Reflections on a Decade
OF BUILDING JUST AND
CARING COMMUNITIES

lessons learned by the
**MARY REYNOLDS
BABCOCK FOUNDATION**
1994–2004

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INTRODUCTION: THE WORK OF BUILDING JUST AND CARING COMMUNITIES

BUILDING JUST AND CARING COMMUNITIES IN THE SOUTH HAS BEEN THE STATED MISSION OF THE Mary Reynolds Babcock Foundation for a decade now, increasing the resources and support for nonprofits and communities across the region working to achieve that same mission. In 2004, the Board of Directors and staff of the Foundation undertook a time of reflection to assess the overall picture of progress and to examine the work the Foundation and its grantees had undertaken in the previous decade. The goal was to capture as much knowledge as possible and integrate that knowledge into the Foundation's and its grantees' future work on the enduring challenges of racism and poverty in the Southeastern United States.

A decade covers a substantial amount of work, and the knowledge generated reflects it. This paper is a distillation of several documents produced by the Babcock Foundation and its partners over the past decade. These resources (listed in Section 5) are available in the Resources section of the Babcock Foundation website, www.mrbf.org.

People working in communities and those supporting their work will find helpful insights on strengthening their programs and organizations as well as their relationships with each other. Grantmakers may gain a deeper understanding of ways to support social and economic justice work and of the impact that an open, mission-driven approach to such investing can have on the grantmaker and grantees alike. Those involved or interested in social justice and community-building work will find an array of ideas and experiences that may broaden their knowledge of what helps and hinders such work.

The significance and clarity of the reflections herein are the result of long, hard work by the people striving to build just and caring communities throughout the Southeast. The Foundation's mission resonated with people already working through scores of organizations to achieve the same outcomes. The knowledge summarized in this paper is mined from the efforts and experiences of these dedicated, thoughtful people and the Foundation's board and staff.

To each and every one of our partners on this journey, we express our abiding respect and appreciation. As always, we expect to hear from you regarding what we got "right" about our collective lessons and where we missed the mark. Reflection is a critical tool for both celebrating progress and improving our effectiveness.

Three people who inspired and lived this work with us have passed on. With love and gratitude for their lives, we dedicate these reflections to:

- *Kenneth Jones, who shared his passion for life, laughter, truth-telling and justice with us as a consultant from 1999 to 2004.*
- *Rich Preyer, who contributed his quick wit, sharp intelligence, great stories, and wise judgment to us as a board member from 1973 to 2001.*
- *George Silcott, who mentored us on life and organizational development with wisdom, gentleness and good humor from 1995 to 2002.*

Kenneth, Rich and George blessed the Babcock Foundation family with their friendship and good work. Their steadfast hope for a more just and caring world continues to inspire and guide us.

OVERVIEW OF THE BABCOCK FOUNDATION'S WORK FROM 1994 TO 2004

IN 1994, THE FOUNDATION DEVELOPED A NEW MISSION AND IMPLEMENTED A NEW APPROACH TO its work, as reflected in its Statement of Purpose and Values:

The Mary Reynolds Babcock Foundation concentrates on assisting people in the Southeast to build just and caring communities that nurture people, spur enterprise, bridge differences, foster fairness and promote civility. We are deeply troubled by the debilitating impact of persistent poverty and racism on the human spirit and on community life in our region; therefore we seek demonstrable progress in areas where poverty prevails and race divides.

Throughout our region, individuals of creativity and passion are tackling society's toughest problems in new and hopeful ways. They are fostering responsibility and power in individuals to improve their own lives and contribute to the common good. They are reaching out to include a broader range of people, especially those with the least voice and power in society, to participate in resolving public issues. And they are building bridges across lines of difference, especially race and class, to strengthen community life and overcome persistent poverty.

The Babcock Foundation seeks to support these people and their organizations as they work in communities. We share their bedrock commitment to democracy, justice, and compassion. We see community not only as a place, but also as an essential force in overcoming the deepest problems of our times, for community is where fundamental relationships among family, neighbors and strangers are either nurtured or diminished.

The Foundation will place special emphasis on community-building that seeks to assure the well being of children, youth and families; bridge the fault lines of race and class; and invest in communities' human and natural resources.

This Statement of Purpose and Values accomplished several things. It emphasized the Foundation's commitment to the Southeastern United States and clarified the Foundation's goals and values for board, staff and potential grantees. It provided a voice for and legitimacy to those in the region who work to build just and caring communities in the face of poverty and racism. It brought to the forefront significant issues in our region and motivated some new actors to address them.

Within the Foundation and among its grantees, this new mission and approach yielded additional achievements. Acting inclusively became a necessity. Building a culture and practice of capacity building for organizations and individuals became a priority. Promoting synergy among program areas became a significant strategy for maximizing effectiveness. Purposeful reflection on achievements and challenges and then implementing the lessons learned became powerful tools for improving our collective work.

Between 1994 and 2004, the Foundation's resources were concentrated in four primary grantmaking areas.

1 *The Organizational Development program supported the intentional work of organizations to build internal capacity to be more effective in achieving their missions and sustaining themselves over the long term. The program was deliberately diverse, including organizations that were large and small, new and established, local and regional, and that used different approaches to building just and caring communities.*

2 *The Community Problem Solving program supported local coalitions working across lines of race and class on community issues in ways that built lasting and inclusive problem-solving capacity in the community. Coalitions included formal and informal alliances of organizations and individuals that represented diverse stakeholders in the issue.*

3 *The Grassroots Leadership Development program supported leadership development in and through grass-*

roots organizations. Organizations supported were committed to local communities and included people served by the organizations in leadership roles. The program also supported the engagement of grassroots leaders in state and local policy, a learning initiative to improve practice, and challenge grants to community foundations to leverage local investment in grassroots leadership development.

4 *Enterprise and Asset Development focused on building assets for low-wealth people and communities by increasing entrepreneurship and access to living-wage, career-ladder jobs.*

The Foundation also made special grants to nurture and increase the capacity of key regional or statewide organizations and networks.

The Babcock Foundation had a clear rationale for these four strategies. The Foundation's board maintained that it was essential to address racism and persistent poverty in order to build just and caring communities. To address the challenges of racism and poverty, communities needed inclusive and committed grassroots leadership, the ability to organize collectively for long-term work, strong and sustainable community-based organizations, and access to economic opportunity. Communities also needed to work across the fault lines of race and class to change systems and policy.

IMPACT

DURING THE FIRST 10 YEARS OF THIS MISSION, THE FOUNDATION'S GRANTEES ACHIEVED SIGNIFICANT accomplishments. The first is the most important: grantees had a significant impact in their local communities. Despite the region's tumultuous economy, many community members found their lives stabilized or improved as a direct or indirect result of work by organizations supported in part by the Babcock Foundation. Also, programs, practices, and policies related to overcoming racism and poverty improved in myriad ways.

The second significant accomplishment was deeper relationships and connections among formal and informal networks of organizations working to address racism and poverty. This was a result of the Foundation's understanding that to be most effective, grantees need more than just funding. The Foundation convened grantees for learning and networking, gleaned and shared lessons, and connected grantees to other resources. Grantees achieved broader and deeper impact when they took advantage of these multiple resources to strengthen their organizations, and when networks of organizations worked together to achieve specific goals for overcoming racism and poverty. Some networks were pre-existing, but others emerged over the past decade.

> **Grantees achieved broader and deeper impact when they took advantage of these multiple resources to strengthen their organizations, and when networks of organizations worked together to achieve specific goals...**

This report focuses on lessons and challenges rather than impact. Examples of impact by grantees appear in sidebars. More information on grantees is available at www.mrbf.org. The Babcock Foundation measures its impact over the past decade by both grantees' impact in their communities and by the increased capacity for effectiveness and sustainability that individuals and organizations have gained through Babcock Foundation investments.

SECTION 1: REFLECTIONS ON THE BIGGER PICTURE *OVERARCHING LESSONS FROM THE EXPERIENCES OF GRANTEES AND THE FOUNDATION*

OVER THE PAST DECADE, THE BABCOCK FOUNDATION CONTINUOUSLY REFLECTED ON OUR grantees' achievements and challenges, on progress toward achieving our mission, on our work as grantmakers, and on economic and social conditions in the South. We gathered knowledge in typical and atypical ways, including grantee reports, documentation teams, and participating in our grantees' peer learning networks. We included the Foundation's organization and work as a subject of our reflection, as well. Over time, several lessons emerged as themes across all of our program areas.

Organizational Development, Community Problem-Solving across race and economic lines, Grassroots Leadership Development, and Enterprise and Asset Development each contribute to tangible community improvements; impact is greater when two or more of these strategies are combined and when organizations work together.

members advocating for their rights. Grassroots Leadership Development grantees increased the number and capacity of residents equipped to assume leadership roles in a wide range of community improvements and public policy changes. And Enterprise and Asset Development grantees supported low-wealth entrepreneurs who opened new businesses, provided dozens of small business loans, and built local networks to train low-income workers and place them in living-wage jobs with career ladders.

OVERARCHING LESSONS

~ **Organizational Development, Community Problem-Solving, Grassroots Leadership Development, and Enterprise and Asset Development each contribute to tangible community improvements; impact is greater when two or more of these strategies are combined and when organizations work together.**

~ **Context—within the grantee organization, its community and constituency, its field of work, and its greater socioeconomic and policy environment—has to be taken into account in order for placed-based strategies to work.**

~ **Strong and effective state and regional infrastructure that supports nonprofits and promotes networking for greater impact is a key component in nonprofits' continual progress in achieving their missions.**

~ **Peer networks are effective learning vehicles and sources of moral support for people working to build just and caring communities.**

Grantees in every program area contributed to tangible community improvements. Many Organizational Development grantees increased their effectiveness in achieving their missions in areas ranging from affordable housing to environmental justice to community economic development. Community Problem Solving coalitions collaborated on a variety of opportunities and challenges, with the results including more racially equitable schools, programs to break the cycle of poverty for children and families, and more community

Organizations that combined strategies and worked with others on common goals achieved greater impact. For example, in several states, networks of grassroots, community-based organizations and statewide organizations joined forces to develop grassroots leaders' skills at policy advocacy on issues related to building assets in low-wealth communities. At the same time, each organization carried on its own work to make people's lives better and invested in its own organizational development—all the time working across race and economic differences. The results show that impact is compounded by strategic networks of activity.

Context—within the grantee organization, its community and constituency, its field of work, and its greater socioeconomic and policy environment—has to be taken into account in order for place-based strategies to work.

Context—the whole context—is a determining factor in grantees' ability to achieve social change. Every grantee's context is different because they have different missions and are different organizations made up of different people working in different communities with different histories, socioeconomic conditions, laws, and resources. It is a messy, changing picture that is difficult to figure out. For example, the context for working on racial justice issues in Jackson, Mississippi is radically different from the context for the same issue in the mountains of West Virginia. The same strategies and the same grants won't achieve the same impact in these two places. Both the grantmaker and the grantee have responsibilities for helping each other figure out context and helpful investments for placed-based strategies to be successful.

Strong and effective state and regional infrastructure that supports nonprofit organizations and promotes networking for greater impact is a key component in nonprofits' continual progress in achieving their missions.

Community-based nonprofit organizations are often under-resourced, over-burdened, miss opportunities for productive collaboration, and have little opportunity to reflect on their work or research different ways of doing it. Nonprofit organizations have to be strong, sustainable and networked to be effective. This requires public and private investment and infrastructure organizations at the community, state, regional and national levels. For example, strong state and regional associations of nonprofits and field-specific networks (e.g., community development or youth leadership) can provide

access to new ideas, funding streams, information clearing-houses, training, advocacy for enabling legislation, and collaborations to leverage impact. Organizations need these structural supports to be effective over the long haul.

Peer networks are effective learning vehicles and sources of moral support for people working to build just and caring communities.

PEER LEARNING NETWORKS WORK!

The 150-200 people attending MRBF's annual Organizational Development Gatherings come from communities in the Deep South and Mississippi Delta, from the hills and hollers of Appalachia, from cities and small towns across the region, and from new immigrant communities. They include veteran civil rights and environmental activists as well as people new to the work with fresh ideas. Their ways of making their communities more just and caring are widely diverse: improving public education, stopping mountain-top removal mining, securing services and rights for new immigrants, building affordable housing, and more. Ten minutes in the room and you know two things: they would never agree on specific community change strategies or even a common analysis of community problems, but they do share a set of core values around justice, equity, and inclusiveness. This translates into an incredibly rich learning environment at the Gathering, and occasionally into action outside the Gathering.

We are awed and humbled by the expertise and ability of the people on the boards and staffs of our grantee partners. While we have understood the value of outside technical assistance, we have found peer learning networks and gatherings to be effective learning vehicles that offer numerous additional benefits. Peer networks of organizations that share common purpose and values but have different capacities and approaches enrich mutual learning.

Peer learning networks and gatherings are not just contact lists of people in the same program area or conferences where

grantees come to listen to outside experts. Peer learning networks focus on practitioners teaching to, learning from, and reflecting with each other based on their own experiences and expertise. The networks and gatherings reduce the isolation experienced by many in community nonprofits. They foster the interpersonal relationships that result in moral support in the long-term and tiring work for social and economic justice. They provide external legitimacy for the people and organizations that sometimes struggle to be recognized or heard in their own communities. Peer networks and gatherings also provide a time and place for beginning collaborative projects that can result in greater impact for all involved.

SECTION 2: REFLECTIONS ON INDIVIDUAL PROGRAM AREAS *LESSONS FROM ORGANIZATIONAL DEVELOPMENT, GRASSROOTS LEADERSHIP DEVELOPMENT, COMMUNITY PROBLEM-SOLVING COALITIONS, AND ENTERPRISE AND ASSET DEVELOPMENT*

THE FOUNDATION'S APPROACH TO ACHIEVING ITS MISSION CENTERED ON FOUR RELATED PROGRAM areas from 1994 to 2004: Organizational Development, Grassroots Leadership Development, Community Problem Solving, and Enterprise and Asset Development. The Foundation's rationale for this set of program areas was that significant progress on persistent problems such as poverty and racism requires long-term, complex solutions. Essential ingredients for workable solutions are the involvement of grassroots leaders who are part of strong, effective, community-based organizations that, in turn, can participate in coalitions that cross the faultlines of race and class to improve their communities. And building economic assets is the fundamental route out of poverty.

Many grantees had missions encompassing two or more of Babcock's program areas. The majority of grantees received support through just one Babcock program, but a good num-

ber participated in two or more. Where grantees participated in two or more Babcock programs, the goal was to increase the impact and effectiveness of the grantee's work from multiple angles. The grants were designed to reinforce and leverage each other, increasing community impact. Reflecting on the individual program areas brings to light some of the more nuanced lessons in these complementary but distinctly different approaches.

LESSONS FROM ORGANIZATIONAL DEVELOPMENT

Organizational Development has been a cornerstone of Babcock Foundation grantmaking since 1994. It has proven to be a wise, strategic investment for a foundation that seeks to have lasting impact in a region. 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.

MRBF defines organizational development (OD) as *the intentional work of an organization to build its internal capacity to be more effective in achieving its mission and to sustain itself over the long term.* Organizational Development grants took one of four forms:

~ *Grants for OD only to organizations that shared the Foundation's purpose and values;*
~ *OD support integrated into or as a complement to a grant in another program area;*

~ OD and operating support grants for small, local organizations developing grassroots leaders; and

~ grants to strengthen organizations that were key to building state or regional capacity.

The Foundation also supported organizational development beyond funding by providing an annual gathering for OD grantees, access to a resource "broker," and organizational assessments to help grantees focus on their most critical OD needs.

Foundation staff, grantees and consultants developed the OD framework (below) to guide collective learning about organizational development.

Organizational Development's payoff is increased effectiveness in achieving mission.

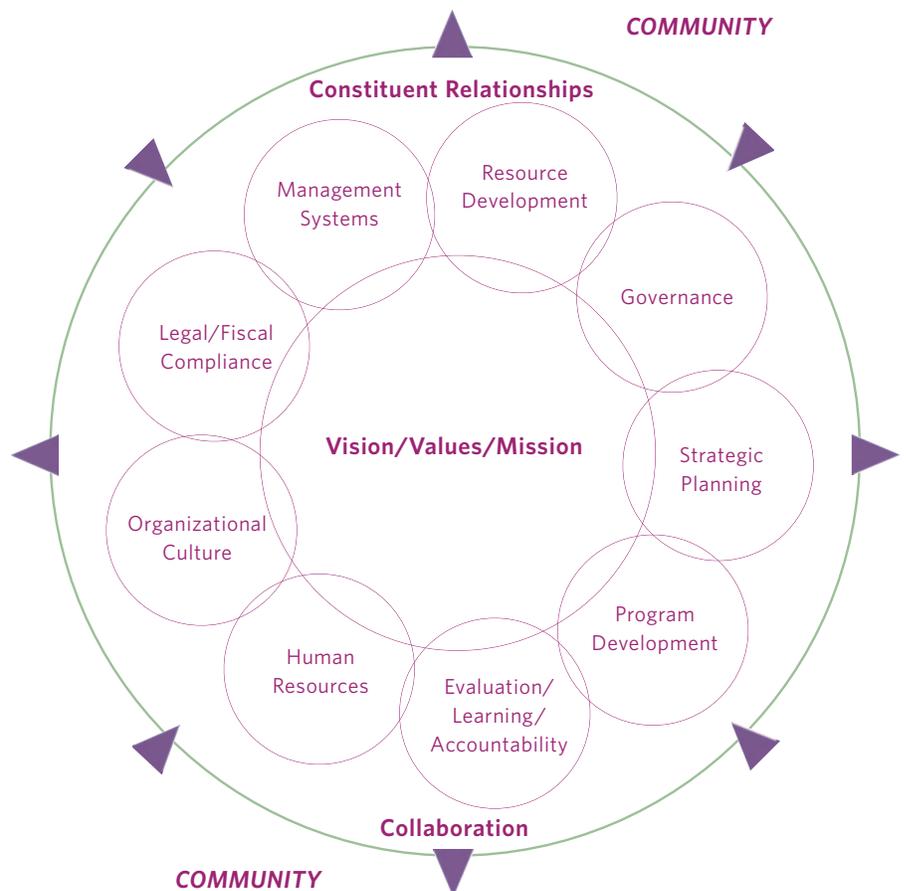While many organizational leaders understood the importance of OD work, other board and staff members thought it was a luxury given the urgency they feel in working toward their mission. OD is not easy to evaluate, so projecting benefits of OD did not always result in a convincing argument. However, when reluctant board and staff members began to see the payoff to their bottom line—increased impact related to their mission—they became converts. Grantees have credited their organizational development work with ensuring their survival through financial and leadership crises, improved programmatic impact, and increased resources to sustain or grow their impact.

To be sustainable, OD has to involve a critical mass of staff and board and challenge deeply-held norms in their organization's culture.

OD work that is limited to staff development for the executive director or staff time on fundraising without changing the board's involvement will not yield long-term change. A critical mass of individuals on the board and staff needs to invest time in strengthening the organization. Having more

ORGANIZATIONAL DEVELOPMENT FRAMEWORK, CORE COMPONENTS OF AN EFFECTIVE ORGANIZATION

The diagram attempts to capture the interrelationships of the core components and their alignment with the vision, values and mission, which is the core of the organization. The organization's relationship with its constituents and its collaboration with other community groups form the "line" between the organization and its community. This line is permeable, reflecting the impact of the organization on the community and vice versa.

COMMUNITY

Constituent Relationships

Management Systems

Resource Development

Governance

Legal/Fiscal Compliance

Vision/Values/Mission

Strategic Planning

Organizational Culture

Human Resources

Evaluation/ Learning/ Accountability

Program Development

Collaboration

COMMUNITY

people involved increases the chance that improvements will survive the departure of any one key leader. There is even a wider ripple effect within the community when individuals apply what they have learned about organizational effectiveness to other organizations in which they are involved.

Organizational board and staff members must understand and deal with issues of race and class inside their organizations in order to work effectively internally and to collaborate with other organizations. Several of the Foundation's grantees were fighting institutional racism within their communities, only to discover that they had perpetuated aspects of the dominant culture in their own organizations with low salaries, poor benefits, little opportunity for staff development and limited roles for grassroots leaders. Addressing such internal challenges make organizations healthier and strengthen their ability to challenge racism in their communities.

Where an organization is in its life cycle can help determine the most effective OD strategies to strengthen it.

Organizations have natural life cycles, including stages for starting up, growing, sustaining, renewing, and declining. OD work is necessary at every stage, but different circumstances call for different approaches. An organization in the start-up phase may focus on getting priority programs underway but have informal board structures because of deep constituent relationships. As that organization moves into the growth stage, it must formalize how the board works and how programs are delivered, while thinking about new ways to stay accountable to its constituents for program evaluation and development. At the sustaining phase, internal operating systems typically need strengthening and the organization must pay attention to future leadership and sustainable funding. In the renewing or declining phases, the board and staff must deal with leadership transition and keeping the organization's mission and strategies relevant to its constituency. Organizations often need help in assessing where they are in the organizational life cycle because it requires digging beneath the apparent needs to determine the most critical underlying OD issues.

Resource organizations and consultants are valuable but must be attuned to the unique needs and culture of grassroots groups.

Most grassroots organizations are founded by leaders who are passionate about and personally affected by the issue addressed by the organization. These organizations have very limited financial resources to address chronic or acute crises in their communities. While the leaders may develop promising programmatic strategies, they often have little or no experience with developing strong, sustainable nonprofit organizations.

Mainstream nonprofit management consulting is not particularly well-suited to the needs of grassroots groups in low-wealth communities due to its highly professionalized orientation and high cost. In the Southeast, a small but growing network of resource organizations and consultants attuned to the organizational needs and culture of grassroots groups and their communities helps grassroots leaders maintain their passion and vision while focusing their energy on achieving goals and building sustainable organizations.

THE POWER OF ORGANIZATIONAL DEVELOPMENT

The North Carolina Justice Center was created from a merger of two organizations that were threatened by a change in federal funding for legal services programs. Leaders credit their OD grant with providing "the focus and resources needed to guide the two groups through a systematic process that transformed potential ruin into the creation of a new and dynamic model nonprofit." The Center is a leading research and policy organization in NC and has been a key policy advocacy partner for organizing grassroots coalitions addressing living wage and anti-poverty issues.
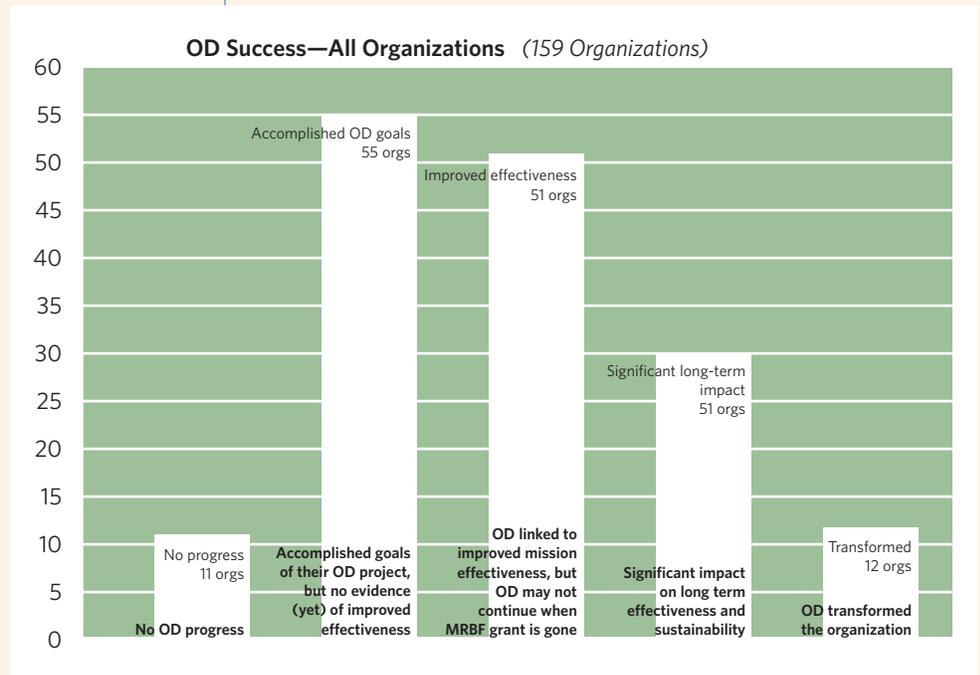
Investments in OD leverage the impact of other foundation grants.

The Foundation and many of our grantees came to have a keen appreciation of the power of organizational development to increase the impact of an organization's work, regardless of the Babcock Foundation program area in which a particular grant was made. We encouraged applicants to incorporate organizational development in grant proposals in all of our programs, and we engaged grantees across all program areas in relationships and learning opportunities focused on OD. The fact is, organizational development leverages the impact of grants by increasing the impact of organizations' work and strengthening organizations for the long haul so they can continue to advance social and economic justice. The power of organizational development and its necessity across Foundation program areas is reflected in the lessons in each of the remaining program areas discussed.

Results from investment in OD vary widely, depending on the factors named above.

After ten years and support to over 159 organizations, the Babcock Foundation learned that the impact of OD grants on individual organizations varied widely. We assessed OD impact on a continuum of progress, rather than in absolute terms of "success" or "failure." Taking a longer-term view is also helpful in evaluating the impact of OD grants: Today's modest impact in a start-up organization may plant seeds among key board and staff members who apply lessons that result in significant impact years later. On the other hand, today's success at strengthening an organization can be threatened when a founding executive director leaves (or refuses to acknowledge that it's time to leave) or when major funding streams suddenly dry up. Results vary from organization to organization and from time to time, arguing for continuous
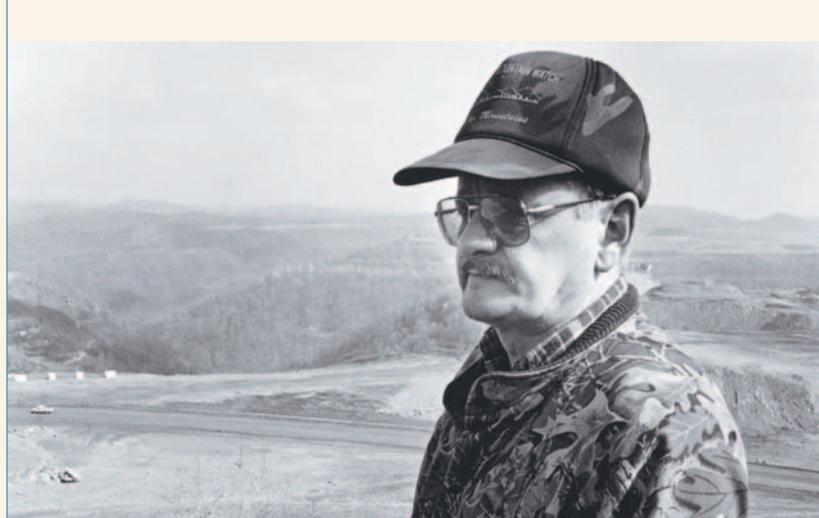
attention to organizational development and for foundation investments at critical times for important nonprofit partners.

OD Success—All Organizations (159 Organizations)

- No progress — 11 orgs — **No OD progress**
- Accomplished OD goals — 55 orgs — **Accomplished goals of their OD project, but no evidence (yet) of improved effectiveness**
- Improved effectiveness — 51 orgs — **OD linked to improved mission effectiveness, but OD may not continue when MRBF grant is gone**
- Significant long-term impact — 51 orgs — **Significant impact on long term effectiveness and sustainability**
- Transformed — 12 orgs — **OD transformed the organization**

For more on OD from the perspective of organizational leaders, see *A Framework for Organizational Development: The Why, What and How of OD Work* by Ann Philbin and Sandra Mikush, available at www.mrbf.org.

LESSONS IN GRASSROOTS LEADERSHIP DEVELOPMENT

The Mary Reynolds Babcock Foundation implemented its *Grassroots Leadership Development Program* to support grassroots leaders in low-wealth communities to improve their own lives and their communities. The Foundation defines

REGIONAL OD NETWORK EMERGES

Fifty people are at the core of the Southeastern Organizational Development Initiative (SODI), an emerging network of OD practitioners, nonprofits and funders from across the region. SODI leaders are planning ways to increase access to high-quality OD support for underserved grassroots groups and honing their own skills around the "Fusion Model" of OD developed by Jennifer Henderson of Strategic Interventions. They recognize the critical link between developing "back office" strength like financial management and human resources, "core business" capacity such as community organizing or community economic development, and "context" that keeps external and internal work of the organization congruent with the central values of the organization. Many SODI leaders have emerged from the grassroots groups, regional support organizations and peer and expert consultants in the Babcock OD network. They envision a healthy infrastructure to support social and economic justice organizations across the region and increase their impact and sustainability.

For detailed lessons and reflections, see GLD resources in the Appendix, especially *Fertile Ground: Reflections on Grassroots Leadership Development*, by MDC, Inc. and available at www.mrbf.org.

Grassroots leadership development work by small, community-led organizations can increase organizations' impact.

grassroots leaders as people rooted in their communities and working through community-based organizations to achieve results in low-income communities. Grassroots leaders and organizations are accountable to and draw support from fellow residents.

Since 1998, the Foundation has supported grassroots leadership development (GLD) in several ways. Grassroots organizations making community improvements and developing leaders received grants for general support and organizational development. The Grassroots Leadership Development Learning Initiative was a four-year initiative with 17 Foundation grantees to strengthen their grassroots leadership development work. The Foundation also supported clusters of grassroots organizations and statewide intermediary organizations focused on cultivating grassroots leaders to engage in state policy. Finally, the Foundation invested in community foundations to leverage local investments in grassroots leadership development. In addition, many organizations that received support through the Foundation's other grants programs also intentionally nurtured grassroots leaders in low-wealth communities.

Small community-led organizations developed individual leaders for community change through the way they did business every day, and often not through formal "leadership programs." Most grassroots organizations needed help with the basics: a focused and effective program of work, community organizing, board development, fundraising, basic bookkeeping. Given that many of these organizations were constantly drawing in new grassroots leaders as volunteers, board members and staff, learning and practicing these organizational and organizing skills was grassroots leadership development. And as their organizations got stronger, grassroots leaders who once only focused on a single problem were better positioned to participate in broader community change efforts. Organizations were more effective in achieving their missions because they had a broader and deeper pool of community leaders.

A wide variety of organizations can be effective at grassroots leadership development as a strategy for achieving their social justice missions.

LESSONS IN GRASSROOTS LEADERSHIP DEVELOPMENT

~ Grassroots leadership development work by small, community-led organizations can increase the organizations' impact.
~ A wide variety of organizations can be effective at grassroots leadership development as a strategy for achieving their social justice missions.
~ A clear understanding of how leadership development fits into the organization's goals and strategies is critical.
~ Effective GLD approaches incorporate "Ten Tenets," with these principles playing out differently in different communities and organizations.
~ Effective grassroots leadership development requires approaches, materials and skills customized to the local context.
~ Effective grassroots leadership development challenges the power status quo in organizations and communities.
~ Partnerships between organizations developing grassroots leaders and state policy organizations are necessary but difficult because of differing approaches to their work and views on power and the status quo.

For folks whose neighborhoods are crumbling or whose streams are being filled with polluted runoff, taking time to consider "outcomes" or "strategy" can feel like a waste of time. Likewise, grassroots organizations are constantly balancing the need to develop leaders for the long term with the need to mobilize participants for immediate action. As a result, many organizations repeatedly move too quickly to action with a small cohort of actors and find that their work is not as effective as it could be. The best grassroots leadership developers are very good at articulating how grassroots leadership development relates to their desired outcomes and at designing activities that lead to those outcomes. When organizations had a clear picture of their desired outcomes and the work required to get there—including the role and impact of grassroots leadership development—they developed more effective and coherent leadership development strategies.

Grantees that were successful at GLD ranged in size, scope, mission, and approach. Their objectives ranged from protecting the environment to developing entrepreneurs to reforming public education. Policy organizations and local governments, as well as grassroots community-based organizations, found effective ways to develop and engage grassroots leaders. Their experiences demonstrated that the *kind* of organization doing the work was not as important as the organization's understanding of GLD in the context of its mission; and its willingness to assemble a team of board members, staff, and volunteers that was deeply and broadly involved in the work.

A clear understanding of how leadership development fits into the organization's goals and strategies is critical.

NEW VOICES FOR SOCIAL CHANGE

The town of Sylvester, West Virginia is Pauline Canterbury's home and she didn't want it to be destroyed. In 1997, the EPA gave the local coal company a permit to cut off the mountain bluffs that separated the coal mines from the town and to put in a preparation plant, covering the town in coal dust. Pauline went to Coal River Mountain Watch, a GLD grantee, to ask for help when her home began to lose value due to the dust. She and some of the other residents of Sylvester became involved with the organization on issues such as blasting, dangerous overweight coal trucks, mountaintop removal mining, and sustainability issues. Through Coal River Mountain Watch, Pauline has built her confidence and skills to lobby the state legislature. And she has learned how to bring the message back to her community. Pauline said, "they showed me that I can speak, I can get up and talk to people, and my voice can be heard."

PERSONAL CHANGE AND ORGANIZATIONAL CHANGE GO HAND IN HAND

Andy Morikowa of the New River Valley Community Foundation reflects, "When we set out to create a grassroots leadership development program, we had not intended for the Community Foundation to change. But the work of understanding who the grassroots community was, how to be intentional about rising to Babcock's challenge of 'crossing divides,' and listening to the voices of the range of people in our leadership program required the Foundation board to hear different truths and get on a path of being truly accountable to grassroots communities."

Effective GLD approaches incorporate "Ten Tenets," with these principles playing out differently in different communities and organizations.

Through experiences with our grantees—working in a wide range of communities through a variety of organizational types with varied missions—we have learned that there are some basic tenets of effective grassroots leadership development. These tenets do not constitute a recipe but rather a framework. Within each of these tenets are dozens of decisions to be made related to the context of the community's history and culture, the experience of the grassroots leaders, the issues to be addressed, and funding levels and staff capacity.

1 *Have a theory of change. A theory of change includes an analysis of power within the community, beliefs about how change happens, and an understanding of the ingredients that will lead to the desired results.*

2 *Recruit strategically. Organizations need to have a good idea about which grassroots leaders they want to work with and a solid approach for how to reach them.*

3 *Build skills, knowledge and attitudes at multiple levels. The work of leadership development includes helping people develop knowledge and new skills to be able to effect change at the levels of personal development, organizational development, community development, and policy development.*

4 *Respect adult learners. The best leadership development respects the wisdom and experience of grassroots leaders and helps them stretch to new heights.*

5 *Provide individual coaching and support. Sporadic "leadership training" is not the same thing as leadership development. For developmental learning, ongoing support is required. The support may be formal or informal, but must be tailored to the needs and work of the individual leader.*

6 *Maintain adequate staffing. Effective GLD requires staff devoted to the work.*

7 *Cultivate organizational culture and commitment. Organizations that want to do GLD must have a culture that is inviting to grassroots leaders and a willingness to share power with them.*

8 *Assess progress and results. Strong GLD programs must find a way to track and communicate the skills, knowledge and new roles gained by leaders and their impact on the community.*

9 *Learn continuously. Effective GLD practice requires keeping up with a diverse array of new knowledge and resources from multiple disciplines.*

10 *Work for the long haul. GLD programs will fail unless they are woven into the lifeblood of organizations and board and staff are committed to the work for the long haul.*

From *Fertile Ground: Reflections on Grassroots Leadership Development. MDC, Inc.*, available at www.mrbf.org.

Effective grassroots leadership development requires approaches, materials and skills customized to the local context.

Several barriers make it tough for grassroots groups to access leadership development materials. Finding materials takes time—for example, searching the Internet, ordering books, reading through sample materials, and talking to other practitioners. Often, translating these materials to be useful and effective in low-wealth communities is complex work. Adapting them to a particular local community, a constituency of grassroots leaders, and organizational goals adds another layer of complexity. The organizations that did the most effective leadership development work did not use off-the-shelf resources. Despite the fact that it required a significantly higher investment of time and/or money, they either spent the extreme amount of time necessary to identify and customize resources for their local context, or they worked with leadership development consultants to help them customize a GLD approach and materials for their situation.

Effective grassroots leadership development challenges the power status quo in organizations and communities.

There is a deceptively simple logic to grassroots leadership development: Social and economic justice issues in low-wealth communities will not be solved in a few years, so a constant stream of new leadership is essential for maintaining progress. As new leaders come on the scene, they take their places in decision-making and in organizational and community work.

Organizations that are serious about developing grassroots leaders find themselves challenged by the very real power dynamics hidden in this logic. The most promising grassroots leaders can sense how willing (or unwilling) current organizational leaders are to share power with them. In order to be successful at GLD, organizations must be open to moving some existing leaders into different roles, making room for new leaders, changing who makes decisions, looking at the organization and the community through the eyes of new leaders, and trying new approaches. Almost all of the organizations supported through Babcock's GLD program were challenged by this power dynamic. A few navigated it well, some ignored it at their own peril, and most struggled to resolve shifting personal and organizational relationships. Common characteristics of the organizations who navigated it well were: 1) existing leaders who advocated for grassroots leadership development and modeled sharing power; 2) an organizational culture open to change; 3) a GLD strategy directly linked to achieving goals; and 4) a base of trust and respect between the organization and potential grassroots leaders.

THE HARD WORK OF RESPONDING TO LOCAL NEEDS

Diantha Hodges of Jubilee, Inc., recalls, "When we started in the GRO Learning Program, I was sure that I could find the perfect curriculum that we could adopt in Hancock County. [They] kept telling us we had to do it ourselves, but I resisted this idea, because the work seemed overwhelming. Only when we hired a consultant were we able to really assess where we were, what we already knew, and what we needed to know and access to do leadership development that was responsive to our community's interests."

Navigating these power issues within social and economic justice organizations helps to prepare existing and new grassroots leaders for power struggles that play out on a bigger scale in community work.

Partnerships between grassroots organizations and state policy organizations are necessary but difficult because of differing approaches to their work and views on power and the status quo.

It seems logical that grassroots groups and statewide policy organizations working for the same public policy outcomes would work together closely. Among Babcock grantees, however, such partnerships were easier said than done because of the very nature of the organizations. First, even though the two types of organizations and their leaders shared some core values and agreed on policy goals, their different approaches to achieving their goals were problematic. Grassroots organizations were deeply committed to accountability to low-wealth people, including the time-consuming work of keeping everyone informed and involved in decision-making. Statewide policy organizations were deeply committed to changing public policy, including having to negotiate compromises in the real time of policy-making processes. These differing approaches often resulted in a lack of trust between the two types of organizations. Second, these different approaches were rooted in different views about power and how to deal with the realities of the current policymaking "system." State policy groups often said their goal was success on a particular issue, not changing the system altogether. Grassroots organizations differed, believing that the system itself was so unfair that it had to be changed. Both perspectives are valuable and realistic. It takes enormous time and skilled mediation to build a shared understanding of power, the status quo, and where to focus change efforts.

The *Community Problem Solving Program* was designed to support coalitions working across race and class lines on local community issues in ways that built lasting capacity in their communities to solve problems. "Coalitions" include formal and informal alliances of people and organizations who come together for joint learning and action on a community issue and represent diverse stakeholders. The coalitions' goals dovetailed with the Foundation's mission of building just and caring communities, including bridging the faultlines of race and class, assuring the well-being of children and families, or investing in the community's human and natural resources. Several coalitions worked to build a shared analysis of and interventions to address poverty and structural racism in their communities.

LESSONS IN COMMUNITY PROBLEM SOLVING ACROSS RACE AND ECONOMIC LINES

~ **Organizational development and grassroots leadership development are critical to Community Problem Solving.**
~ **Improved relationships across race, class, and ethnicity are tangible community improvements.**
~ **Specific factors can foster or inhibit bridging race and class divides.**
~ **Success does not rely solely on careful strategy—serendipity and opportunity play a significant role.**
~ **A wide variety of community-building strategies can succeed in different community contexts.**
~ **Working across economic class lines is extremely difficult.**

Organizational development and grassroots leadership development are critical to Community Problem Solving.

Social change is a long and difficult process, particularly when it involves entrenched and divisive issues such as racism and poverty. To be effective, coalitions must have the organizational capacity to facilitate the work of a wide variety of people and organizations, the leadership to work through

conflict toward a common vision, and systems and structures to sustain the work with human and financial resources. Purposeful organizational and leadership development are critical to developing and maintaining such capacity for community problem solving coalitions.

Improved relationships across race, class, and ethnicity are tangible community improvements.

Improved relationships across race, class, and ethnicity are often characterized as a tool for achieving more tangible improvements in a community. However, the coalitions stated emphatically and convincingly that civic engagement among people of different races, economic standing, and ethnicity are not just a means to an end but rather valuable, tangible improvements in and of themselves. They credited their coalitions with establishing deeper and broader relationships necessary to accomplish specific goals and sometimes with making traditional power and decision-making mechanisms more inclusive.

Specific factors can foster or inhibit bridging race and class divides.

Some communities and some community problem-solving coalitions are more prepared than others to bridge race and class divides. The degree of preparedness or willingness is important, but not the only factor in success or failure.

Factors that fostered coalition success at bridging race and class:
- *Leaders with courage and new ways of thinking emerged to question the community's status quo and form a new vehicle for change.*
- *A strong organizational base of low-wealth people existed or was created.*
- *Grassroots leaders from low-wealth communities and traditional leaders from the broader community developed a balance of power in the coalition.*
- *The coalition developed processes for fostering collective understanding of problems, forming*

a shared vision, making decisions, and moving to effective action.
- *The coalition built organizational capacity and sustainability appropriate for accomplishing its purpose.*
- *The coalition dealt with racism and power not only within the community but also within the coalition.*
- *Coalition members built trusting relationships and dealt with conflict inside the coalition and in the community.*

Factors that inhibited success:
- *A community culture of insular thinking prevailed over new ideas.*
- *Community power dynamics kept people and power isolated within traditional race and class arrangements.*
- *The coalition did not deal productively and openly with deep-seeded or new conflict, which damaged relationships and obstructed progress.*
- *The base of grassroots organizations was weak or non-existent, putting low-wealth people at a disadvantage in balancing power with traditional leadership in the coalition and in the broader community.*

MIXING SERENDIPITY AND STRATEGY

The Greensboro Partnership Project started with a few well-intentioned civic leaders advocating with the City on behalf of low-wealth neighborhoods. During their first year of work, by happenstance they came into contact with the People's Institute for Survival and Beyond, a national anti-racism organization. The People's Institute training shook the partners' basic assumptions about what caused problems in low-wealth communities and set them on an entirely new course that has changed hundreds of people's understanding of racism. City government departments, foundations, businesses, and health care institutions changed as a result of the Partnership Project's serendipitous introduction to a new way of thinking and being, which was followed up by several years of hard work.

A wide variety of community-building strategies can succeed in different community contexts.

There is no "one size fits all" approach to building community coalitions across race and economic lines. To complicate things even more, every community and every coalition really does have to invent its own approach. Successful coalitions understand and apply broadly accepted principles for successful collaboration, effective community organizing, etc. But they adapt these principles to their community context, using them as tools, not prescriptions for building relationships, vision, strategies, and action. Who was involved in the coalitions, how the coalitions functioned, what they did, and what community impact resulted looked different across all the coalitions supported by the Babcock Foundation. Likewise, strategies for addressing structural racism in communities included both deep analysis using an explicit structural racism lens as well as action to end racial inequities without using the language of structural racism. Both strategies can be successful, depending on community context and the goals coalitions seek to accomplish.

Success does not rely solely on careful strategy—serendipity and opportunity play a significant role.

Coalitions and communities are dynamic entities—people come and go, public policy changes, resources disappear or become available, economic or natural disasters happen unexpectedly, new opportunities and challenges arise without warning. While careful strategy development is critical for sustainability and long-term success, serendipity and opportunity can have a dramatic effect on a coalition's

success. Coalitions benefit from constantly watching their environments, staying flexible and responsive to changes and opportunities, and being open to changing how they think and work.

Working across economic lines is extremely difficult.

Reaching out to and engaging the poorest members of a community proved to be one of the hardest parts of building coalitions representative of their communities. People who struggle the hardest to meet their survival needs have the least opportunity to engage in time-consuming civic initiatives. After years of marginalization and socioeconomic inequities, some are reluctant to participate in such ventures. In addition, coalition members seldom have the depth of experience or the time and resources required to organize their community's hardest-to-reach people and engage a broad-based coalition. Identifying more effective outreach, listening and engagement strategies and assisting people to meet their families' basic needs are options to consider in addressing this challenge.

LESSONS IN ENTERPRISE AND ASSET DEVELOPMENT

Beginning in 2000, the Foundation supported Enterprise and Asset Development for low-wealth people and communities in two ways. First, local, statewide, and regional organizations used grants to provide training, technical assistance, loans, and other support to increase the number and success rate of entrepreneurs in low-wealth communities, targeting an increase in minority entrepreneurship. Second, the Connecting People to Jobs project, a five-year demonstration in three communities (Charlottesville, VA; Columbia, SC; and Charleston, WV) created partnerships of grassroots organizations, community colleges and employers to help low-wealth people secure or advance in living-wage jobs. As this was the newest program area for the Foundation, lessons are just beginning to emerge.

Southern organizations do not have to reinvent the wheel when it comes to entrepreneurial training resources.

Grassroots and community-based organizations intent on training entrepreneurs do not have to start from scratch when it comes to training resources, curricula and programs. Most grantees adapted available training resources such as FastTrac and REAL to their circumstances and the needs of their constituents. Adaptation allowed the grantees to meet their community members' needs without having to invest significant time and resources in creating a new program. However, local organizations had to have skilled staff, adequate funding, and stable organizational structures in place to be able to adopt and sustain new programs; organizational development was a critical factor in their success.

New entrepreneurs need more than training to be successful—they need capital, management assistance, and access to new markets.

Entrepreneur training programs helped people develop basic business knowledge, decide whether to start a business, and develop a basic business plan. Unfortunately, that was seldom enough to get even a modest business off the ground and generating a reliable revenue stream. To be successful, new entrepreneurs also needed modest capital, ongoing peer and professional management assistance, and links to markets outside their low-wealth communities. In economically or geographically isolated communities or racially divided ones, these resources can be nonexistent or inaccessible for new businesspeople.

Few nonprofit organizations have skills and resources to support the development of growth businesses that result in significant job creation.

Community-based organizations that are connected to a low-wealth constituency and "meet people where they are" have a valuable impact in developing entrepreneurs and supporting small business development in local communities. This small-scale impact has made a difference in poor neighborhoods, but without access to advanced training and an array of lending and investment options, these businesses have less opportunity for growth. The Foundation recognizes the value of microenterprise development in moving people out of poverty, but acknowledges that a sound economic development strategy must balance microenterprise with growth businesses that have the potential to employ large numbers of people. Some of the Foundation's grantees, such as alt.Consulting, Natural Capital Investment Fund, Enterprise Corporation of the Delta, Southern Financial Partners, and Sustainable Jobs Development Corporation, have the capacity to support growth businesses, but there are few other such nonprofit organizations in the region. The South needs more capacity to support growth businesses in low-wealth communities.

LESSONS IN ENTERPRISE AND ASSET DEVELOPMENT

~ **Southern organizations do not have to reinvent the wheel when it comes to entrepreneurial training resources.**

~ **New entrepreneurs need more than training to be successful—they need capital, management assistance, and access to new markets.**

~ **Few nonprofit organizations have skills and resources to support the development of growth businesses that result significant job creation.**

~ **Partnership building for connecting people to jobs requires long-term commitment and deep technical support, with each partner doing what they do best.**

~ **A close connection with the public workforce system accelerates the implementation of employment programming.**

~ **Civic leadership is needed at certain points to move the work forward.**

Partnership building for connecting people to jobs requires long-term commitment and deep technical support, with each partner doing what they do best.

Partners in three communities where the Foundation worked varied according to each community's assets, connections and relationships. Extensive coaching and technical assistance helped the partnerships define roles, build trust, learn to work collaboratively, and create a structure for shared leadership. Clear structure ensured that no one partner dominated project development and implementation and clarified fiscal and administrative management. Although specifics varied, partners played the following roles:

- *With deep connections and understanding of unemployed and underemployed people, community-based partners focused on recruitment, screening and follow up. Given their limited organizational capacity, they are most effective working with other partner institutions to effect change, instead of operating a program that runs parallel to the workforce system.*

- *Employers helped to establish clear ties to specific jobs and career ladders, increasing the chances that participants could secure good jobs. Employers can be impatient with extended planning and relationship-building, unless they see a clear role for themselves in shaping the program to meet their specific needs.*

- *Community colleges expanded beyond standard, semester-based coursework, experimenting with "bridge" courses to give participants "soft skills" and short-term, industry-specific vocational training.*

A close connection with the public workforce system accelerates the implementation of employment programming.

ADDRESSING RACIAL AND ECONOMIC FAULTLINES THROUGH ENTREPRENEURISM AND ASSET DEVELOPMENT

In the past few decades, development in Hilton Head has overshadowed the opportunities and needs in the indigenous African American community. The Native Island Business and Community Affairs Association (NIBCAA) built effective programs (training, mentoring and loans) to support local, African American businesses in the historic African American business district. This was a challenge in a state with few sources of support for community-based organizations or for minority entrepreneurs. NIBCAA is the only community-based Community Development Financial Institution in the state (the other is state sponsored). NIBCAA's support made a big difference to the seven new businesses and 15 existing businesses that received management assistance and the ten businesses that received loans during the first year of their grant from MRBF.

Existing workforce development programs can be a productive base for operations. One-Stop Centers are designed to consolidate and streamline the public workforce system. One partnership supported by the Babcock Foundation made an early decision to maintain a full-time presence at the One-Stop to coordinate intake, process applications, and follow up with participants. The project benefited from existing infrastructure and, in turn, helped to establish the One-Stop Center as a safe and responsive place for residents seeking better employment.

Civic leadership is needed at certain points to move forward the work of connecting people to jobs.

The work of the Babcock Foundation-supported partnerships was advanced by local leaders that were not connected to the participating institutions, but who provided energy and filled gaps during critical transitions. In Charleston, a community activist from a prominent family brought connections to the local newspaper and spurred the team towards a more innovative approach. In Charlottesville, the mayor and nonprofit leaders demonstrated support. A key partner in Columbia

was a local Hispanic pastor who also sat on the state Workforce Board. In each case, a committed civic leader was able to fit partnership efforts into a larger framework and validate the project to others in the community. Civic leadership balances institutional interests and organizational limitations.

SECTION 3: REFLECTIONS ON PHILANTHROPY FOR SOCIAL AND ECONOMIC JUSTICE

IN 1994, THE MARY REYNOLDS BABCOCK FOUNDATION EMBARKED ON A PARTICULAR APPROACH TO philanthropy for social and economic justice. By choosing to concentrate on bridging the faultlines of race and class, we chose a moving target—the root causes remain the same, but the problems are buffeted by economic and demographic factors that are constantly changing. By choosing to concentrate on building the skills and capacity of individuals, organizations and coalitions, we committed the Foundation to investing in both immediate impact on people's lives and sustainability for the long-haul. Working from a mission grounded in values provided us and our grantees with both focus and flexibility.

The Babcock Foundation board and staff have been purposeful about reflecting on the effectiveness of our approach, the alignment of our organizational operations and mission, and the implications for philanthropy. We offer our reflections here.

Inviting potential grantees to propose investments in line with explicit foundation values and mission yields community impact and increased commitment and learning by all concerned.

What's the most effective way for a foundation to achieve its mission? On one end of a continuum is prescribing specific activities the foundation will fund. On the other end is total openness to anything potential grantees might propose. Somewhere in the middle is having potential grantees propose ideas that match the foundation's mission and core val-

ues. Each approach has benefits and drawbacks, and depending on the foundation's objectives, one may be more effective than the other. In our case, we chose to be explicit about the Foundation's values and mission and invite potential grantees to propose investments in line with those values and mission. This approach had significant benefits.

Our mission resonated with a number of nonprofits in the region already committed to similar missions. The Foundation's openness to applicants' ideas and goals tapped into their strengths, reinforced their commitment to their own missions, and increased their openness to learning how to become more effective. The result was a mutual commitment between the Foundation and grantees to diverse approaches consistent with shared values around justice, equity, inclusion and the shared mission of building just and caring communities. This shared commitment, coupled with investments in organizational development and learning, strengthened grantees' capacity for both immediate and long-term community impact.

REFLECTIONS ON PHILANTHROPY FOR SOCIAL AND ECONOMIC JUSTICE

~ Inviting potential grantees to propose investments in line with explicit foundation values and mission yields community impact, increased commitment and learning by all concerned.

~ Local, regional and national foundations think and act differently in relation to community change— and can complement each other.

~ Within our Foundation, we have to walk the talk— including reflection, inclusion, relationship building and our own organizational development.

~ Foundations have more than money to invest—we can share expertise, connect people and resources, advocate, and provide leadership in new or emerging areas.

~ Partnering with grantees gets better results than just funding them.

~ Foundations are well-positioned to identify emerging opportunities.

Local, regional and national foundations think and act differently in relation to community change—and can complement each other.

From our experience, local and regional foundations are primarily *committed to specific places*—towns, cities, rural counties, states, regions—and have long-term relationships with specific people and organizations in those places. Place-based foundations know that neither the foundation nor the places they care about are going away. Their primary concern is the well-being of the entire place and its people, even when the foundation chooses to focus on specific community needs such as equity and justice, early childhood education, or the environment.

On the other hand, national foundations are primarily *committed to ideas* about how to improve people's lives, communities and society. They approach neighborhoods, cities and states to test out or implement specific ideas—for example, particular school reforms, strategies for leadership development, ideas about youth development, and approaches to building individual and community assets. While they are concerned about the well-being of the entire place and its people, their investment focuses on particular ideas or strategies which they believe will achieve certain goals shared by the national foundation and the place. When the idea has been tested or implemented in a place, the relationship between the place and the foundation typically ends—until the next idea from the foundation.

While local, regional and national foundations think and act differently, they share concern about people and places. Local and regional foundations can assist organizations in communities to embrace and implement ideas tested by national foundations. National foundations can learn from local and regional foundations about specific local needs and opportunities and how local context affects how ideas play out.

Within our Foundation, we have to walk the talk—including reflection, inclusion, relationship-building, and our own organizational development.

Community change takes time and requires long-term relationships between grant-makers and nonprofit organizations. Like any other long-term relationship, trust and mutuality are necessary for the relationship to be productive and provocative when appropriate. The power dynamics between foundations and nonprofits make it hard for nonprofits to be forthright about their organizational and programmatic challenges, and for foundations to be the same. The trust-building process takes time, beginning on the personal level and moving to good organizational relationships that can withstand truth-telling and critical thinking. We have worked to enhance trust by engendering respectful relationships with grantees, being clear about expectations, attempting to listen well, giving honest feedback, assisting grantees in determining the type of organizational assistance they need, and holding them and the Foundation accountable for results.

We solicit feedback about how the Foundation is doing, and we reflect critically on our operations and ways to improve the Foundation's effectiveness. For example, we encouraged grantees to diversify their boards and staffs racially and economically, so we diversified the Foundation's board and staff to better reflect our region, to include more people of color and of varying socioeconomic backgrounds, and to include the perspective of people working for social justice at the grassroots level. The result is a more effective organization that also earns the trust of its grantees by walking the talk. It also makes us more sensitive to the challenges our grantees face in undertaking similar efforts at inclusion. Most importantly, the diversity of perspectives within the Foundation feeds critical thinking about both the Foundation's and grantees' strategies and impact.

Foundations have more than money to invest—we can share expertise, connect people and resources, advocate, and provide leadership in new or emerging areas.

The most effective philanthropy is about more than funding. Direct financial support is, of course, at the core of what we do, but it is only one means to the end of building just and caring communities. Our board and staff have a wide variety of experience and expertise that is a valuable resource for our grantees and others.

We function as a clearinghouse for helpful contacts, information and resources. We draw on the strong network of people with whom we have worked over the years and the variety of programs, materials and approaches to which we've been exposed. Also, as a regional private foundation, we can act as an advocate in the public, private and government sectors for the organizations and communities in which we invest. Another strategy to support our grantees and further our mission is to identify new and emerging trends and practices that could benefit our grantees and their communities. We have convened grantees for learning events that include peer exchanges and sessions with "experts." These events have resulted in increased skills and knowledge, new networks for learning and community impact, and renewed energy among grantees' and the Babcock Foundation's boards and staffs. These investments beyond grants are particularly beneficial to community-based organizations that struggle with geographic, professional or social isolation because of the nature of their work.

Partnering with grantees gets better results than just funding them.

Every fundraiser who attends a workshop or seminar on development hears that success in raising money requires developing relationships. This holds true from the funding side as well—success in investing money requires developing relationships. We consider our grantees as partners in achiev-

ing our mission, beyond the obvious fact that we need organizations on the ground doing the work that the Foundation wants to support. We develop relationships with them beyond reporting and compliance—we consider it our responsibility to get to know them to best understand how we can support and strengthen their impact. We learn with and from our nonprofit and community partners across the region, on-site and through the workshops, gatherings and peer learning events that we support throughout the year. Grantees direct us to other partners that can further their and the Foundation's goals. We work with them to adapt their approaches and Babcock Foundation funding as they encounter unexpected set-backs, complications or new opportunities. And we occasionally ask small groups of grantees and other partners to help us think about how to advance the Foundation's work. Our commitment to them increases their opportunity for success, just as their commitment to us does the same for the Foundation.

Foundations are well-positioned to identify emerging opportunities.

We find ourselves in a position with incredible potential to identify opportunities such as emerging partnerships from the grassroots to policy levels, and new approaches that are effective in different contexts. Because of relationships with a broad range of grantees, funders and intermediary organiza-

tions, foundations such as Babcock have the opportunity to understand conditions and effective practices at the grassroots level, the strengths and needs of grantees and their communities, the resources available, and the greater economic, social, and political context. We have the opportunity to identify and nurture emerging opportunities because of our unique position that allows us both close-up and big-picture views.

SECTION 4: REFLECTIONS ON THE CHALLENGES THAT REMAIN

OF COURSE, CHALLENGES REMAIN IN ACHIEVING SOCIAL AND ECONOMIC JUSTICE. SOME OF THESE challenges are expressions of tensions that require consistent if not constant attention. Some are emerging issues that create new opportunities, and some are emerging conditions that will exacerbate existing problems or present new problems. Some are challenges that prevent the region's nonprofits and foundations from achieving scale and impact. Regardless of the character of these challenges, overcoming them will require efforts at the grassroots, intermediary, philanthropic, structural, and policy levels.

Philanthropic dollars for social and economic justice work are scarce in the South.

It is not news that the South is under-resourced in philanthropic dollars relative to our population figures, wealth in the region, prevailing problems, and emerging opportunities. Philanthropic dollars for social and economic justice are even scarcer in our region. A number of efforts are underway to address this challenge, including major foundation initiatives to increase philanthropic resources through community foundations and to support development in the rural South. Still, there is much work to be done to match sustainable philanthropic

resources and infrastructure with people and communities most in need of investment to address poverty, racism and inclusive democracy. We must increase the philanthropic dollars invested in communities now, as well as generate future investments.

The South is far from meeting the needs of our region's rapidly growing Latino and immigrant populations.

For a region that has yet to grapple effectively with the inequities in its African American and Caucasian populations, the rapidly growing Latino and immigrant populations present a new set of opportunities while complicating age-old problems of racial and economic inequality. We have yet to gain a comprehensive understanding of the potential contributions and needs of this new and growing segment of our population, much less begin to address them. Work led by these new immigrants is emerging at the grassroots, statewide and regional levels and merits philanthropic support. And meanwhile, existing organizations working to improve their communities have a new segment of the community to get to know and new operational, programmatic and communication challenges to resolve. These demographic changes in

REFLECTIONS ON THE CHALLENGES THAT REMAIN

~ **Philanthropic dollars for social and economic justice work are scarce in the South.**
~ **The South is far from meeting the needs of our region's rapidly growing Latino and immigrant populations.**
~ **Long-term infrastructure development, policy work, and advocacy at the state and regional levels require investments by coalitions of funders.**
~ **Patience and ongoing investment are critical to achieve sustainable and long-term progress in building just and caring communities.**
~ **Impact can be hard or extremely expensive to measure.**
~ **Capturing knowledge generated by grantees' and funders' experiences and integrating it back into practice is necessary but difficult, costly, and time-consuming work.**
~ **"Going to scale" is an illusive goal in transforming low-wealth communities and opening opportunity to large numbers of people.**

our region bring undeniable richness that benefit us socially and culturally, and we must work at the grassroots, infrastructure and policy levels to ensure pathways to full social, economic and political opportunity exist for all of our people.

Long-term infrastructure development, policy work, and advocacy at the state and regional levels require investments by coalitions of funders.

Social change is not sustainable at any level without the appropriate infrastructure and public policies to enable it. Extensive public advocacy is required to secure this infrastructure and public policy. The variety, depth, breadth and long-term nature of such work requires sustainable, flexible and sizeable funding. It also requires generative thinking from different perspectives and accessing relationships with diverse decision-makers. The demands of this work are too great for any one funder to assume alone. Coalitions of funders provide more resources for the task and create the critical mass of knowledge, expertise and networks essential for broad and sustainable change.

Patience and ongoing investment are critical to achieve sustainable and long-term progress in building just and caring communities.

The opportunities and problems facing the people of our region and our communities were not created overnight, and they will not be resolved in a year or two or even a decade. They will not be resolved without ongoing investment to support the painstaking but necessary work at multiple levels. Building just and caring communities requires grantmakers to exhibit patience, sustained attention, and consistent investment over several years—a decade or more.

Impact can be hard and extremely expensive to measure.

In looking back over nearly a decade of investment, the Babcock Foundation can point to a continuum of impact in

organizations and communities that ranges from transformation to little or no impact. In some cases, the impact of our investment might be seen years down the road, when the organization successfully makes a transition from a founder to new staff leadership, or when the community resolves a new problem in an inclusive, equitable way. Conversely, impact we see at a given point may fall apart due to leadership changes or external circumstances. Program evaluation by outside experts is often warranted with larger, longer-term initiatives, but every dollar spent on such documentation is diverted from mission-specific work. Organizations and foundations need further training and cost-effective ways to document impact and to learn from successes and disappointments.

Capturing knowledge generated by grantees' and funders' experiences and integrating it back into practice is necessary but difficult, costly, and time-consuming work.

What is working? What isn't working? What have we and our grantees learned and what may be useful to other nonprofit organizations and funders? What barriers and challenges to bridging the faultlines of race and class have we encountered, and what can we do about them? Capturing knowledge to improve practice on these and other important issues requires intensive reflection, discussion, honest appraisal, and a critical perspective. For foundations and nonprofits, this requires significant amounts of time and resources that could otherwise be spent directly on accomplishing specific goals in communities. The investment, however, is critical. It improves the quality and effectiveness of the work in progress, it helps to clarify and prioritize the work that remains, and it provides resources to other organizations and funders to improve their work. But it is costly work.

"Going to scale" is an illusive goal in trans-forming low-wealth communities and opening opportunity to large numbers of people.

Over a decade, grantees achieved an impressive track record of impact. Young children were better prepared for school success, families built assets through homeownership, people got jobs and started businesses, dozens of local and state policies affecting low-wealth people's daily lives were changed for the better, and the list goes on and on. But foundations, non-profits, academics and government entities are hard-pressed for examples of communities where the stars lined up to move an entire low-wealth community to a healthier, more prosperous, sustainable, and politically empowered state of being. The reasons for this difficulty in achieving large-scale, lasting impact on poverty and racism are well-documented elsewhere. The challenge is to find new, more powerful strategies for broad, deep and long-term impact, while also supporting proven strategies that improve some people's lives now and that build capacity in individuals, organizations and communities for advancing social and economic justice.

CLOSING

For the past ten years, the Mary Reynolds Babcock Foundation has been on a journey to build just and caring communities. The journey has been rich with lessons and challenges. We share these reflections with you, our partners and colleagues, as we continue our work in the Southeast. We hope you find them useful. Please let us know what you think about these reflections—what resonates, what does not, what is missing—as we continue this journey.

SECTION 5: RESOURCES FOR BUILDING JUST AND CARING COMMUNITIES

FROM 1994 TO 2004 AS THE MARY REYNOLDS BABCOCK FOUNDATION AND ITS GRANTEES sought to build just and caring communities in South by bridging the faultlines of races and class, we relied on and developed a number of resources related to the work.

Of particular value are the lessons learned and documented by our grantees. For more information on these resources and the ongoing work of the foundation and its grantees, please see our website: http://www.mrbf.org.

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Promoting Grassroots Leadership Development: The Role of a Learning Program, Prue Brown, Chapin Hall.

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Coaching Grassroots Leaders: The Community Fellows Experience, Viola Barnes Gray, Down East Partnership for Children and Meredith Emmett, Third Space Studio.

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