

Collective Wisdom: **Lessons for the Philanthropic Sector**

EVALUATION BRIEF

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THE KRESGE FOUNDATION



SCHOOL OF SOCIAL WORK
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COLLECTIVE WISDOM: LESSONS FOR THE PHILANTHROPIC SECTOR

Foundations are critical to the work of promoting racial equity in that they provide the financial support many organizations need to build and sustain development in communities of color.

According to a 2018 survey by the Building Movement Project, four out of 10 groups led by people of color rely on foundations to provide a primary source of income (Rendon, 2019). Yet some believe that philanthropy has done more to undermine efforts to achieve racial equity than to advance them.

Understandably, the philanthropic sector has found itself at a critical moment of reflection regarding its role in community development and racial justice.

A recent series of opinion articles in the *Chronicle of Philanthropy* (2020) titled “Reimagining Philanthropy” challenges outdated modes of philanthropic giving that benefit corporate-style nonprofits while remaining disconnected from communities, and, by extension, community priorities, voices and needs.

In this piece, author Lucy Bernholz (2020) states, “The combined demands of big philanthropy and government contracting have fed the corporatization of community action. The challenges of raising funds tend to create organizations that often lack legitimacy in the communities they serve and can crowd out efforts led by local leaders and people of color.”

Given these challenges, how does the philanthropic sector move to build legitimacy in communities of color and support local leadership?

The work of partnering with community is key to being responsive to community voices and community needs. Such responsiveness is particularly critical in this time of COVID-19, increased visibility of racial inequity and the impact of both on the nonprofit sector and community development.

This brief highlights one example of a community development initiative, called Kresge Innovation Projects: Detroit (KIP:D), and how the philanthropy that supported it responded to communities and local leadership.

KRESGE INNOVATION PROJECTS: DETROIT

Kresge Innovative Projects: Detroit (KIP:D) is an initiative embedded in The Kresge Foundation’s Detroit Program. In place since 2014, the initiative has supported Detroit neighborhood development projects for 127 organizations in its six rounds of funding (as of summer 2020). Initially, funding priorities were rooted in the Detroit Future City goals of transforming vacant land into an innovative open-space network and stabilizing neighborhoods (Detroit Future City, n.d.).

After receiving feedback from funding recipients, KIP:D shifted the priorities of



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the initiative to better meet community needs. Updates integrated into the second and third rounds of funding shifted the framework for how projects were conceptualized; projects were seen as drivers for building organizational capacity and leadership to steward long-term community investment.

KIP:D has conceptual community-building roots in past Detroit-focused initiatives such as Skillman Foundation's "Good Neighborhoods" initiative. It also shares similar missions with current community development initiatives like Building the Engine of Community Development in Detroit (BECDD) (since 2016).

KIP:D also responds to the unique funding environment for community development in the city of Detroit. In contrast to traditional models in which HUD community development block grant (CDBG) programs are the primary source of funds for community development corporations (CDCs), Detroit's community development system relies heavily on foundation support (Ash *et al.*, 2009).

Staff from the Program Evaluation Group (PEG) at the University of Michigan School of Social Work partnered with The Kresge Foundation (Kresge) to conduct research to better understand

the impact of KIP:D by taking a retrospective look at the first three rounds of funding (2015-2017).

In doing so, we spoke with a variety of stakeholders across the city using multiple participatory and qualitative methods, including community residents, community leaders and organizational partners who received grants during the first three rounds.

We also had deep conversations with longtime community development leaders who were recommended by partners and had themselves received KIP:D grants during the first three rounds. Across these conversations, we learned three invaluable lessons for philanthropic organizations seeking to deepen their impact in community development and operate more equitably.

LESSON 1

Be a partner, not just a funder.

A philanthropic culture that values partnership with local organizations is an important prerequisite to operating more equitably. Often, community organizations see philanthropy as funders, not long-term partners. But

this can be overcome if the funder takes action to broaden what it means to invest in a region or community.

Even prior to the creation of KIP:D, Kresge was an active part of Detroit's community development work, including developing and maintaining relationships with stakeholder groups such as the community development (CD) system and local government. That allowed Kresge to place the initiative within larger efforts toward systems change in the city. Longtime leaders cited examples of Kresge's partnership with Detroit communities, including participating in neighborhood cleanup events, attending community meetings and sitting at policy tables.

"But during the process of revitalizing neighborhoods in doing, you know, cleanup and sweat equity, we were really trying to work side by side with the residents. To transform the neighborhoods, provide the tools and supplies and directions, Kresge joined us and said they wanted to be a part of this," said one organizational partner.

Not all philanthropies work deeply in the geographic areas in which they are located, like Kresge does within Detroit. But it is possible for funders of projects across larger geographies to adapt this

approach. Such adaptation requires that funders seek to be in the same circles in which systems change is occurring. For example, if you are funding national policy work, you need to be involved in that policy work as a thought and funding partner. The knowledge Kresge gained from being in those spaces informed their strategies. They sat in those spaces without forcing an agenda. As a result, Kresge's efforts were very much a reflection of the community agenda.

One person stressed that in order for Kresge to maintain this welcomed observer and liaison presence, without getting the "best" version of the organization and neighborhood (i.e., a view that overemphasizes the positive for Kresge's benefit), they need to be present, not as conveners or moderators, but as observers. One benefit to this level of involvement is that it allows the foundation to know the landscape of community development.

Kresge developed the KIP:D initiative because of its knowledge of Detroit residents' needs and interests in community development. According to their organizational partners, this knowledge also impacts everyday stewardship of grant activities. The foundation anticipated barriers in

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completing projects, and, therefore, was flexible and approachable with grant activities and timelines as needed.

With partnership, however, comes the responsibility of utilizing relationships to leverage the work. For example, some organizational partners expected Kresge to help them navigate city departments and access the technical assistance they need by making consultants available, as well as facilitating mentorship for newer organizations doing projects. Like Kresge, other philanthropies must be willing to sit in a space so that they can learn what organizations need from them, engage in organizational self-reflection and improvement and act upon the feedback.

LESSON 2

Lean into community organizing principles to ground your initiative.

Even though KIP:D was primarily a community development initiative, its design and implementation emphasized community organizing principles, such as relationship building, community action, leadership development and capacity building of community members (Community Science, n.d.). Just as much as KIP:D emphasized physical development, it focused on relationship development as a means of promoting community engagement and voice.

One way in which this was done was in connecting organizational partners across geography and issue area. Partners benefited when they came together in terms of capacity building of organizational needs. They also noted the power of relationship building to serve coalition building.

“So I think any time you can offer the opportunity for people to get to know each other and get to know the work that each other is doing, it begins to lay

the foundation of trust that is necessary to do deeper collaboration. This is really necessary if we are going to address the complex problems that we have in the city at the scale in which they need to be addressed,” mentioned an organizational partner.

Two other principles emphasized in KIP:D design and implementation were community action and capacity building through its explicit requirement for observable and ongoing community engagement, as well as the adoption of a racial equity lens.

Organizational partners reported that they appreciated how Kresge and the KIP:D process pushed them to be more intentional in how they conducted community engagement, and how they thought about issues of racial equity in their project planning and implementation.

Organizational partners were encouraged to cultivate relationships with neighborhood social influencers and obtain community buy-in. In using these principles, an initiative can be responsive to the needs of the community at large. As new concerns emerge, the foundation can be nimble and sufficiently connected to modify strategy.

The COVID-19 era alone emphasizes how critical that can be. As the pandemic spread, Kresge’s organizational partners quickly identified basic needs in their neighborhoods. In turn, due to relationships with organizational partners, they quickly developed options for converting grants, including KIP:D funds, to operational support, giving the partners the liquidity they needed to serve urgent needs. Philanthropy, if it is to operate more equitably, needs to be diligent and responsive to community instead of rigidly holding partners to standards created for past contexts.



Photo: City of Detroit

LESSON 3

Start small and strategically.

It is the responsibility of foundations to be good stewards of their endowments. This includes developing initiatives that will maximize social impact and foster innovation, such as starting small — testing a model and taking it to scale strategically. KIP:D started small by funding organizations whose proposals reflected projects with some momentum, which might include established community relationships or a project that was “shovel-ready.” In later rounds, they subsequently branched out to organizations and groups that were newer to physical and/or community development.

Longtime professionals acknowledged and endorsed the fact that Kresge sought alignment between grantee and funder, especially in those first rounds. However, it was critical to remain in this state of safety. One of the problems noted in “Reimagining Philanthropy” is

that philanthropic organizations focus their investments on organizations they perceive as safe, non-threatening and structured in traditional ways.

Kresge moved beyond this by:

1. listening to grassroots and community development organizations about emergent movements and organizations;
2. purposefully partnering with low-resource organizations that were positioned to broaden their work to build the sector’s capacity; and
3. selecting projects that prioritized partnerships with grassroots organizations.

In being strategic, it is important that a foundation consider the community-level impact of their decisions. In the case of Kresge strategy for KIP:D, they separated planning and implementation grants, which allowed for project course correction prior to the more expensive implementation round.

Furthermore, while many planning grants were subsequently implemented (many with Kresge funds), at least one planning project did not lead to implementation. While the planning process helped build community, one negative consequence of not implementing was tension between neighborhood residents and the organization funded by Kresge.

According to one partner, “When a nonprofit raises community residents’ expectations but never delivers anything, the heat doesn’t really get back to Kresge; it gets back to these small organizations in these communities that are struggling to try to do the right thing for the people, and then they end up disappointing them. And now, all they got is to try to unravel all those negative feelings without any help from Kresge.”

Foundations should identify potential consequences of their decision-making and consider ways to mitigate their impact, including seeking the guidance of their organizational partners. For example, in our conversations with KIP:D partners, they suggested one way to mitigate the aforementioned consequences was to provide a smaller award to organizations to engage in further planning.

This example illustrates the benefit of seeking the guidance of organizational partners. Particularly, as the initiative evolves, foundations should take the lead from their partners, who are a direct witness to the impact of the foundation's work and its capacity for growth. In the case of KIP:D, one suggestion highlighted by Kresge's organizational partners was to pair more experienced leaders in community development with less experienced professionals to facilitate capacity building and assist in navigating city bureaucracy.

Partners also suggested Kresge facilitate neighborhood-level synergy across projects by working with partners to identify neighborhood-level project gaps and make future funding decisions to address them. These actions reflect a foundation's investment in local leadership and their expertise.

CONCLUSION

In conclusion, during this period of social upheaval and change, foundations have a critical role to play in moving the work of communities forward. By being a partner, adopting community organizing principles and acting strategically, foundations can support community development in an equitable way. Rather than relying on their own expertise, they can lean on the guidance of local leadership in a spirit of self-determination, which builds the capacity of communities to implement their vision for their neighborhoods.

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