

BLACK PHILANTHROPY INITIATIVE: Capitalizing on momentum

BACKGROUND

The mission of the Winston-Salem Foundation is *to invest in our community by making philanthropy and its benefits available to all*. In order to fully realize the mission of the Foundation, we have engaged in a series of activities over the last several years in order to live up to the definition of philanthropy, *the love of humankind*. We believe we are poised to broaden and deepen our relationship with the African American community and to serve the wider community more effectively. Since 1994, the Winston-Salem Foundation Committee and staff have accomplished the following:

- A 1996 - 2000 Strategic Plan which included strategies to develop funds serving the interests of the African American community; to increase relationships with African American donors; and to create greater diversity within the Foundation.
- The 75th Anniversary Initiative from 1994 to 1999 which positioned the Winston-Salem Foundation to make a concerted effort to improve race relations and to serve the African American community more intentionally with our grantmaking. Through the Anniversary Initiative we learned more about how the African American community perceives us and how we can strengthen relationships. Our evaluation of the Initiative led us to realize that we had failed to include efforts to build relationships with the African American donor community because we had focused the Initiative on grantmaking. We saw ourselves as “givers to” rather than “partners with” the African American community.
- Hiring the first African American professional grantmaking staff member in 1997 increased the Winston-Salem Foundation’s credibility with the African American community and brought greater insight and access to information about African American philanthropy. Access to organizations and conferences such as *Philanthropy and the Black Church* and the *Second and Third National Conferences on Blacks in Philanthropy*; provided us with the latest research and best practices about giving in communities of color.

The Foundation’s involvement with the *Emerging Funds for Communities of Color*, (EFCC) sponsored by the W. K. Kellogg Foundation was a critical step in the development of our Black Philanthropy Initiative. EFCC’s report entitled *Cultures and Caring: Philanthropy in Diverse American Communities* and participation at various follow-up meetings have been invaluable in influencing our thinking about the relationship with the African American community. In addition, the Foundation’s African American professional staff has taught a class entitled “Black Philanthropy” for the Duke Institute for Non-Profit Management. This class provided another opportunity to discuss with the nonprofit community the issues and challenges of building an African American donor base.

- The Winston-Salem Foundation announced *The ECHO (Everyone Can Help Out) Fund* in October 1999 to help organizations and associations increase our community's stock of social capital. The Foundation defines social capital as connections between people, based on trust, which enhance cooperation for mutual benefit. Social capital forms a strong foundation upon which a healthy community can depend. A high level of social capital is correlated with effective institutions and a sense of community well-being.

The Foundation has committed a minimum of \$2.5 million over five years to *The ECHO Fund*. The Foundation realized early on that our efforts to build social capital in the community could be much more powerful if we modeled social capital by building trusting relationships within our own organization. As a result, the Foundation committed \$50,000 from the *ECHO Fund* to initiate our Black Philanthropy Initiative. The Mary Reynolds Babcock Foundation awarded a grant of \$50,000 to the Winston-Salem Foundation to continue this work.

BLACK PHILANTHROPY INITIATIVE SURVEY

When the Foundation initiated this project, we realized that it would not be easy. We would need to change as an organization in order to be successful at building trust with the African-American community. In order to build trust, we would need to examine our internal operating practices and organizational culture, along with our external practices.

The Foundation sought a consultant to help us assess the black community's receptiveness to the Winston-Salem Foundation's initiative. The Foundation retained Dr. William H. Turner as a consultant. Although staff could have retained several consultants who had done similar work around African American philanthropy nationally, we felt that it was crucial to retain a local consultant who had connections to Winston-Salem's black community. Dr. Turner was charged with the following responsibilities:

- Assess the African-American community's attitudes toward charitable giving.
- Report to the Foundation's board and staff community members' views on an Black Philanthropy Initiative.
- Assess the African-American community's attitudes towards the Winston-Salem Foundation through discussions with professional advisors, donors, churches, and non-profit organizations.
- Create and implement a process to identify and recruit an advisory committee for the initiative.
- Provide recommendations to Foundation staff and AAPI advisory committee members on action steps.

The key findings from the report were:

- The black community knew very little about the Foundation other than its role as a grantmaking organization.
- The perception of the Foundation was that it primarily served the white, elite, and wealthy in the community and few products or programs existed to engage donors at different economic levels.
- Most of the giving in the black community was directed to the church or other faith-based organizations.
- The community was interested in learning about new philanthropic vehicles through an intentional outreach effort.

The key recommendations from the report were:

- Hold consistent, frequent, and highly visible outreach and educational efforts, to include forums, workshops, and presentations with individuals and couples.
- Make a way into and utilize the services of the local black network of financial advisors, lawyers and consultants to lead the forums, workshops, and individual presentations.
- Match audiences with information and look at ways to transition through a matrix of informally structured and highly personalized modes of giving into the circle of structured and planned philanthropy.
- Make structural changes to diversify all of the Foundation's areas and activities.

From the assessment, Dr. Turner presented a list of over forty individuals who had expressed interest in working with the Foundation to develop this program. After review by Foundation staff, Dr. Turner, and the Grantmaking Subcommittee, the Winston-Salem Foundation Committee approved nineteen members of the advisory committee. The suggested advisory committee was a diverse group of people that included business leaders, financial advisors, civic leaders, current donors, grassroots leaders, non-profit agencies and faith-based organizations. Twelve individuals agreed to participate on the advisory committee. Currently, there are seven active members of the advisory committee. A list is attached. (Attachment B)

AFRICAN AMERICAN PHILANTHROPY ADVISORY COMMITTEE

As its first task, the Committee set out several goals for the Initiative:

- **Build bonds across lines of race and class** among donors and the groups working to better their community. Opportunities for increased organizational capacity will result.
- **Increase the Winston-Salem Foundation's capacity** to build effective philanthropic relationships with the African American community.
- **Increase charitable resources** by awarding grants through African American decision-makers to support those groups working to benefit their community.
- **Build links among African American professional advisors** such as accountants, attorneys, financial planners, and investment advisors.
- **Build permanent endowments** to benefit the African American community.

On February 20, 2003, the Advisory Committee held a planning retreat to learn about best practices in black philanthropy and to prioritize implementation steps for the Initiative. Through this retreat, the Committee made several key decisions.

In order for the Initiative to be successful, the Committee determined how they would measure the success of their efforts. They determined that they would measure success by evaluating:

1. Increase in the amount of funding by current African American givers to specific organizations such as United Way, The Salvation Army, Arts Council, Kennedy Event for UNCF, etc.
2. Increase in the number of new African American donors to specific organizations and/or programs.
3. The number of charitable educational sessions held, the number of people in attendance, and any specific outcomes.
4. Type and amount of giving by African Americans through the Winston-Salem Foundation.
5. The impact on relationships with African American professional advisors such as attorneys, accountants, stockbrokers, insurance sales persons.

Through this exercise, the Committee decided to focus their programmatic efforts on three areas:

Faith community

The Committee would work with three to five churches to develop a program to support church endowment development. Through a series of focused conversations with both clergy and key lay leadership, the intention is to develop an understanding of the economic needs of area churches as well as the cultural issues in building effective relationships. The Committee felt that, although this is a long-term strategy, it could yield the greatest results.

Social and Civic Clubs

Several social and civic clubs play critical roles in supporting scholarships and other community efforts. Many of the organizations feel that they can play a larger role in creating systemic and permanent community change. However, a better relationship with the Foundation is needed to determine what specific role the Initiative can play in building the capacity of these organizations.

Giving Circles

One of the key findings from Dr. Turner's report was a need to develop ways to transition individuals through a matrix of informally structured and highly personalized forms of giving into a circle of structured and planned philanthropy. The Committee felt that through the development of Giving Circles, individuals could begin to see the impact of making philanthropic decisions in the community. Giving Circles is a widely embraced model in which individuals join together to make collective philanthropic decisions around key issue areas in the community. The Committee believed that Giving Circles could be implemented in a shorter period of time than some of the other programmatic areas.

***LEADING BY EXAMPLE* – DIVERSITY, EQUITY, AND INCLUSION OF COMMUNITY FOUNDATIONS**

The Black Philanthropy Initiative is both an external and internal change process. When reviewing other giving programs in the black community initiated by community foundations, especially in the South, the most common indicator of success or failure was the extent for which the community foundation underwent an internal change process. Foundations must embrace organizational change if they expect to be successful in being more inclusive.

The Winston-Salem Foundation was invited by the Charles Stewart Mott Foundation to participate with three other community foundations from the West, Midwest, and North in a peer-learning network. The purpose of the network is to help community foundations address issues of equity and inclusion within their organization and community. This opportunity provided the Foundation with the important structure to help us address our internal capacity and organizational development issues around diversity and inclusion.

A two-year commitment to the *Learning by Example* network has helped the Foundation implement organizational change strategies that will assist us not only in our Black Philanthropy Initiative, but also in our overall inclusion strategies. *Leading by Example* is helping us look at the various roles we play in our community: as a vehicle for enlightened philanthropy, as an employer and business, as a grantmaker, and as a community leader. We have already seen the impact of the Initiative on the elevation of diversity as an issue among our board, staff, and communication strategies.

The project provides technical support to a leadership team consisting of our President, Scott Wierman; a board member, Ann Ring; and a lead staff person, James Delvin Gore. As we organized our team, we felt that it was important to include one of our white board members in this process in order to engender the most institutional support for this project. Although the LBE project has ended, the learnings and work from this project is ongoing. We expect to accomplish some of the following goals:

- Clarify and sharpen the Foundation’s understanding of diversity through a series of dialogues, collective reflections, and strategic discussions. Each board subcommittee and each staff team to be assigned the task of determining what actions they could each take to diversify all aspects of the Winston-Salem Foundation’s operations.
- Deepen the knowledge of inclusive practices within the organization. We plan to invite peers from the LBE Network and other community foundations to meet with members of our board and subcommittees to share specific strategies that have enhanced diversity and inclusion practices within their foundations.
- Develop an organizational statement that articulates the Foundation’s strategic diversity and equity interests, core values, and core operating principles.
- Create a common language organizationally to discuss equity and diversity issues. We are using *The Ten Lenses: Your Guide to Living and Working in a Multicultural World*, by Michael L. Williams to conduct a staff and possible board assessment of attitudes about diversity and inclusion.
- Develop relationships that can be sustained and drawn upon as a resource for support as the Foundation undergoes its organizational change work.

CHALLENGES AND CRITICAL NEXT STEPS

The Initiative’s Advisory Committee has played a critical role in the development of the Initiative. This direction has been invaluable to the Foundation, as it has attempted to *lead* the development of stronger philanthropic relationships within the black community by *following* the advice and direction of the Committee. For example, the Foundation originally coined the name of the initiative as the “African American Philanthropy Initiative.” However, we quickly learned that there was a diversity of opinions in the Committee about whether the words “African American” or “black” should be included in the title of the initiative. The varying opinions seem to fall along generational lines and the Committee is continuing to work through the issue to ensure that the program is reflective of both their objectives and the community’s expectations.

Furthermore, the Committee has recognized their need to further expand further to ensure that they are truly reflective of the talents and treasures that exist in the community. They hope to recruit more young people, financial advisors, and clergy to the Committee. Also, they will continue to strive to make the committee reflective of the economic diversity that exists within our community.

W. K. KELLOGG AND WINSTON-SALEM FOUNDATION PARTNERSHIP

The Winston-Salem Foundation is greatly appreciative of the leadership that the W. K. Kellogg Foundation has provided both nationally and statewide in focusing on philanthropy and “non-traditional” groups. A grant of \$100,000 over two years will help the Winston-Salem Foundation expedite our efforts to build philanthropic relationships in the community.

Funding will be used to pay the partial salary of one full-time Donor Services Officer/Coordinator, Black Philanthropy Initiative for two years. Funding would also be used to launch programmatic efforts, specifically the development of Giving Circles.

The Winston-Salem Foundation does not view a grant from the W. K. Kellogg Foundation as a gift, but rather a partnership. The Winston-Salem Foundation will work with the W. K. Kellogg Foundation to connect similar activities in communities of color across the state through meetings and conversations.