
Social Justice Philanthropy: Can We Get More Bang for the Buck?

by Peter Dreier

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Private philanthropy's involvement in the nation's social and economic life raises profound questions about how society meets basic needs. Should certain things -- jobs, health care, housing -- be considered a right, guaranteed by society or a private good allocated by the marketplace? Should philanthropy promote government action or directly help those not well served by the private sector?

The current political climate is characterized by enormous ferment and discontent over the nation's economic and political direction. But this discontent is not well organized, nor is there a clear policy agenda around which to mobilize it in the political arena. There is a huge disconnect between what Americans are discussing at home, at work, and in their communities, and what passes for political analysis, discussion, agenda-setting, and mobilization in mainstream American politics.

Unions, community organizations, environmental groups, civil rights and women's organizations, faith-based organizations, and others have had limited success injecting environment and social and economic justice issues into the public debate. The American public lacks the means to forcefully inject these views into the political arena.

Americans are ideologically ambivalent about "big government." But in prag-

matic terms, they expect the public sector to meet people's needs; the vast majority of Americans want activist government.

It is quite evident from public opinion polls, focus groups and other efforts to tap the pulse of the public, as well as from the experience of "on the ground" activists and organizers, that the vast majority of Americans -- urban and suburban, across the racial and religious spectrum, and even among most income groups -- share what might be called this "populist" outlook. On key fairness and campaign reform issues, there is no ambivalence. Public opinion overwhelmingly supports liberal and even progressive remedies, but the 9/11 tragedy solidified Americans' recognition of the importance of government.

Americans are also suspicious of large corporations and those who run them. They are angry about: the cost of health care and medicine, lay-offs and stagnant wages and benefits, the fate of their pensions, and the safety of their workplaces and consumer goods. They are outraged by "crony capitalism" and the influence of corporate money on our political system. These attitudes are deeper than outrage at recent corporate scandals, and will not be pacified by putting a few "bad apple" executives in jail and/or enacting a few new regulatory laws.

THE UNLEVEL PLAYING FIELD

Why, given the reality of public opinion on these issues, have liberal and progressive policies made so little headway in recent years? A major explanation is that organizations promoting a progressive agenda lack financial, staff and media-access resources to translate public opinion into political influence and public policy.

Politics often boils down to a contest between organized people and organized

money. This doesn't guarantee that big business gets everything it seeks. It doesn't, as activists know, which gives progressives hope. But great disparities in financial resources mean that big money organizations have a significant advantage in electoral politics, determining research priorities, and getting issues and organizations in the media's line of vision. Progressive victories come when they can build a solid political base, forge key alliances, and out-organize the opposition.

THE ROLE OF FOUNDATIONS IN POLITICS

Martin Luther King wrote, "Philanthropy is commendable, but it must not cause the philanthropist to overlook the circumstances of economic injustice which make philanthropy necessary." Unfortunately, most foundations support the status quo, directing the vast majority of their resources to mainstream educational, cultural, and medical institutions that do not seek change or reform. Among foundations seeking to shape political debate and influence public policy, conservative funders are better organized and more strategic than their liberal and progressive counterparts.

After Senator Barry Goldwater's overwhelming defeat by Lyndon Johnson in the 1964 Presidential election, political and religious conservatives began planning a long-range offensive to capture the Republican Party and define a new agenda for American politics, one largely built around the "social issues" and an attack on activist government.

Early in the 1970s, the business community took steps to push wages down and generally weaken the position of American workers. They viewed what they were doing as a war of ideas and a battle over public policy. Their agenda was clearly articulated in *Business Week* in 1974: "It will be a hard pill for many Americans to swallow - the idea of doing with less so that big business can have more. Nothing that this nation, or any other nation, has done in modern eco-

nomics history compares in difficulty with the selling job that must now be done to make people accept this new reality."

For over three decades, conservative foundations mobilized large sums of money to strengthen the conservative movement's infrastructure, invest in and fund publications, endow university professorships, provide student internships, support advocacy organizations and think tanks, subsidize writers, scholars, activists and budding politicians, sponsor seminars for journalists and opinion leaders, underwrite corporate-funded awards for journalists, and regularly bring conservative funders, pundits and activists together to strategize.

Beginning in the late 1970s conservative policy ideas gained legitimacy in mainstream media, among opinion leaders, and with public officials. Attacks on welfare, affirmative action, progressive taxation, government regulation of business and other policies are a result.

Today, these funders are well-known to conservative politicians, think tanks, publications, advocacy groups, and the Religious Right network. Less visible than mainstream funders, the conservative foundations have greater influence, in part because they view their role as helping build a movement, not simply funding "projects" or direct service organizations.

Compared to their conservative counterparts, liberal and progressive grassroots organizing groups, think tanks and research centers, weekly and monthly publications providing news and analysis, student groups such as United Students Against Sweatshops and others operate on shoe-string budgets.

A few community, family, and even some corporate foundations participate in "social justice philanthropy." The large funders give only a small amount to progressive organizations; when they do it is typically on a highly selective, issue-by-issue, basis rather than one that looks toward building a larger progressive movement. This frustrates activists and

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many foundation program officers who would like their institutions to be more helpful building an effective movement for social justice. A handful of small foundations self consciously ally themselves with progressive organizations and devote all of their (relatively small) resources to these organizations, while mainline religious denominations continue to fund community organizing—as some of them have for 40+ years.

While many funded organizations do much good, the whole is considerably smaller than the sum of its parts. The following offers an explanation of why, and suggests some new approaches and directions for social justice philanthropy to more effectively build a movement that will significantly impact the nation's public policy agenda.

SIX STRATEGIC QUESTIONS FACING SOCIAL JUSTICE PHILANTHROPY

1. Why is the whole smaller than the sum of its parts? Fragmentation instead of movement building.

The past few decades of relatively small funding for progressive organizations have not built a powerful movement, as opposed to creating and sustaining particular organizations. There are important exceptions, such as the dramatic growth of "living wage" campaigns and "community reinvestment" (anti-redlining) efforts. But, generally, at both the local and national level, the whole is smaller than the sum of its parts.

There's significant community and issue-based organizing going on, but much of it is fragmented, isolated and uncoordinated. Even within specific issue areas like housing or immigrant rights, there's only loose cooperation at best. Most funded organizations are not part of larger networks and/or training centers. They focus on single issues (which can be effective) but rarely forge ties with groups working on other issues that affect the same people. In a few places, different single-issue groups have forged electoral and organizing coalitions; and separate community

organizing networks have agreed to work on joint projects. But, for the most part, progressive organizing groups are local, small and typically don't move beyond their narrow work, even if they are successful. At most, they participate in letter-head coalitions that don't develop strategy, tactics and long-term planning.

Most foundations supporting liberal and progressive groups are gun-shy about "movement building" -- investing in long-term infrastructure, in ideas, and in action. Generally, they support individual, locally-based, organizations rather than organizing networks and coalitions capable of working simultaneously at local, state and national levels, linking ideas and policy to organizing, juggling several campaigns simultaneously so that they are always in "motion," linking direct action organizing to lobbying and advocacy, connecting organizing with electoral activity, and surviving defeats and building on victories.

In contrast, conservative funders are more self-conscious and deliberate about "movement building." They make long-term investments in organizations to create a movement infrastructure. They fund organizing groups and advocacy groups as well as media work, policy formation, and "idea" research and publications. They recognize that the political climate changes slowly. Since the 1970s, this strategy has had incredible pay-off in shifting the ideological ground.

Moreover, these funders insist that different groups work together, despite their own schisms and egos. They have frequent gatherings where funders, organizing groups, lobby groups, and policy groups come together to strategize.

2. "Niche" funding or collaborating around common strategy?

Most social justice/progressive funders believe they need to demonstrate that their particular grants made a significant impact, creating some "value-added." Foundation boards and contributors want to see their grants "make a difference."

This is natural--donors, boards of directors and program staff have egos--but it results in perverse incentives. When a funder needs to "claim credit" for its share of a grantee organization's success rather than be part of a larger movement building effort, the funder looks for new issues and organizations rather than invest in existing ones with successful track records.

Further, grantees often need to demonstrate their "impact" in one-year cycles, even though movement-building takes much longer. This, too, makes it difficult for progressive funders to work together to forge a common long-range agenda.

Different funders could collaborate among themselves, and encourage collaborative work among progressive organizations. One barrier to collaboration among grassroots groups is that each group thinks it has to demonstrate its uniqueness to funders. Each group also fears--not unrealistically in most cases--that if different groups join together, each will get less than by going it alone. They view foundation support as a zero-sum game rather than as an expanding pie.

The failure to cooperate weakens the progressive movement's overall potential. For example: in a campaign on a statewide or national issue, it is critical to influence key "swing" legislators. One organization or network may not have a strong constituency in every "swing" district--but a coalition of organizations may have all or most bases covered, making victory possible.

Funders, instead, could encourage cooperative/collaborative work by providing grants for campaigns and strategies that bring groups together and suggest that each group would get more by working together on common campaigns and strategies. When appropriate, they could be neutral conveners for otherwise competing networks. This approach could (and in a few cases, already does) work locally, on a statewide basis, or even at the national level.

3. Funders are often fickle.

Foundations -- even social justice philanthropists -- are often fickle. Always looking for the "new improved" program, method or approach, they rarely make long-term investments in organizations, networks of organizations, or movements.

Grassroots organizations "hustle" to stay abreast of changing funding "fads." They can't depend on steady funding to hire staff and build organizations. To fund their work, grassroots groups (as well as progressive think tanks and publications) have to write grant proposals to multiple funders--most of which have different criteria, forms, deadlines, reporting requirements, etc. This combination makes it difficult for progressive organizations, networks and movements to concentrate on their work and build for the long haul.

In politics, there are no quick fixes. Any serious effort to enact important public policy to benefit the poor and almost-poor will require a long-term strategy. Organizations need resources to carry out long-term campaigns, take risks, build on victories and overcome defeats, recruit new staff and train new leaders, influence media, engage in research, etc. They cannot do this if they are constantly worried about next year's funding.

The obvious solution is to make long-term grants to organizations that have an effective track record and well-designed expansion plans. This can be viewed as "investing" in a progressive organizational infrastructure, and working collaboratively with effective organizations. They should not have to constantly "prove" themselves to win another round of funding. If funders work collaboratively and strategically with their grantees, they will ultimately feel (and be) more effective over the long haul.

4. Are progressive funders afraid of success? Is small really beautiful?

Many funders don't understand organizing and coalition-building -- how difficult

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it is to build a mass base and forge ongoing coalitions, and how critical having these is to successfully changing public policy. Funders are often unable to distinguish between effective grassroots organizations and groups that, despite dedication and commitment to social justice, are not effective at building organizations, developing leaders and mobilizing effective campaigns. Funders could short circuit a lot of proposal-writing by making grants in proportion to the number of dues-paying members (or other evidence of constituent support) each organization can verify.

Funders have to support new and emerging groups and take some risks, but what is the appropriate mix? Should social justice philanthropy continue to give lots of small grants to many groups, or should it shift some investments toward large grants to fewer organizations? This is a difficult question.

There are good examples of small "seed" grants to fledgling groups that later blossomed. Liberty Hill Foundation's initial small investment in the Los Angeles Living Wage Coalition (LWC) paid off big-time. The LWC became a very effective group, and, under its new name, the Los Angeles Alliance for a New Economy (LAANE), expanded its mission and became a model of exciting organizing and advocacy. But this isn't typical. If we look at most groups supported by social justice funders over the last 10 or 15 years, they have disappeared or continue to limp along as small-scale efforts.

Some funders simply get "tired" of funding the same organizations, who keep coming back year after year for more support. They think those organizations are already successful, received considerable funding, and should "go away and stop bothering us." This is because of the "next big thing" attitude mentioned above. Incentives such as peer support and approval from their bosses promote this behavior, along with the generally entrepreneurial tendencies of many program officers. Ironically, some effective grassroots organizations and networks

pay a penalty for their success. It often becomes easier to justify making a bet on a "small but promising" new organization than on supporting the "same old" thing, especially if it has a track record, which means it is no longer a blank slate and inevitably has done something that can be criticized. Longevity is somehow tainted -- a group has become "institutional" -- rather than a sign that the organization is meeting the needs of its constituents and has developed a sustainable model.

Many funders do not understand the "network effects" of supporting local organizations that are linked to a national (or statewide) organization that can engage in complex work. But complexity is required to juggle several different issue campaigns, work at the local, state, and national levels at the same time, and work independently in some campaigns and collaboratively with other organizations in others.

Grassroots community organizations that organize poor, working class and even middle-class people cannot survive on dues alone. Community groups have no equivalent to union dues "check-offs." Even the most successful community groups need outside funding. Funders expecting grassroots groups to become self-sufficient after a few years are deluding themselves.

5. Are we building a majoritarian movement for social justice?

This thorny and controversial topic must be confronted. It is important for relatively powerless groups in society -- those marginalized economically, socially, and politically -- to have a strong voice in our political system and within movements for justice. In a democracy, every group should be able to pursue its interests, but building a movement that will change the national agenda requires organizations working for social justice to find more common ground.

The problem is not simply the obvious self-destructive tendencies of some parts of the Left -- such as the Green Party run-

ning a candidate against Senator Paul Wellstone. Lacking economic advantages, progressive organizing must take advantage of the power of numbers. Is social justice philanthropy too tilted toward funding groups that, as a matter of organizing or ideological preference, are reluctant to help build a majoritarian movement? Strategic questions must be answered to build a lasting movement that will change conditions for the 11% of the population who are officially defined as "poor." Without allies, can the "poor" significantly change their economic circumstances? And what about the bottom half or even two-thirds of the population who are slipping downward? Is it possible to reverse concentrated wealth and income without a majoritarian movement? Perhaps more fundamentally, can the erosion of democracy be reversed, and real participation in political life strengthened, without such a movement? Addressing these issues requires significant power, not simply "empowering" marginal groups that act in isolation.

In theory, we recognize that to be effective, organizations of poor people must be part of broader coalitions and movements. We justify support for these organizations by saying that they must be strong enough to have a "voice" in broader coalitions. But, in reality, this rarely happens. We should look at "best practices" of groups that organize the poor to participate in broader movements without getting their issues ignored and their leaders coopted. This requires strong and self-confident organizations. ACORN's recent work in LA with the Housing LA Coalition -- which got the city to adopt a \$100 million annual housing trust fund -- is a good example.

6. What about labor?

In general, foundations, including progressive social justice-oriented funders, do not fund unions. Perhaps this is understandable. Unions have considerable resources--particularly when compared with other components of the progressive wing of American politics. Most funders fail to understand that organized labor's

institutional capacity and resources are central to building an effective progressive movement. Thus, they do very little to promote collaboration of progressive community, environmental, immigrant rights and other organizations with unions, or to help change the political climate so that unions can be more effective.

An effective movement for social justice requires a strong labor movement. Evidence from Canada and Europe, for example, shows that labor has been the key factor in addressing issues of poverty, inequality and political empowerment of society's have-nots. There, public policy promotes "universal" benefits that encourage solidarity across income lines and discourage the divisions and balkanization of constituencies that hampers organizing in the U.S.

But even in the U.S., where unions represent only 14% of workers, the labor movement is more responsible than any other group in electing liberal and progressive candidates who, in addition to being generally supportive of labor issues, are also consistent supporters of economic and environmental justice and civil liberties, though some may disagree on an issue like abortion."

Much of the most effective and exciting organizing taking place in the US today is by labor unions adopting strategies and tactics of civil rights and community organizing groups to mobilize low-wage workers (often women), immigrants, or racial minorities. This revival of "social" unionism is not yet a major trend, but it is an important development. Several community organizing networks -- particularly ACORN and the Industrial Areas Foundation -- have, over the past decade, built effective local coalitions with unions around "living wage" campaigns. The IAF affiliate in Baltimore (BUILD) and an AFSCME local, with support from the national union, organized the first successful living wage campaign. The "network effects" of these campaigns have been significant. What began in one city less than a decade ago has blos-

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somed into many local campaigns with the potential to make adequate income-for-all a national issue. The success of local living-wage campaigns helped build pressure to increase the federal minimum wage and expand the Earned Income Tax Credit. U.S. Action, a network of statewide citizen groups, has worked closely with unions and seniors groups on campaigns for health care access and prescription drug benefits. Recently, thanks to close ties between immigrant rights groups and unions in Los Angeles, the AFL-CIO reversed its position on amnesty for undocumented immigrants and put this issue on its political agenda.

A central strategic issue for the U.S. progressive movement should be to help strengthen organized labor -- in part by helping change the legal ground rules that undermine organizing. Organized labor faces more legal obstacles in the U.S. than in any other democratic country -- especially laws pertaining to union organizing drives. Had labor law reform passed in 1978, rather than barely being defeated, much of the right-wing agenda would not have gained the momentum it did in the years since. Today, labor law reform should be at the top of the agenda for progressive funders and progressive activists. A weakened labor movement is not only a problem for unions; it is a problem for other sectors of the progressive movement as well.

CONCLUSION

The basic rules of American politics -- labor-management relations, voter registration opportunities, campaign financing -- are biased in favor of the wealthy and big business. Progressives face an uphill battle, but progressive grassroots movements have won, and can continue to win, important victories if they have the resources and strategic savvy to out-organize their opponents. Social justice funders have a moral obligation to make that task easier.

For Further Exploration on:

Foundation funding:

The National Committee for Responsive Philanthropy has long been raising many of these questions. Its patient work established the basis to consider this article's ideas. The State Strategies Fund (<http://www.funder.org/grantmaking/ssf>) has excellent guidelines for funders interested in promoting effective progressive organizing and coalition-building. Readers may further explore the discussion of the role of conservative foundations in Beth Shulman, "Foundations for a Movement: How the Right Wing Subsidizes Its Press," *EXTRA!*, March/April 1995; Sally Covington, *Moving a Public Policy Agenda: The Strategic Philanthropy of Conservative Foundations*, Washington, DC: National Committee for Responsive Philanthropy, 1997; *Buying a Movement: Right-Wing Foundations and American Politics*, Washington, D.C.: People for the American Way, 1996.

Labor and labor law reform:

Gary M. Fink, "Labor Law Revision and the End of the Postwar Labor Accord," in Kevin Boyle, ed., *Organized Labor and American Politics, 1894-1994: The Labor-Liberal Alliance*, Albany: SUNY Press, 1998; Richard Rothstein, "Toward a More Perfect Union," *The American Prospect* vol. 7 no. 26, May/June 1996.

