyck is president and CEO of the South Carolina Association of Community Development Corporations, which has been a Babcock Foundation grantee since 1998. He referred to the foundation as a “very intentional, hands-on funder” that has encouraged his agency to think more strategically about how to achieve its goals for reducing poverty and building wealth in low-income communities.

“It’s not just about the money,” Mazyck said of the foundation’s support. He cited the Babcock Foundation’s efforts to connect his association with other organizations working on similar issues in the region as an important contribution to its success. He also noted the foundation’s openness to providing reactions and guidance during the grantwriting process as an “invaluable contribution.”

“They let us bounce things off of them so we can figure out if we’re answering the right questions and are on the right track,” he said.

The Babcock Foundation’s commitment to a two-way dialogue with its grantees also shines through in its annual Organizational Development Gathering. Every year, 200 or more current and former grantees from across the South get together on the foundation’s dime for three days of peer-designed and peer-led sessions on issues affecting nonprofit success.

“It’s an opportunity for us to learn from grantees and for them to learn from each other,” Washington says.

Organizational development has been a cornerstone of the Babcock Foundation’s grantmaking since 1994. The foundation explained its commitment to this work in a recent report: “The tough problems associated with poverty and racism will not be solved in a year

or two, so communities and our region need effective and sustainable organizations that can stand the test of time.”¹

In 1999, however, the Babcock Foundation stopped making grants specifically for organizational development (OD). Now, according to Washington, the “OD perspective” is infused into all of the foundation’s grantmaking.

As an example, she points to the availability of a foundation-funded consultant who works with Babcock grantees to identify vendors to help them address critical organizational development issues. This “resource broker” also connects new grantees to independent consultants who can help conduct organizational capacity assessments, based on an assessment tool developed by the foundation.

“For a lot of these small, grassroots organizations, they have no idea what kind of organizational development help they need,” Washington explains. “The assessment, and the availability of an impartial person to help them do it, gives them a chance to tease through the issues and say here’s where we could use some help.”

The results of the assessment, in turn, are used to develop a “learning and evaluation plan” that is submitted to the foundation as a guide for technical assistance and other organizational development support.

Making the Relationship Work

Breaking down barriers between grantmakers and grantees is not just about formal programs and technical assistance, Washington adds. It also gets to the personal relationships between foundation personnel and nonprofit leaders and staff.

The key to making the relationship work, in Washington’s view, is flexibility. She said that if an organization is having a tough time with board or staffing issues, for example, she will encourage the executive director to send in a revised budget so it can address those issues now. She also regularly tries to connect nonprofits to consultants and other resources that can help them overcome present-day hurdles and succeed.

Washington also is not shy about rolling up her sleeves and working side-by-side with grantees on critical issues facing their communities. Currently, she is working with Mazyck and others in South Carolina to launch a new statewide collaborative to advance an asset development agenda.

“She has been a very important part of that effort and brings her expertise from a regional perspective on what other groups are doing,” Mazyck said.

Participating in the collaborative effort also provides Washington with a firsthand understanding of the issues facing the foundation’s grantees.

¹ Mary Reynolds Babcock Foundation, “Reflections on a Decade of Building Just and Caring Communities,” 2005.

Washington's efforts to build trust with Babcock's grantees are helped, she adds, by working for a grantmaker that is committed to the values of inclusiveness, transparency and humility.

"I have a boss and a board who believe you have to be real with folks," she says. "Working here, you eat, breathe and sleep the value of interacting with grantees in a true partnership."

For more information: www.mrbf.org

Rick Moyers, Eugene and Agnes E. Meyer Foundation "Minimizing the Power Differential"

For Rick Moyers, the clothes make the grantmaker. As a program officer with the Meyer Foundation in Washington, D.C., Moyers says he makes a "conscious effort not to overdress" when meeting with grantees.

"When I came to this position, I swore I would not take myself too seriously and that I'd do everything in my power to minimize the power differential between the foundation and its grantees," he said.

Often, that means leaving the dress-up clothes at home. "You don't want to be the guy in the suit swooping in on these organizations," he said.

Of course, it's not just about the clothes. Moyers said he is intentional in all of his work with Meyer Foundation grantees about keeping the relationship on a level playing field — or as level as possible.

The tendency among foundation program officers, Moyers noted, can be to make a foundation appear like "a black box." The reason: keeping things mysterious protects the program officer and conveys the impression that others are making grantmaking decisions. But, in Moyers's view, the lack of transparency only exacerbates the power imbalance between grantmakers and their grantees.

"I try to be as candid as I can in letting people know how the foundation works," Moyers said.

Moyers joined the Meyer Foundation in 2003. As head of the grantmaker's Nonprofit Sector Fund, he is responsible for a portfolio of programs aimed at strengthening the management and leadership capacity of nonprofits.

A former executive director of a statewide coalition of nonprofits in Ohio, Moyers said he was attracted to the Meyer Foundation because of a sense that the grantmaker understood the true needs of nonprofit organizations.

"I saw that Meyer was passionately committed to the well-being of community-based nonprofits in this region and the long-term health of these organizations," he said. "The question (at the foundation) isn't whether a specific program is going to be successful this

year but whether an organization has the capacity to keep making a difference in the community for years to come.”

Supporting Long-Term Effectiveness

Moyers offered several examples of how the foundation works to support the long-term effectiveness and viability of grantees. The foundation, he said, regularly helps grantees find other sources of revenue — by introducing them to other funders, for example, and by supporting *The Catalogue for Philanthropy: Greater Washington*, an online and printed resource introducing donors to small, community-based organizations in the area that are making a difference. (see www.catalogueforphilanthropy.org/).

In addition, under the umbrella of the Nonprofit Sector Fund, the Meyer Foundation awards grants for consultants to help organizations with management and leadership issues; and manages a short-term cash flow loan program. And, in 2006, Meyer announced a new initiative, Rewarding Leadership, aimed at increasing the quality and availability of training, networking and professional development opportunities for nonprofit executive directors in the region. The program includes a new Exponent Award for up to five organizations and their leaders each year; awardees will receive a two-year grant of \$100,000 for leadership development.

And then there is the foundation’s commitment to providing nonprofits with general operating support. Moyers estimates that about half of the Meyer Foundation’s \$8 million in annual grants are in the form of general operating support.

“We are sympathetic to how tough it is for these organizations to raise the funds they need for basic operations,” Moyers said.

If the Meyer Foundation has a unique understanding and appreciation of the challenges facing nonprofits, Moyers believes he knows an important reason why: All of the foundation’s program officers came out of the nonprofit sector.

“Most of us have been executive directors,” he said. “And so we’re able to resist the tendency in foundations to develop systems based on our needs and our interests.”

Moyers points to the foundation’s approach to evaluation as an example. He said Meyer does not have a “specific fixation” on evaluation — primarily because many of the nonprofits it funds do not have the capacity or the infrastructure to track outcomes in a systematic way.

“Our approach is to say we will support you right now because you are doing good work,” Moyers said, noting that Meyer is “fairly rigorous” in its site visits and other due diligence prior to awarding grants. “We tell grantees that you will want to think about evaluation, but we are willing to make a bet that your work will make a difference.”

For Moyers, being a change agent comes down to one thing: respect for grantees. “We don’t tell organizations what to do,” he said.

At the same time, however, it is clear from grantee evaluations that Moyers and his colleagues have helped nonprofit leaders think through important issues and revise their strategies accordingly.

“Rick helped us think about our project as a means by which to change the culture of our organization,” wrote one. Commented another: “(Rick) is very open, his organizational guidance has been good, and he has been very patient during our efforts to focus our priorities and develop reasonable implementation strategies.”

For more information: www.meyerfoundation.org

Diana Sieger, Grand Rapids Community Foundation An “Unfoundation-like” Approach

“Grand Rapids Community Foundation leads the community in making positive, sustainable change.”

The aspiration of this Michigan grantmaker to act as a change agent is clear from the first sentence on its Web site’s home page. It is an aspiration that has become reality over decades of grantmaking in support of causes from education and health to neighborhood revitalization.

However, the Grand Rapids Community Foundation’s commitment to challenge (and overturn) the status quo truly stands out in one area: protecting children. With Grand Rapids reeling from the state’s highest levels of abuse and neglect, the grantmaker launched a community-wide effort in the early 1990s to identify and implement solutions. Called Perspective 21, the initiative kicked off in 1992 with the convening of a 34-member community task force to gather data and reach consensus on recommendations for action.

Ron Apol, a longtime leader in the local child welfare system whose adoption agency is a Grand Rapids Community Foundation grantee, testified to the grantmaker’s role in shaking things up. Among the grantmaking practices he cited as especially supportive of nonprofit results is the foundation’s commitment of ongoing, multi-year funding to a core group of organizations that are working to implement the Perspective 21 recommendations.

Diana Sieger, who has served as president of the Grand Rapids Community Foundation for 19 years, said the grantmaker’s sustained commitment to a select group of grantees is part of its strategy for change.

“We don’t just blindly finance these projects, but we have identified the key agencies providing these services, and we want to make sure they have what they need to make a difference,” she said.

The Grantmaker’s “Advocacy Role”

Sieger added that the foundation has not been shy about playing an advocacy role on behalf of public and nonprofit child welfare agencies and the families they serve — a trait she characterized as “unfoundation-like.”

In addition to advocating for additional state and county funds for child welfare, the grantmaker was instrumental in securing funds from the W.K. Kellogg Foundation for reform of local foster care and adoption systems. In all, Sieger estimates that the foundation has leveraged its \$1 million in annual support for child welfare initiatives to secure more than \$20 million from other sources.

“They (the Grand Rapids Community Foundation) have been the moving force behind this community really stepping up to this issue and creating the impetus for changes in the system,” acknowledged Apol.

Apol noted that the foundation’s encouragement of “true collaboration” among all players in the system has been a key factor in the community’s progress.

Apol participated in the Perspective 21 process during his time as a supervisor with the county’s Family Court system. Whenever the grantmaker convened a community team of grantees and others, participants would spend a full day or more developing a collaborative process for their work. The goal, he said, was to determine how the team leaders would work together, make decisions, and resolve issues and problems.

Apol added that the grantmaker never set out to “point fingers” – i.e., to criticize the public or nonprofit sectors for failures – but to bring people together to forge solutions.

Today, as a result of Perspective 21, Kent County’s nationally recognized Early Impact program offers a wide range of high-quality prevention services to families at risk of abuse or neglect. The program is a tribute to one grantmaker’s aspiration to serve as a change agent for the community, emphasizing sustainability as a cornerstone of nonprofit success.

For more information: www.grfoundation.org.

Larry Kressley, Public Welfare Foundation Trusting the “Real Experts”

Dennis deLeon, president of the Latino Commission on AIDS, is very used to waiting for promised funds from public and private sources. A recent grant from municipal government in New York to launch a faith-based AIDS prevention initiative targeting Latino women was delayed for an entire year. Another government grant to address the crystal methamphetamine problem did not come in until six to seven months after the project was supposed to start.

“We go out and hire personnel for these projects, and then we have to sit around and wait,” deLeon said.

But the waiting is made significantly easier because of the general operating support that the commission receives from the Washington, DC-based Public Welfare Foundation and other private grantmakers. The Public Welfare Foundation has provided annual operating grants to deLeon's group since 1995 with no strings attached. According to deLeon, the funds play a crucial role in allowing the commission to stay afloat despite the ebb and flow of project funds from other sources.

"No one else is around to help pick up the slack," deLeon said, citing the general operating support of the Public Welfare Foundation and New York's van Ameringen Foundation. He added that the foundations' flexible support also allows the commission to do things that other funders shy away from, including advocacy and health education.

Larry Kressley, who resigned as president of the Public Welfare Foundation in 2006, said that 75 percent of its grantmaking is in the form of general operating support. The foundation's commitment to providing nonprofits with flexible funds, he said, dates back to its founders, Charles Edward Marsh, a newspaper publisher, and his wife, Claudia.

"The Marshes once said that the people who know best how to solve problems in the community are those who live with those problems every day," he said. "From the start, they had a strong belief that people know what needs to be done. They simply lack the resources to do it."

With \$500 million in assets and grantmaking of \$20 million annually, the foundation pursues a strategy of "service, advocacy and empowerment" for meeting basic human needs and promoting democratic participation for people around the globe. Most of the foundation's grants go to U.S. organizations working on issues from criminal justice and health to human rights, although funds also go to international projects, such as efforts in Africa to address the problem of female genital mutilation.

Kressley said the need among nonprofit organizations for general operating support is "the most important issue in American philanthropy today." He dismissed claims that operating grants pose a challenge for foundations in terms of evaluation and measurement. Operating grants are "the most accountable kind of funding there is," he said, adding: "If reporting is important to you, this lets you claim the work of the whole organization."

Networking and Advocacy Support

Beyond providing the bulk of its grants in operating support, the Public Welfare Foundation pursues a number of other strategies to help nonprofits succeed. One priority: support for networking among grantees that are working on similar issues. A foundation-initiated effort to convene groups working on welfare reform issues, for example, grew into the National Welfare Engine Committee. Today, with funds from the Public Welfare Foundation and others, the committee is an independent effort that allows grassroots groups around the country to collaborate, share and work together to fight for positive changes for families living in poverty.

Advocacy has been an important element of the Public Welfare Foundation's support from the start. Recently, the grantmaker organized a funders' tour of "mountaintop removal"

mining sites in Kentucky, Virginia and Tennessee. The goal was to draw attention to the work of local environmental groups that are lobbying against the practice.

“We want to help these organizations share their stories,” Kressley explained, citing the tour and similar efforts as a way for the foundation to “leverage our own investments.”

Getting to know grantees and believing in their work are two of the most important attributes of a change agent in philanthropy, Kressley said. As president of the foundation, he said he always made time to get out of the office to visit with grantees and the people they serve. His goal: spending one week every month on the road.

Shortly before leaving the foundation, Kressley spent a day at the Louisiana State Penitentiary in Angola, visiting with prisoners whose cases had been taken up by the Innocence Project in New Orleans, a Public Welfare Foundation grantee. To get to the penitentiary, Kressley spent three hours driving from Jackson, Mississippi with an Innocence Project counselor who was representing some of the prisoners. “Those are real bonding experiences that remind you who’s doing the real work,” Kressley said.

Kressley’s appreciation for “who’s doing the real work” is what makes him a change agent in philanthropy. And it drives his strong support for general operating funds — and for foundations to stick with grantees over the long haul.

His parting advice to other grantmakers: “Don’t be fickle and move on; stay with these groups so they can have a real chance to succeed.”

For more information: www.publicwelfare.org