

## EMBEDDED PHILANTHROPY PROFILE

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

### INCARNATE WORD FOUNDATION

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#### SUMMARY

The Incarnate Word Foundation (IWF) is sponsored by the Sisters of Charity of the Incarnate Word, San Antonio, a Catholic congregation. IWF was established in 1997, with two gifts totaling \$30 million, after the congregation sold the Incarnate Word Hospital in St. Louis. Continuing the congregation’s mission of service to the poor, the foundation focused two-thirds of its spending—about \$1 million annually—in low-income areas of St. Louis. In 2002, IWF embarked on a 10-year initiative that targeted a portion of staff time and grant-making to Benton Park West (BPW), a 64-block low-income neighborhood and historical district. The foundation hopes to become a respected voice for and leader in the BPW community and to improve the health (defined broadly) of its residents.

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

Incarnate Word focused on BPW because of a growing recognition that—given limited resources, a broad mission, and a scattershot approach that touched on multiple issues and neighborhoods—the foundation was achieving minimal impact. IWF staff and board members decided that IWF could fill a useful niche by operating in a more hands-on, grass-roots fashion and by building relationships and social capital in a narrowly defined geographic area. The foundation also is driven by a spiritual and philosophical belief that money alone will not solve social problems unless community members participate in the solution—and that a personal approach to grant-making is needed to achieve community involvement.

IWF’s director conducted research for a year to determine whether a more tailored neighborhood investment strategy was viable. She interviewed more than twenty-five civic leaders in St. Louis, including the mayor and leaders of housing and redevelopment agencies, nonprofit organizations, businesses, and the neighborhood. She also researched and visited other neighborhood-specific community-change efforts, such as the Dudley Street Neighborhood Initiative in Boston. After IWF leaders were convinced that the foundation could achieve greater impact with a specific geographic focus, staff mapped the locations of its existing grantees and examined socioeconomic trends in the neighborhoods.



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It turned out that (1) the foundation already had a significant investment in BPW and (2) BPW suffered from serious community problems, compounded by the beginning of gentrification. It seemed likely that the foundation could help BPW residents address their challenges while also helping to deflect the negative impacts of gentrification. Moreover, BPW has a relatively high Latino population by St. Louis standards, and half of the Incarnate Word sisters are Latina. BPW is part of the hospital’s service area, so working there would continue the sisters’ tradition of service. And BPW’s moderate size was manageable for the foundation.

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

Incarnate Word’s main concern about BPW was that the community had participated in an extensive, multi-year community planning process facilitated by another foundation, which was supposed to bring resources into the community. After many years and a voluminous report, however, the initiative petered out without investing substantial resources, leaving many residents and local organizations bitter and distrustful of foundation initiatives. IWF leaders realized that any new commitment to BPW would have to be made quietly to avoid raising expectations they couldn’t fulfill. IWF would have to be a facilitator and convener but not a major funder—at least during the early years. IWF developed a two-stage theory of change: During Phase I, which is almost complete, the foundation invested a small amount of money in efforts to build trusting relationships, learn about the community, and establish a positive reputation among residents and community organizations. During Phase II, IWF will pursue a more proactive funding agenda and draw other funders into the community. As the foundation’s director explains, however, “until we get the community to think beyond Utah Street and take ownership over this change effort, we can’t invest more money and we can’t credibly reach out to other funders to try to leverage their resources and participation.”

IWF’s neighborhood work also is driven by the idea that grants are “the ante we pay to get into the game,” as a board member said—not the foundation’s most important activity. In line with this belief, IMF hired a full-time employee to be the foundation’s “face and voice in BPW.” The director of the BPW initiative has about \$100,000 of grant money per year at her disposal, but her main responsibility is to be a constant, active presence in the community; to develop relationships with nonprofits, residents, churches, business owners, and political leaders; and to position IWF as a community collaborator, convener, and information resource.

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### WHAT STRATEGIES HAS THE FOUNDATION USED?

Phase I of the BPW initiative began with a 9-month planning process. IWF staff interviewed as many nonprofit, church, and community leaders as possible to learn about issues, resources, and potential partners. This process was important because IWF’s approach to grant-making is not project-specific; most grants are for general organizational support and thus are based on the grantee’s mission and values. IWF also contracted with a local university to obtain data on BPW and to conduct a community survey of residents’ priorities.

IWF facilitated several small projects to build residents’ ability to address challenges:

- ❑ An effort to expand the BPW Neighborhood Association’s capacity gave IWF staff a role in Association board meetings and in connecting Association members with other community leaders. In partnership with the Association, IWF also established a Block Link program that identifies someone on every block to serve as a community resource and guide.
- ❑ A beautification project spearheaded by IWF developed a community garden, in partnership with the South Side Day Nursery; planted trees and flowerpots throughout BPW; and addressed the issue of trash dumped in the neighborhood.
- ❑ A youth development project convened program providers around the issue of youth violence. It produced a directory of summer youth resources and funding for art-based summer jobs.
- ❑ A partnership with city government educated residents about the dangers of lead poisoning (BPW has the highest rate in the city) and connected them to abatement services.
- ❑ A series of workshops for residents and nonprofit leaders created a forum for discussion about making BPW more sensitive and responsive to residents’ desires.

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

The foundation’s process for making grants in BPW is different from grant-making in other sites. IWF typically makes grants annually, requires board approval of proposals, and requires grantees to report on their work. In contrast, IWF staff develop a general work plan and budget for the BPW initiative at the beginning of each year. Once the board approves the plan, the BPW project director can disburse grants at any time throughout the year, which enables her to respond quickly and intuitively to emerging opportunities. Grantees do not develop formal grant

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proposals or report on the use of IMF funds. Foundation staff recognize that, at least in Phase I, their standards for grant-making in BPW seem less rigorous than for other initiatives, but they also believe that their direct interaction with BPW enables them to hold grantees accountable in a more personal way.

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

IWF’s investment in BPW is new and evolving, so leaders do not yet expect to see tangible results. They believe that Phase I’s accomplishment has been to position IWF as a respected convener, facilitator, and advocate for the community; build relationships with neighborhood organizations and leaders; and cultivate the community’s trust. In that, they have succeeded. As the representative of a community organization notes: “The fact that we don’t receive a lot of funding from IWF actually minimizes the power dynamics you usually have with funders, because we are not dependent on them for anything. Other funders often make you feel inadequate and you get the sense that you are being manipulated, but this isn’t the case with IWF. They work with us as a partner.”

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

**Demonstrating the patience needed to achieve long-term change.** IWF staff know it takes time to build trusting relationships, especially in a neighborhood where a string of other funders have broken their promises. Still, they sometimes feel pressured by community and board members to develop specific plans for BPW, demonstrate measurable results, and demand more accountability for the use of IWF funds. Leaders believe that some of this tension is good for the foundation’s work. Nonetheless, staff have responded by minimizing IWF’s financial commitment to the neighborhood, engaging the community in a comprehensive and strategic planning process, and assembling a diverse board whose members understand the concepts of “success” and “accountability” in a community context.

**Empowering community partners without confusing them.** IWF wants community members to find their own solutions, rely on themselves, and develop their own agendas for community change. Therefore, staff do not prescribe work for grantees, go to great lengths to clarify how the foundation can help, or seek credit for initiatives’ outcomes. A pitfall of this approach is that IWF grantees may be frustrated by the fuzziness of their relationship with the foundation; they can feel awkward about making grant requests and occasionally struggle with their own long-



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term planning given the uncertainty of funding. The foundation tries to respond to these concerns by being as open and accessible to the community as possible and by founding its grantee relationships on honest, mutual exchange.

**Engaging the truly “disadvantaged.”** IWF operates on the premise that staff need to understand residents’ concerns and cultivate their involvement before the foundation can stimulate meaningful change. However, it tends to be the residents who already feel ownership of their lives and their community who seek out services and consistently attend Neighborhood Association meetings and foundation workshops—not those whom IWF most wants to reach. Furthermore, many of the local nonprofit organizations that aim to serve disadvantaged residents are so involved in securing funding that they can’t spend enough time reaching out to the hard-to-reach. IWF has only just begun to respond to this challenge, mostly by partnering with nonprofits to organize resident focus groups.

### INTERVIEWEES

**Bridget McDermott Flood**, Executive Director of IWF

**Jean Durel**, Benton Park West Neighbor Project Coordinator

**Al Litteken**, Vice-Chair of the IWF Board

**Marlene Levine**, CEO of South Side Day Nursery

**Eric Winters**, Secretary of the Benton Park West Neighborhood Association

**Sarah Smith**, IWF Board member

**Molly Hammett**, Children’s Ministry Coordinator at Olive Branch Presbyterian Church

