

Upfront

Is Foundation Grantmaking Biased? Social movement and grassroots organizations left in the cold.

By Chris McGarry

Stanford Social Innovation Review
Summer 2003

Copyright © 2004 by Leland Stanford Jr. University
All Rights Reserved

DO NOT COPY

FOUNDATIONS

Is Foundation Grantmaking Biased?

Social movement and grassroots organizations left in the cold

A provocative new study concludes that foundations and foundation grantmaking is highly influenced by the government, elite universities, and think tanks. The result of these external influences is that foundations prefer making grants to organizations perceived as “legitimate” by these influences.

By analyzing peace grants awarded by U.S. foundations between 1988-1996, Sada Aksartova, a doctoral candidate in the department of sociology at Princeton University, found that “legitimacy concerns underlie the choices foundations make regarding the organizations and causes they fund.”

The study, published in the March issue of the *Nonprofit and Voluntary Sector Quarterly*, is based on data from the Foundation Grants Index of 549 grant recipients and the 212 foundations that gave to peace-related causes during the aforementioned years. The study posed three questions: “What kinds of organizations do foundations favor?” “What causes do foundations fund?” and “What factors may explain their likes and dislikes as far as organizations and causes are concerned?”

Although foundations have the ability to confer legitimacy on causes and organizations by bestowing grants, they also gain

legitimacy through their association with elite institutions such as prestigious universities and think tanks. “Although elite applicants seek financial support from foundations,” Aksartova explains, “they are at the same time the main authority legitimating foundations’ existence and activities.”

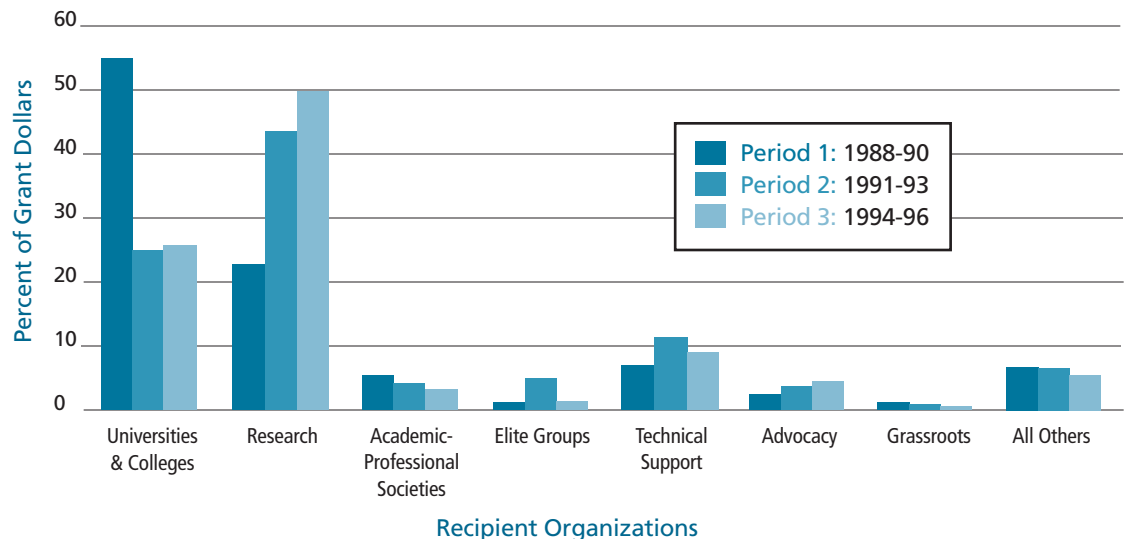
Due to the symbiotic relationship between foundations and these elite institutions, foundations increasingly seek to “conform to the normative expectations of professional and academic communities.”

The professionalism of foundations has led to the recruitment of chief executives, program officers, and trustees through the very network of institutions that foundations fund. Elite universities and think tanks, in turn, receive a disproportionate share of foundational grants.

This phenomenon is evident in peace grantmaking after the Cold War. Aksartova notes that although most foundations profess a commitment to furthering peace, peace grants constituted less than 1 percent of total foundation giving during the years in question.

Furthermore, of the \$193 million that was distributed to organizations promoting peace, the overwhelming majority of the dollars went to academic and elite recipients. Social movements and grassroots organizations received only 13.3 percent of the funding.

The four largest donors – the MacArthur Foundation, the Ford Foundation, the Carnegie Corporation of New York, and the W. Alton Jones Foundation – which together made up 68.3 percent of peace funding, dedicated a considerably smaller



share of their funding to social movements and other nonacademic grantees than the other donors.

Although she provides no direct causal links, Aksartova attributes these trends in part to the strong normative influence of the state between the 1950s and 1980s. “Foundations viewed the peace movement’s questioning of the national security state during the Vietnam War and nuclear arms race as too politically controversial and chose not to get involved,” she observed. The researcher added that foundations may not have seen the funding of peace as necessary “because the state was taking care of it.”

Although many foundations posit a strong role for themselves as separate from government, at least rhetorically, she suggests through her analysis of peace grantmaking that most foundations were affected by the normative pressures from the state. “The case of peace grantmaking indicates that it is much harder to have one’s views represented when one’s cause is disapproved by the state and, as a consequence, is not supported by foundations,” Aksartova writes.

And when they did fund peace, they chose “a safe and familiar option by giving most of it to elite organizations engaged in research and education.”

While the study shows that peace grants were skewed toward certain types of organizations, more systematic causal evidence would contribute to an understanding of how foundations decide who to grant to and whether their preferences are justified.

—Chris McGarry