

EMBEDDED PHILANTHROPY PROFILE

From “Embedded Funders and Community Change: Profiles”
(Chapin Hall Working Paper, 2006)

HUMBOLDT AREA FOUNDATION

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SUMMARY

The Humboldt Area Foundation is a community foundation that serves three predominantly rural counties in Northern California (Humboldt, Del Norte, and Trinity). Its chosen role is to be an enabler and agent of the community’s will for change, and its structure and processes are designed to elicit and support that will. Humboldt takes its democratic values seriously, and leaders often use their resources and influence to create or strengthen community enterprises.

HOW AND WHY DID THE FOUNDATION EMBED ITSELF IN THIS PARTICULAR NEIGHBORHOOD?

The Humboldt Area Foundation was established in 1972 by Vera Victor, a founder of Save the Redwoods League and the widow of a logging equipment executive. Mrs. Victor modeled the foundation after the San Francisco Foundation, and her husband’s legacy of 16 acres of redwood forest was Humboldt’s first asset (worth about \$12.4 million). Humboldt’s assets have now grown to approximately \$60 million.

The area covered by the foundation is clearly defined, geographically and economically, by mountains on the east and the Pacific Ocean on the west. The area is characterized by small, isolated towns and a predominantly low-income, rural population that is reeling from the logging industry’s decline. Residents identify strongly with their communities; they have a strong sense of independence from the outside and mutual help on the inside. The absence of significant wealth in the area, and the foundation’s decision not to actively seek funds, has meant slow growth for the foundation’s assets (30% of unsolicited donations are under \$25, and 60% are under \$100), although per capita growth has been among the fastest in California since the early 1990s.

Humboldt also is active in American Indian communities, principally through its Native Cultures Fund, which encompasses fifty-one tribes and reservations extending from Death Valley north to Oregon and east to Nevada.

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WHAT BELIEFS AND THEORIES OF CHANGE INFORM THE FOUNDATION’S WORK?

Staff and board members view Humboldt as much as a service organization—an organized expression of community will and wisdom—as a foundation. Therefore, Humboldt’s program is less about dollars than about the democratic values of participation, inclusion, respect for local voice, and locally driven change. A mission statement describes the foundation as “an independent staging ground for the residents of the North Coast, individually and in concert, to improve the economic, social, and environmental prosperity of the region.” The term *philanthropy* does not appear in the statement.

WHAT STRATEGIES HAS THE FOUNDATION USED?

The foundation invests in trusted community leaders who see possibilities that others don’t and who can cross boundaries to mobilize, coalesce, support, and sustain community change. Humboldt helps these leaders establish local instruments of change in addition to the programs established by the foundation. Examples include the Wild Rivers Community Foundation, created to encourage cooperation, conservation, and development in a remote region of the three-county area; and the Mountain Valley Youth Fund, established by a teacher to ensure that children in one community have shoes and warm clothes for the winter. It is more complicated to follow this strategy than to create programs at the foundation level; but locally raised, locally controlled funds do a better job of serving the core values of community identity and mutual help.

Humboldt provides several other services for communities and residents of its geographic area:

- ❑ It seeks to resolve conflicts that disrupt communities by providing or funding mediation of disputes.
- ❑ It provides workshops for local agency boards and staff on a variety of management and programmatic issues (some for a fee, some free) and small technical assistance grants to organizations. The inspiration for technical assistance comes from the foundation’s 1995 survey of more than 350 nonprofit organizations in the region, which revealed organizational isolation, poor management, and organizational drift.
- ❑ It analyzes federal and state legislation, budgets, and demographic data for relevant information and makes the analyses available to interested organizations in the three-county area.

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- ❑ It helped organize NORCAN (Northern California Association of Nonprofits) and the California Center for Rural Policy at the University of California-Humboldt State University, a partnership between community groups and the university.
- ❑ It serves as an incubator for organizations and projects initiated by or on behalf of local communities. It provides free services for those projects, including staff workspace, brokerage of outside funding, and financial services and management.

A good deal of foundation resources are used for convenings, both single gatherings and multiple, ongoing meetings to address important issues. For example, it took a two-year series of meetings to make pediatric dental services available to more of the area’s poor children.

WHAT INTERNAL PRACTICES, STRUCTURES, AND POLICIES HAS THE FOUNDATION DEVELOPED TO SUPPORT THE WORK?

Unlike other community foundations, the Humboldt Area Foundation does not solicit funds, because foundation leaders do not want to compete with local nonprofit organizations for scarce dollars.

Inclusion is a cardinal principle of the foundation. The board was reconstituted to better represent the communities served by the foundation, and leaders do not make major decisions until all interested parties have weighed in. Whenever possible, decisions represent a consensus.

In an effort to level the playing field for grant applicants who have limited literacy, foundation staff visit every program that applies for support. There are no designated program categories; applications are accepted for any purpose. Applicants do not have to have 501(c)(3) status or even be an organization, because Humboldt can make grants to individuals. There is no minimum amount required to set up a special fund, and management fees are low.

WHAT CHANGES IN THE COMMUNITY DOES THE FOUNDATION POINT TO AS SIGNIFICANT?

The Humboldt Area Foundation has initiated or contributed to the formation of several new organizations, aided existing institutions, and ameliorated or resolved individual problems. But it is probably more indicative of the foundation’s values and sense of mission to cite two examples of changes in the “culture” of a community—in the way business gets done—that

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occurred because of the foundation’s involvement (although foundation leaders note that other community players also had significant roles):

- ❑ In 1995, Humboldt sponsored a survey of 350 board chairs and chief executive officers of community nonprofits. Responses revealed that many organizations were hampered by malaise, isolation, and a failure to build on community strengths. In response, Humboldt convened many of the nonprofit leaders. When these meetings and contacts proved productive, the foundation and others formed the Northern California Association of Grantmakers. Today, the association has over 600 members and an active agenda of training, networking opportunities, and special programs. This very active professional and organizational network has spawned numerous collaborations, new proposals, a culture of cooperation, and a sense of optimism.
- ❑ Humboldt played a similar role in exploring and facilitating economic development activities. Almost 10 years ago, foundation staff spent a year interviewing business and economic development leaders. They found thirty-six organizations engaged in economic development efforts, often working in competition or isolation without any common strategic goals. In response, the foundation and others defined an economic development sector and helped it to identify a unified strategy, to base organizational missions and actions on the strategy, and to work in concert to accomplish shared goals. All of the participating organizations deserve credit for this change, but it was the Humboldt Area Foundation that uncovered the problem and unified the organizations and interests in pursuit of their common interests.

WHAT WERE THE BIGGEST CHALLENGES? HOW DID THE FOUNDATION CONFRONT THEM?

Strengthening community infrastructure. Humboldt’s mission emphasizes the foundation’s role as an enabler for the community, its leaders, and its residents. To pursue that mission, foundation leaders need to bring people together, recognize and support authentic leaders, and forge a shared vision and strategy. In the face of conventional wisdom, which favors large-scale community visioning and strategic planning, Humboldt took a different path. It chose instead to strengthen the community’s collaborative infrastructure so that people could work together effectively once they had articulated their goals. In doing so, Humboldt created its own knowledge base for change.

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Coping with controversies. Controversy often accompanies community-change efforts, either among community factions or between community members and the foundation. Foundation boards don’t usually like controversy, and Humboldt’s was no exception. It took time, patience, and outside expertise and validation to help the foundation persevere through the disagreements. Time and experience have helped the foundation manage controversy more easily.

INTERVIEWEES

Peter Pennekamp, Executive Director



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