



Speech by Rip Rapson:

## **Community Foundations at a Crossroads**

May 8, 2018

*Address delivered at the Community Foundation for Palm Beach and Martin Counties' annual Founder's Award Luncheon.*

Thank you Brad (Hurlbert, president and CEO of the Community Foundation for Palm Beach and Martin Counties). What a pleasure it is to be here. And it is a profound honor to participate in the celebration of the generosity and leadership of Lore and John Dodge.

Yogi Berra famously remarked: "When you come to a fork in the road, take it." I want to suggest today that community foundations generally, and the Palm Beach-Martin County Community Foundation in particular, have arrived at such a fork – and should take it, for a number of reasons:

- First, foundations – particularly community foundations – are increasingly being looked to to help communities adapt to the ever-accelerating and dizzyingly disruptive social, demographic and economic change upending every dimension of community life.
- Second, it is increasingly falling to cities and counties to crack the code on the toughest issues we face, providing an alternative to the policy deadlock, political kabuki and electoral short-termism that afflicts – and paralyzes – our national scene.
- Third, community foundations across the country are developing fascinating new ways to balance the imperative of carrying out the wishes of their donor-advised funds while pooling their financial, intellectual and reputational resources to respond to overarching community needs and opportunities.

So, with your permission, I wanted to pull apart and excavate more deeply the three elements of your identity: the place of “Palm Beach and Martin Counties”; the sense of common purpose embodied in the term “Community”; and the unique institutional qualities of the “Foundation.” And, if we’re lucky, we can pull them back together by the end.

A talk like this always runs the risk of being more than people bargained for over lunch. I’m accordingly reminded of something Robert Kennedy once said to an audience: “My job today is to deliver this speech. And your job is to listen. But if you finish your job before I finish mine, please let me know.” Same rule this afternoon.

## I. The Place: Palm Beach County and Martin County

The first element of your identity is the remarkable place you inhabit: your natural beauty spanning the counties' vast footprint from the Atlantic Ocean to Lake Okeechobee; your fascinating history and traditions; your highly distinctive towns and cities.

So much of what a community foundation can do – should do – is to articulate and elevate a sense of place, those qualities that reflect what is unique to this geography, your civic institutions, your history, your residents.

Because places define us. They shape the ebb and flow of community life, mold how individual and group identity is formed, carry the patterns of history and memory that constitute the map of civic personality

By strengthening the qualities unique to a place, therefore, we are doing more than simply enhancing a location. We are creating an essence – assembling a collection of visual, cultural, social and environmental qualities that imbue a location with meaning and significance.<sup>1</sup> We are forging an emotional bond that makes you want to stay committed to that place, to invest in it, to build a future there.

But what does that mean for Palm Beach and Martin counties?

- It means that possessing a compelling community-generated vision about your future is so much more than an empty planning exercise. That is one of many reasons that the strategic vision Brad laid out is so terribly important.
- It means relentlessly asking how a civic action – or collection of them – will strengthen the power of place, ensuring that every civic gesture taken in response to the pressures of current needs avoids sacrificing essential linkages to your heritage or compromising the qualities that will make your communities unique far into the future.
- It means stewarding your extraordinary natural environment as the heart of your civic patrimony: your beaches, Lake Worth, Peanut Island, the natural areas, the parks, the lakes.
- And, perhaps most importantly, it means ensuring that the full spectrum of benefits that attend the growth, vitality and prosperity of this special place reaches all your region's residents.

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<sup>1</sup> McMahan, Edward, "The Place Making Dividend." *Planning Commissioners Journal*, "No. 80, page 16 (Fall 2010).

## II. The Community: A Commitment to the Common Good

Let me turn to the second element of your title: “Community.”

As complex as the meta-issues facing our nation are – the unsettling effects of technology in an age of social media and a cherry-red Tesla in orbit, the future of work in an age of artificial intelligence and robots, the deepening fissures between rich and poor in an age of stagnant economic mobility and so much else – it is at the local level that we still have the ability to assemble meaningful strategies for healthier, more inclusive and more equitable civic life.

It’s not that the federal government doesn’t matter. It does, enormously. It’s just that it is at the local level that we can get stuff done:

- It’s in our cities and counties that we possess the requisite alchemy of ideas and skills and activities to dismantle tired and unproductive approaches to stubborn community challenges in favor of approaches that are new, innovative, catalytic or imaginatively recycled.
- It’s at the local level that transactional alliances morph over time into enduring bonds of trust and mutual support.
- It’s at the local level that we can layer through successive generations an accretion of shared history, accomplishment, norms and aspirations that crystalize into civic culture.
- And it’s at the local level that people can witness and feel the benefits of investing for the future, enabling them to forge a civic agenda that defines what the community is trying to achieve and how best to achieve it.

In the words of the Nobel laureate Bob Dylan: “You don’t need a weather man/To know the way the wind blows.” And it is blowing toward our local communities.

My bias is that the heart and soul of this localism is a renewed commitment to the common good.

I worked in Washington in the 1980s – a time when people worked together in decency and respect in service of shared purpose. As our nation’s political discourse has become increasingly polarized – to use a polite term – it feels a little like having the anesthetic wear off after a serious operation. Little by little comes the dawning realization that something is profoundly different and that something may be gone for good. Our deepest communal values – based on solid American concepts of public responsibility for the common good – seem to have been shredded and devalued, until we’re left with a hardening social and political ethic that seems incomplete and hollow, utterly deficient.

I want to be clear that I’m not inclined to tie this to a particular election cycle, political party or set of elected officials. It instead seems to have built over time and across multiple subcultures, forming fault lines in far too many dimensions of American life.

Robert Putnam, the author of “Bowling Alone” and “Our Kids” – and the originator of the term “social capital” – wrote me the following description of the thesis for his next book:

For almost a half-century, (our nation has) been wallowing in an almost chronic state of national discontent. (It has) outlasted the political moment and transcended our social divisions before and after elections, on the right and left, up and down the economic ladder, among all races and ethnicities and genders and ages.

I have come to the conclusion (that this reflects a) profoundly important large-scale cultural shift in this country – from individualism to community and back again.<sup>2</sup>

The antidote to that loss of a sense of community, it seems to me, lies in the power of mutual caring, support and respect at the most local level.

In communities across the country – of all races, ethnicities, geographies – residents, elected officials, businesses, places of worship, foundations and other civic institutions are searching for ways to surface compassion for those less fortunate, to strengthen structures of mutual assistance, to level the playing field for low-income people who work hard in pursuit of entering the mainstream economy.

This is not about handouts, but step-ups. We know how very hard it is to escape poverty from one generation to another. Low-income families start with fewer resources. They transact daily life with fewer resources, they accumulate fewer resources and they must swim against the powerful currents of long-standing impediments to full opportunity.

And yet, here in Palm Beach and Martin Counties – as is true in virtually every county of America – the “they” are actually the “us.” “They” have helped shape our history, even if too often in anonymity. “They” are the invisible backbone of our daily life routines in the present – whether a teacher or a home healthcare aide or a construction worker. “They” are our future leaders, our future workforce, our future innovators.

Dr. Martin Luther King was right: “We are caught in an inescapable network of mutuality, tied in a single garment of destiny. Whatever affects one directly affects all indirectly.”<sup>3</sup>

But this raises deeply difficult issues. How do you weave the threads through that single garment when Belle Glade is 90 percent nonwhite with a median income of \$27,000 and Palm Beach is 94 percent white with a median income of \$115,000? When Palm Beach County as a whole is about half-and-half white and nonwhite and Martin County is 80 percent white?<sup>4</sup> These are

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<sup>2</sup>Putnam, Robert, *I to We to I over the last 120 years: What Happened?* Preliminary Draft, November 9, 2016.

<sup>3</sup>Martin Luther King, Jr., “Letter from Birmingham Jail.” August 1963.

[https://web.cn.edu/kwheeler/documents/Letter\\_Birmingham\\_Jail.pdf](https://web.cn.edu/kwheeler/documents/Letter_Birmingham_Jail.pdf).

<sup>4</sup>When Riviera Beach is 78% non-white with a median income of \$42,000 and Boca Raton is 75% white with a median income of \$73,000? United States Census Bureau/American FactFinder. *2012-2016 American Community Survey 5-year Estimates*. U.S. Census Bureau’s American Community Survey Office, 2017. Web. 1 May 2018 <<https://factfinder.census.gov>>

mind-numbingly complex demographics, reflecting the reality that each community possesses its own distinctive niche in the regional economy, sociology and psychology.

Your strategic plan is an essential first step in understanding not so much whether, but how, you can begin to embrace the whole. That is so very challenging because the alternative can appear easier in light of current realities – each place remaining essentially sealed off, each an inwardly-focused node of housing, commerce, recreation and service.

As I interpret your strategic plan, however, it seems inclined to begin – gradually, but intentionally – to paint a picture in which your cities and towns become more interdependent and mutually reinforcing, not less. In which your patterns of investment gravitate toward our deep-rooted impulses to care about the welfare of our neighbors. In which the community foundation comes to play a more prominent role in preventing a portion of your citizenry from feeling marginalized or from losing faith that the generations-long struggle for equality and justice can be won.

### **III. Foundation: The Institutional Role**

The third component of your identity is “Foundation.” I wanted to offer just a couple of thoughts about how community foundations are changing.

Community foundations like yours are unique in the philanthropic landscape. As we’ve explored, they arise directly from the distinctive qualities of a place and an abiding sense of community. They also possess unusually deep insight in the real workings of a community, informed by thousands of grants into every element of civic life.

That is certainly true here in Palm Beach and Martin Counties. You have made more than \$150 million in grants since your creation, each motivated by the desire to make your community a better place to live and work and recreate.

There’s an old Asian saying, “Everything rests on the tip of intention.” It implies a very close relationship between outcome and motivation. Your foundation’s activities seem to embody that relationship: its institutional values and principles growing directly out of a fundamental intention to help others, especially those who are less fortunate.

Let me turn briefly to four qualities of philanthropy that I believe can broaden the aperture of that intention.

#### **1. Taking a Long-Term View**

The first of those qualities is philanthropy’s ability to view things whole.

It’s so easy to become focused on a particular grant or immediate need that we sometimes forget the enormous privilege accorded community foundations to take a holistic, long-term view of their communities, to stitch together threads that may appear distinct and unrelated, to cultivate

the kind of patient intelligence that permits us to chip away at seemingly intractable challenges over a long period of time, making a difference in ways large and small.

So, how might that translate here?

One way is to do exactly what you are doing: contributing to a community's vision.

“Vision” is an overworked term. But when a community gets specific about identifying tangible ways in which it wants to improve community life, it's like a gyroscope – even in a rapidly changing world, vision helps you maintain your equilibrium. Investing in activities that hold promise for moving the needle, stitching them together to create even more impact, attracting more attention and capital to create real momentum.

I often hear that it should be up to municipal or county government to generate and hold community vision. To the extent that they can do that, great. But too often, the public sector is mired in the immediately transactional: putting out fires; moving where the political pressure is the greatest; avoiding the really tough issues; kicking the can down the road, only to make matters far worse over the long term.

So, philanthropy can step in – not to replace government, but to play a table-setting role. A community foundation can help get difficult conversations started. It can provide a neutral space to gather people from all parts of the community and across all sectors, including government. It can serve as a bridge across differences of experience and perspective. It can help mold a sense of shared purpose and direction.

## **2. Embracing Risk**

*The second quality is philanthropy's ability to take risks.*

A private foundation like Kresge was created by a founder willing to take the kind of high business risk that could leverage spectacular returns over the long term. Sebastian Kresge started with a Five-and-Dime store in 1899 and grew it into the Kmart franchise he sold in 1966.

Kresge has concluded that we can take chances of a similar kind. Not just taking the modest risks involved in individual grants, but placing larger bets that promise true innovation and transformation. Our work in Detroit illustrates this: We've been the lead funders of the redevelopment of the Detroit Riverfront, the creation of a light rail line, the resolution of Detroit's municipal bankruptcy and much else.

Bets of that size aren't for every foundation. But, because a community foundation is free from re-election cycles and quarterly profit reports, it has the latitude to embrace a level of risk that neither the public nor private sectors can take. Although each donor will set her own risk appetite, the foundation as a whole can help build a culture in which there is room for trying new ideas that may or may not take root, for looking around corners to support approaches that the community could not otherwise, for acting as society's social venture capital.

For several years, I chaired the Council on Foundation's annual award for the outstanding contribution to public policy by a foundation. Some of our most striking awards were given to very small foundations that took risks that might seem insignificant to the Ford Foundation, but were daunting for their own boards and staff. For example:

- A series of small-budget research projects funded by the Maytree Foundation in Canada gave birth to a suite of immigration reforms that spread from Toronto to Quebec to the entire country.
- A \$50,000 planning grant from the Blandin Foundation ultimately led some of the world's largest multinational timber companies to adopt sustainable timber harvesting practices in hundreds of thousands of acres of northern Minnesota forests.

It's a little like acupuncture – pick the right spot and the benefits can radiate throughout the system.

So again, what might that look like here?

At one level, it might mean simply directing money to community organizations who need the support to continue banging away on problems that have been stubbornly resistant – in Detroit, for example, we are supporting nonprofits who are helping prepare low-income kids to enter kindergarten with the social, emotional and academic skills necessary to succeed.

At a second level, it might mean testing something entirely new – in Detroit, again, we invested in something called “Reimagining the Civic Commons,” which introduces new programming to help make public parks, libraries and other public spaces more welcoming to low-income residents.

And at a third level, it might mean thinking about how the collective weight of multiple donor-advised funds could attack something that no individual donor-advised fund could – once more, in Detroit, we created a pooled philanthropic fund at the community foundation to create the supports to help small businesses owned by people of color get off the ground.

Foundations are built for risk-taking. The American author John Shedd captured this spirit when he noted: “A ship in harbor is safe, but that is not what ships are for.”

### ***3. Using A Full Spectrum of Tools***

*The third quality of philanthropy is its flexibility to employ a wide range of tools.*

At root, a community foundation's distinguishing characteristic is enabling donors to direct their funds to organizations working to promote community well-being. But we can put our institutional weight on the line in any number of other ways as well.

- We can convene people as a way of forging relationships and fostering concerted action.
- We can support networks of organizations working in common purpose.



- We can invest in research, supporting scientific and academic inquiry that unearths new understandings and pioneers new ways of thinking.
- We can pursue strategic communications to strengthen public understanding of, and engagement in, the work of grantees.
- We can invest directly in social enterprise through program-related investments, loan guarantees and other forms of financial leverage.

But it's reasonable to ask why we should work beyond grants. A couple of reasons, it seems to me.

- First, if the only tool you have is a hammer, everything looks like a nail – and not everything is a nail.

We at Kresge discovered this more than a decade ago when we began moving away from our exclusive reliance on capital challenge grants – providing matching funds to help building campaigns get across the finish line. Our grantees pointed out that there were so many other forms of support that might be equally, or more, useful. So we expanded our toolbox.

- Second, using multiple tools enables you to reverse-engineer – to assemble that particular combination of approaches that fits a particular problem.

If, for example, the hope was to improve economic opportunity for single mothers in a low-income community, one grant probably wouldn't do it. A single mom seeking to enter the economic mainstream may depend on public transportation between her home and her workplace. Her health may be compromised by the absence of fresh food in the neighborhood. Her family's stability may be at risk by rising rents that may force the family to leave their apartment. And on and on.

One could imagine utilizing a variety of tools to come at this challenge in a multi-faceted way.

#### **4. Helping Strengthen Pathways of Opportunity for Low-Income People**

*The fourth philanthropic quality I wanted to hold out is the historical commitment of foundations to investing in underrepresented people and causes.*

Philanthropy is consummately democratic. There is no corner of social activity it doesn't reach: sponsoring scholarships for young people to attend college and supporting the ability of our elderly to die with dignity; promoting conservation efforts in the Everglades and providing essential funding for arts and cultural institutions.

That this list could go on virtually without end is the ultimate gauge of the vibrancy of the philanthropic ecosystem. Causes in every direction supported with profound generosity.

There is, however, a piece of that ecology that has had disproportionate import to society's view of philanthropy and to philanthropy's view of itself – that is philanthropy's commitment to helping those in need by supporting organizations that serve as society's moral thermostats – organizations that activate in the presence of suffering, injustice, or callous behavior.<sup>5</sup>

This corner of the ecosystem is so terribly important because these organizations – and the people they serve – have so very few resources. This has always been the case, of course, but it is getting worse.

At Kresge, this has translated into the commitment to improving life opportunities for low-income people living in America's cities. But what might that look like here?

I wonder if it might not draw from each of the three philanthropic qualities we've already discussed:

1. Building for the long term by embracing the fundamental interdependence among all the parts of your communities: rich and poor, white and black and Hispanic, urban and rural.
2. Leaning into a handful of risky propositions that may not return immediate dividends, but that chip away over time at the seemingly impenetrable challenges of full opportunity.
3. Slowly building your muscle to supplement your direct service grants with other tools that can leverage community resources to strengthen the essential elements of equitable community life.

My bias is that this process starts in the most granular way. Spreading outward like the ripples of a stone thrown into a pond.

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<sup>5</sup> The metaphor is that of Paul Ylvisaker, the great philanthropoid of the 1960's and 70's.

## **Conclusion**

You have been kind to listen so patiently to someone from somewhere else offer a diagnosis of something you know far better than he does. There is a very fine line between constructive insight and annoying intrusion – and I fear I may have erased it.

To close where I began, though, let me again offer a reflection from Yogi Berra, who said: “We have deep depth.” That is so true of Palm Beach and Martin Counties. Your future promises even greater depth – in strengthening your sense of place, your sense of community, and your sense of philanthropic purpose.

I wish you the very best of luck in that future. So many of us will watch it with great hope and interest.

Thank you for listening.