

Issue Brief



CHAPIN HALL
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Embedded Philanthropy and Community Change

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For several years, Chapin Hall has been working with a group of foundations that have an uncommon approach to their philanthropic mission. We have dubbed their operating style *embedded philanthropy* because what distinguishes them from conventional philanthropies is an unusually intimate and long-term engagement with the communities in which they live and work. This approach, as one embedded foundation described it, is based on

immersing yourself in the community. You get the best information you can based on what the people tell you and what you see... And then you stay. You stay and humble yourself every day and you listen.

This approach obviously isn't for everyone. In the experience of the 26 embedded foundations we have studied, it can be both exhilarating and arduous. It requires an unusually high tolerance for uncertainty, risk, and disappointment. And there are no recipes—the diversity among these 26 foundations is extraordinary: diversity of structure, context, aims, evolution over time, and chosen strategies for achieving community engagement and community change. Nevertheless, theirs' is a distinctive operating style that deserves the attention of the wider philanthropic community and a place in the philanthropic toolkit. What embedded philanthropy has to offer is an alternative approach to the relationship between philanthropic foundations and the people with whom they work. Because this approach leads embedded foundations into uncharted territory, they also provide a source of rich innovation and new ideas in a sector that is often wedded to established practices, even where their efficacy is in doubt.

What It Means to Be Embedded

Being an embedded funder means, first of all, picking a place to embed and sticking with it. With few exceptions, embedded funders work in their own home towns. Many are family foundations in small towns or cities, endowed by wealthy founders who want to revitalize the community where they grew up or earned their fortune. Others are corporate or community foundations seeking a greater impact by focusing their efforts in troubled but promising communities.

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Becoming an embedded funder doesn't happen overnight. The kinds of relationships and community engagement that characterize embedded philanthropy take years to develop. Some foundations have moved toward an embedded approach on the basis of a permanent or open-ended place-based commitment; others have successively extended their commitment as they came to realize the potential of an embedded approach to community engagement.

Direct and ongoing community engagement is the heart and soul of embedded philanthropy. Foundation staff—and often trustees as well—spend a significant portion of their time interacting directly with community members. They get to know a variety of community actors, be they leaders of community institutions, business owners, local politicians, or unaffiliated residents. With some, they develop working relationships that grow and intensify over time. Embedded funders tend to talk about such relationships as “partnerships.” Crucially, embedded funders don't think of these relationships as incidental or secondary aspects of their community work; they constitute the very means and method through which embedded funders do philanthropy—“to be effective you've got to be partners over the long haul and you have to be partners in various dimensions of the thing.”

The Time It Takes

One of the Humboldt Area Foundation's biggest challenges as an embedded funder has been overcoming the deep historical and cultural rift between northern California's white and American Indian populations. Given the state-sponsored repression, cultural stigma, economic marginalization, and sporadic paternalist benevolence to which Indian communities have been subjected, it took several years of relationship-building to begin to gain their trust. Initiating a constructive dialog between these communities and the ranchers whose forebears drove them off the land required an even longer process of establishing the foundation's legitimacy and integrity among both of these antagonistic constituencies. More than a decade after embarking on this effort, the foundation points to increasing collaboration between Indians and whites in regional policy and development networks, the return of some historical Indian land, and a formal apology for genocide by the City of Eureka as signs of growing cross-cultural understanding and cooperation.

Embedded Philanthropy: Defining Features

1. Commitment to a particular community or communities over an extended period of time
2. Direct and ongoing relationships with multiple community actors
3. Community relationships as a primary vehicle of philanthropic operation
4. Supports and resources beyond conventional grant-making

Regardless of whether monetary grants are part of an embedded funder's approach—for most they are, but not for all—there is a good deal more to their community engagement and change efforts than grant-making. Some focus on convening a variety of community actors and interests, providing space for new conversations, and helping all parties “get a place at the table.” Others intervene more aggressively, incubating community-based organizations, nurturing local leadership, catalyzing new processes of community mobilization, or brokering their relationships with institutions and political actors to make change. Some take on the role of providing data and information on community issues, developing research or publicity functions. Many conceive of grant-making as an important but ultimately subordinate tool—“as embedded funders,” says one foundation director, “money may be our least potent instrument for change; it's really just an entry-point.” Another says, “money is like gasoline, if you pour it on the ground, or put it in a car without an engine, it doesn't make any difference.”

Diverse Relationships, Multiple Strategies

The Piton Foundation has played a major role in generating traction for education reform in Denver by developing a range of strategies and relationships. They have actively supported grassroots community organizing among parents and funded innovative charter-school designs and other school-level initiatives. Having invested heavily in data and research, they have also been able to put information on the substandard education being provided to children into the public arena, forcing the schools administration to acknowledge the problem. With the recent advent of a more reform-minded school superintendent they have suddenly gone from crusading outsiders to somewhat uneasy insiders, partnering with the school system on a number of reform initiatives while also continuing to support grassroots pressure for change. In the words of the new school superintendent, “Piton works both ends of this... We need transformation and we can only get it if the community demands it.” At the same time, Piton is also “helping us get the capacity to respond to [those] demands.”

What It Takes to Stay Embedded

Most embedded funders have more in common than this minimal set of defining features. They tend to be unusually flexible and adaptive in the way they work, have a high tolerance for uncertainty, emphasize respect and reciprocity in their approach to community relationships, and be willing to sacrifice a measure of the power and authority that foundations ordinarily possess. Since these characteristics are particularly pronounced among foundations that have successfully practiced embedded philanthropy over an extended period of time, they seem to be important ingredients in the ability to stick with a style of philanthropy that has more than its share of frustrations and pitfalls.

By comparison with conventional philanthropic practice, embedded funders tend to be more flexible and adaptive in the way they work. They are more likely to learn by trial and error in their own communities than by systematically studying “best practices” developed elsewhere. They pay careful attention to developments on the ground and craft their approach accordingly. They are willing to adjust their

ideas and even their institutional structure in response to the needs of the community work, and to abandon strategies that don't seem to be working. Being able to listen to criticism from the community and apply what they learn is a key ingredient. Embedded funders tend not to rely heavily on formal application procedures and conventional grant cycles in their community work; instead, they develop more informal decision-making processes, drawing on what they know—and who they know—from their community engagement.

By necessity, embedded funders have an unusually high tolerance for uncertainty. They do not generally believe that they know what the best strategies will be before starting their community initiatives. As one foundation staff member put it, embedded funders go into a community “knowing that we don't know what the solutions are.” Indeed, they often cannot even know in advance what the most important community issues may be. By extension, they cannot really know how long it will take them to have an impact. And that impact itself is very hard to measure. This tolerance for uncertainty, combined with the flexibility and adaptivity discussed above, helps give embedded funders a distinctive predisposition toward creativity and experimentation. Such willingness to experiment, of course, also requires a tolerance for the possibility of failure.

Community engagement and relationships are the crux of embedded philanthropy, and those who practice it tend to develop a characteristic set of attitudes and orientations toward them. Respect for a broad range of community voices and interests is a guiding principle for many embedded funders. As one foundation director put it, “if you have a positive regard even for people who see the world differently from you, it gets you a long way.” While embedded funders vary in their willingness to push an agenda, they are uniformly aware of the dangers of exerting too much influence—“you've done a great deal of damage as a funder if you name the problem for the community, just as you have if you name the solution for them.”

When embedded funders use the idiom of “partnership” to talk about their more enduring community relationships, they imply a level of reciprocity and interdependence that is a far cry from the conventional dynamic between funders and grantees. Indeed, many embedded funders are comfortable with a level of dependence that most foundations would find alarming. And many are quite explicit about their desire to put themselves on a more equal footing with their community partners and diminish the power differential that philanthropic relationships inevitably entail—an

aspiration in which they freely admit to having only partial and variable success. For some, this effort centers on transparency and reciprocal accountability, i.e., attempting to hold themselves accountable to community partners as well as expecting accountability from them. Others have developed creative mechanisms for incorporating community representation into their governance structure or transferring philanthropic assets into community hands.

Many Ways to Be Embedded

Beyond their basic commitment to a place-based, engagement-oriented style of philanthropy using a range of tools beyond grant-making, embedded funders come in a wide variety of shapes and sizes. This is hardly surprising, since the very nature of their intensive community involvement requires adaptation to the contexts in which they work.

While a few foundations are embedded by original design, most have chosen the embedded route either through strategic reorientation or a gradual process of trial and error. A common motivation, particularly among smaller foundations in smaller towns, is civic commitment to a hometown community. Bigger foundations in larger locales might turn to an embedded approach out of dissatisfaction with the limited impact of operating “a mile wide and an inch deep,” selecting one or more neighborhoods for more intensive engagement. Some began their community work with a strong issue focus, but found over time that those issues could not be addressed without a broader engagement.

Geography and local political ecology play a major role in shaping the opportunities, options, and constraints on embedded philanthropy. Because theirs is a “hometown” enterprise, embedded funders cannot simply leave when major problems arise—they must live with the consequences of their actions. This has the biggest influence over family foundations in small towns where the family remains locally prominent and may readily be suspected of throwing its weight around. Foundations working in larger cities might have more freedom in this regard, but their efficacy may also be contingent on the alignments and contentions of big-city politics. Influenced at least in part by such situational factors, some foundations are willing to adopt a highly visible or even confrontational public posture, while others prefer to work quietly behind the scenes.

Internal considerations also play a major role in shaping whether and how a foundation can adopt an embedded approach. A foundation’s basic mission, orienting philosophy,

Taking Community Ownership Seriously

When the Jacobs Family Foundation launched a community revitalization effort focusing on the commercial redevelopment of an abandoned industrial site in southeastern San Diego, they made a commitment to transfer ownership of all new assets to the community over a 25-year period. This process began with a community design phase and now consists of three components. One portion of the new development is entrusted, in a form of collective ownership exercised on behalf of the community as a whole, to a community foundation designed and managed by residents. A second portion is owned by individual community members as small-scale investors holding publicly tradable “units.” And a third portion will be controlled by a resident-owned and managed development business that will use a portion of the commercial property’s profits to invest in additional opportunities, thus continuing to expand and raise the value of the assets.

and organizational structure, as well as its board’s tolerance for risk, are all significant. Philosophically, some funders begin with a strong commitment to, for instance, democratic participation or the role of small-scale entrepreneurship, while others take a more pragmatic approach. Some focus on achieving determinate community-change goals, while others focus on staging and facilitating community dialog. For some, the agenda for change must come from the community itself, while others are more willing to pursue a foundation-led agenda. The scope and depth of funders’ agendas also vary—some focus on strengthening community institutions or on a set of priority issues, while others have a more ambitiously transformative conception of community change.

Embedded funders are notably ambivalent about claiming to have developed anything like a philanthropic model to be emulated by others. They tend to see themselves as constantly learning, often failing, and achieving contingent successes that may or may not last. They are acutely aware that their work is highly context-specific, that the balance of risks and rewards entailed by embedded philanthropy is not viable for many foundations, and that the necessary level of commitment, willingness to change, and tolerance for uncertainty,

risk, dependence, and informality are rare and often precarious qualities.

Nonetheless, embedded philanthropy has something important to offer the wider philanthropic community. American philanthropy is undergoing a period of turmoil and ferment. There is growing eagerness for new perspectives and approaches as foundations seek new mechanisms for achieving greater impact and new relationships with their constituencies.¹ Given the growing national and global prominence of philanthropy, there is a heightened need to understand it in all its variety and to critically examine its practices. Embedded philanthropy may be an uncommon and unheralded variety, but it offers some novel insights and types of leverage on the challenges and dilemmas faced by all philanthropic foundations. It deserves both greater visibility in the philanthropic community and more thorough and extensive study.

1. Several new approaches—e.g., venture philanthropy, high-engagement philanthropy, and grantmaking plus—share some of the distinguishing features of embedded philanthropy.

For More Information

To read profiles of the 26 embedded funders involved in Chapin Hall's study, along with a more detailed analysis of embedded philanthropy, please see:

Moving Forward While Staying In Place: Embedded Funders and Community Change

By Aaron Sojourner, Prudence Brown, Robert Chaskin, Ralph Hamilton, Leila Fiester, Harold Richman

Embedded Funders and Community Change: Profiles

By Prudence Brown, Robert Chaskin, Harold Richman, Josh Weber

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