

# Stanford SOCIAL INNOVATION<sup>Review</sup>

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## ***The Future of Philanthropy Is Trust-Based***

*Sponsored by Trust-Based Philanthropy Project*

## ***Operationalizing Trust***

By Jamie Allison & Jennifer C. Haas

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## WHO GETS TO REST?

While leadership happens in all positions, at all ages, and with all voices, most of the sabbatical programs we have researched target executive directors or CEOs of organizations. These leaders have responsibilities that are often unrelenting and isolating, but they are hardly the only staff members who deserve to rest.

Yet there is an undeniable trickle-up effect of this approach. Organizational leaders model work culture. When a leader practices self-care, takes breaks, and trusts staff in their absence, the example is healthy work-life balance. When a leader is available 24/7 and never takes vacation, the message is self-sacrifice. A nonprofit executive director who takes a sabbatical can influence the entire organization for the better.

The question of who gets to rest is of course shaped by power disparities along the lines of race, gender, and class. The BIPOC ED Coalition was created to provide relief from the particular challenges that racially marginalized nonprofit executive directors face. As the coalition's 2022 *Sabbaticals for BIPOC Leaders* report explains, BIPOC leaders "address pressing daily needs with inadequate resources and create cultures of justice and compassion in the face of oppression. We keep going while grappling with multigenerational trauma, structural economic and access limitations, and ... the burden of leadership without culturally aligned support."

Nonprofit and movement leaders are reclaiming rest to fight racial capitalism. And more and more funders have seen that rest and joy are not separate from work, and that progress is impossible without time to dream. The Hidden Leaf Foundation invests in mindfulness and wellness at social justice organizations. To date, the Disability Inclusion Fund at Borealis has provided \$450,000 in grants to support disability joy and justice. Libra Foundation began providing \$50,000 wellness grants to grantees without requiring any paperwork or reports. The Rasmuson Foundation in Alaska offers \$50,000 sabbaticals to nonprofit and tribal leaders. In Tennessee, the Healing Trust provides \$20,000 sabbatical grants. More funders are investing in the rest and joy of nonprofit staff.

## REST REQUIRES TRUST

Before funders launch a sabbatical program, establishing cultures of trust is an essential ingredient for helping our nonprofit and movement partners to rest. At Satterberg, this has meant a transition from direct sabbatical program support to equipping grantee partners to determine their own needs and help them advocate for sector-wide change. At Durfee, the process entails trusting nonprofit CEOs to design their own sabbaticals, whether spending time with family, silently retreating, or exploring the world in exuberant ways.

Depleted individuals cannot make the change for a more just world. Funders can support nonprofit partners by helping them cultivate rest and joy. But this requires philanthropy to trust our partners, understand that they know what replenishes them, and invest in their ability to rest. We have done this over and over again at Durfee and Satterberg, and over and over, our trust has been rewarded.

**Carrie Avery** chairs the Trust-Based Philanthropy Project's steering committee and is the former board president of the Durfee Foundation.

**Stella Chung** is the director of programs and operations at the Durfee Foundation, where she manages the Stanton and Sabbatical Fellowship programs.

**Sarah Walczyk** is the executive director of the Satterberg Foundation.

## OPERATIONALIZING TRUST

**Funders must commit to making our institutions sites of trust and relationship-building for our grantee partners to realize their mission.**

BY JAMIE ALLISON & JENNIFER C. HAAS

When Jamie Allison joined the Walter & Elise Haas Fund in 2018 as executive director, she wondered, "Where have I landed? How do I lead here? Where is the center of gravity in this place?"

Trustees had similar questions as they wrestled with their desires to fund in deeper, bolder, and more effective ways. It was during this time—amid an executive transition and a board shift from the family's third to fourth generations—that the board of directors embarked on a process of reflection. Jennifer Haas, a fourth-generation board member and former board chair, remembers those days and the slow transformations spurred by questions about how to operationalize trust at the fund while contending with the organization's history and building for the future. Today, at 71 years old, the Walter & Elise Haas Sr. Fund is changing.

In recent years, we have engaged more deeply with our program partners to identify moments when we operate from a place of habit instead of intentionality. With greater curiosity, we have been asking questions that lack simple answers. Deeper listening has led to greater clarity, including about how we must work differently to do our work well.

We recognized early that these processes might point our foundation in new directions. We asked ourselves, "Given our resources, knowledge, and strengths, how can we be the most effective grant maker and changemaker in our community?" As our conversations continued, we arrived at the realization that we had to become a different type of funder, embracing a full commitment to equity and justice, rooted in trust.

## BENEATH THE GRANTMAKING SURFACE

In 2020, COVID-19 and uprisings for racial justice brought urgency to reexamining the fundamentals of our work. Although we were funding efforts that advanced racial justice, we knew that our commitment had to become more explicit, and it felt important to deepen our understanding of our grantmaking practices. As part of this process, trustees identified four values to serve as guideposts for our work: family, possibility, shared responsibility, and belonging. We conducted a justice, equity, diversity, and inclusion snapshot of the previous five years of the fund's grantmaking and a 15-year review of the foundation's capital grantmaking.

The findings revealed that we were making little to no capital investments in neighborhoods with large populations of color, including Oakland, the Mission, and Bayview-Hunters Point, despite being a foundation with a historic focus on the Bay Area. They also showed that most of the foundation's large endowment and capital grants were going to large, white-led cultural institutions and universities. To address the disparities in our findings and to better support our nonprofit partners, we introduced three significant shifts in our grantmaking:

**From silos to integration** | We created an integrated portfolio called Economic Well-being to reduce the racial and gender wealth gap. Our integrated approach addresses the interconnected nature of structures, policies, and practices to create a more sustainable economic outlook for future generations. In breaking down silos between our grantmaking-program areas, we aim to meet individuals and families where they are in their lives while transforming the structures that drive intergenerational poverty.

**From symptoms to solutions** | COVID-19 and the national reckoning around systemic racism catalyzed new conversations about the effectiveness of philanthropy in times of crisis. While we are proud of how we showed up to support our community during the tumult of the last three years, we are now shifting to a more proactive approach that seeks solutions to problems before they reach crisis levels, including funding organizations that work within systems that *create* the cycle of poverty, from education and criminal justice to government and the workforce.

**From contributions to commitments** | Traditionally, philanthropic contributions have served as evidence of support of a grantee's mission. Their scope, duration, and impact have been limited, however. To support nonprofits more effectively, we are shifting to long-term partnerships characterized by shared responsibility. Our new grantmaking approach is to make larger and longer general operating grants, which nonprofits have identified as critical to their sustainability. Establishing committed relationships with organizations provides opportunities to build honest, trusting partnerships.

#### NEW ROLES, NEW POSSIBILITIES

The Haas Sr. Fund is not the first philanthropic organization to recognize that some conventions related to foundation staff roles are outdated, such as the separation between program and administrative roles. As an extension of our shift from silos to integration, staff now works in matrixed teams that include program and administrative leaders working in partnership. For our largest grants, the fund's director of administration conducts financial due diligence and shares her report with the fund's program lead and with the grantee. Grantees have expressed deep appreciation for relieving them of this burden and have begun to use the fund's financial diligence reports internally. Old models shape how grantee partners are supported, where foundations spend the bulk of their time, who leads, and more.

As part of our process of change, we have created staff roles that embrace a different view of the work and the structures that support it.

In conventional foundation models, program staff are regarded as experts and gatekeepers of resources. But at the fund, we have reoriented program work to focus on facilitative leadership: listening to community and inviting community voices to influence our work. We embrace mutual learning and interdependence and view community members and nonprofit leaders as experts.

To help us learn in ways that are grantee-partner focused, we created the new staff position of strategist for justice, equity, and learning. This role helps us adopt our grantees' goals as our own, monitor progress in partnership with our grantees, and share mutual learning with one another. While grantmaking remains a function of the Fund, it is done alongside other core work, including organizing funders, convening grantees, sharing our approach, and amplifying grantee wisdom.

To apply a reparative lens to our grantmaking, we created a task force made up of staff members. With the task force's work as a guide, our staff decided on capital-grant recommendations to bring to the board. Staff working together in this cooperative, non-siloed, cross-program, and cross-functional way was a different experience for us. This approach, which includes program leads; the grants manager; the strategist for justice, equity, and learning; and the director of administration, among



other staff, requires the same trust and collaboration internally that we seek to build externally in our relationships with the community. The premium is on listening, compromise, sharing power, and recognizing the wisdom of the collective.

Another area of change is our board dockets. As at other foundations, the docket became a way for program staff to demonstrate value and expertise; the longer and more detailed their memos, the more they felt they were being respected and heard. But we realized that the opposite was the case: The memos were indigestible. More important, they were symptoms of an academic, transactional approach to grantmaking that prioritized process over impact and lobbying the board over learning with them. As a result, the docket has become shorter, focusing on elevating major themes across issues and grants. For staff and board members, this shift has clarified the intersections of our work as well as our mission. The board transitioned from approving grants individually to approving them as a slate.

#### FROM OPERATIONALIZING TO TRANSFORMING

We discovered that our grantmaking needed an overhaul to better align with our values and give our partners more room to do their work, experiment, invest, and win.

The Endeavor Fund is our most significant philanthropic investment to date. We awarded \$3.5 million each to seven leading nonprofit organizations over seven years, for a total investment of \$24.5 million, with the aim of closing the racial and gender wealth gap. This multiyear initiative enables organizations led by people of color to determine the best ways to deepen and grow to change systems. We acknowledge and encourage the importance of investing in organizational capacity, including worker pay and professional development.

**Multiyear unrestricted grants are still not the norm.** Even for those who embrace a multiyear approach, the average term is two to three years. Allison recalls being at a grant maker conference years ago and watching the audience members' jaws drop when Pia Infante, a senior fellow at the Trust-Based Philanthropy Project, proposed that future grant periods be 10 years. "The shock for the audience—myself included—tells me how critical it is for funders to push ourselves and one another to share the ideas we have not yet seen proven, especially when our nonprofit partners are telling us what they need to do their work."

The conventions of status quo philanthropy—working in programmatic silos, imposing rigid requirements that overly rely on transactions, written proposals, and reports—once offered predictability in our grantmaking cycles, comfort in our positional power, and recyclable templates. They required less of us and, in turn, resulted in less impact and fulfillment. Our work today requires us to be active, engaged partners, and our relationships are rooted in trust, not control. Our accountability is to all our partners—our community, staff, and board.

During our journey to operationalize trust, we continue to learn lessons about what this work requires. Rather than a hard pivot, operationalizing trust can be an evolution. This transformation is well worth the effort if our goal is to bring about change and support our nonprofit partners to build a more equitable, trust-based future.

**Jamie Allison** is the executive director of the Walter & Elise Haas Fund.

**Jennifer C. Haas** is a trustee of the Walter & Elise Haas Fund.

## BUILDING A MULTIRACIAL DEMOCRACY

**The practices of trust-based philanthropy require grappling with deep-rooted inequities while living values in action.**

BY PIA INFANTE

Philanthropy is crucial to sustaining and strengthening democracy, now more than ever. Trust-based philanthropy, like democracy, happens through practice. Both require commitment, rigor, and adaptivity. As this supplement has shown, some philanthropic leaders and institutions are exercising democratic, trust-based practices that could contribute to a more manifest multiracial democracy in our time.

If funders understand our collective goal to be strengthening and sustaining democracy, especially as democracy has come under attack around the world, trust-based philanthropy has a major role to play. To illustrate the connection between an embodied practice of democracy and trust-based philanthropy, I highlight the work of three powerful leaders: Brenda Solorzano, a trust-based funder in Montana; Aria Florant, a movement leader bringing reparations and repair to the work of philanthropy; and Kierra Johnson, the executive director of a national LGBTQ+ justice nonprofit.

**Invest in community wisdom.** | As the inaugural CEO of the Headwaters Foundation, Brenda Solorzano led a democratic process to build a trust-based foundation in Montana. She began by listening to others. In what she refers to as the 600 Cups of Coffee Tour, she worked her way across western Montana to talk to communities about their lives. For Solorzano, the tour's purpose was about "having frank conversations with the people of Montana—city officials, tribal communities, health workers, childcare providers, parents, and nonprofit leaders—about health-related issues that were most important to them." Communities shared their desire for the foundation to "go upstream" to address the root causes of poverty and poor health outcomes among Montanans, and to build more collaboration between organizations and across sectors.

With a committed board and staff that viewed the foundation as a community resource, Headwaters developed a democratic ethos through a trust-based framework. Across differences of perspective, identity, priorities, and history, Headwaters collaborated with nonprofit partners to support community-defined interventions that have contributed to better health outcomes in western Montana. Solorzano's work represents how funders are forging in building institutions committed to the practice of democracy and trust-building.

**Trust requires truth-telling.** | "When we think of power as only something that's likely to abuse us, we often become so counter-dependent on it that we forget our own agency in that scenario. This is actually part of the recipe for authoritarianism," says Aria Florant, cofounder and CEO of Liberation Ventures.

Florant has worked to help social sector and philanthropic leaders understand the importance of reclaiming our individual and collective