

Stanford SOCIAL INNOVATION REVIEW

Focusing on Advocacy

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The time is now for foundations, large and small, to engage in public policy

BY SUSHMA RAMAN

ORGANIZATIONS AND INDIVIDUALS focused on social change understand the importance of influencing public policies for improved community outcomes. Karen Bass was no different. Focusing initially on health care as a physician assistant, Bass began organizing residents of South Los Angeles around the crack epidemic that was devastating families and communities. Two decades later, Bass's organization—Community Coalition—is a true community institution focused on creating, influencing, and shaping public policy issues affecting South Los Angeles. Bass herself is a US congresswoman who served previously in California's state capital as the first African-American woman speaker in the nation.

My first encounter with Bass and Community Coalition was in the early 1990s, while sitting on the funding board of Liberty Hill, a Los Angeles foundation that supports community leaders and community building initiatives. There I became keenly aware of the power of small grants to leverage big policy change, such as living wage ordinances for low-income workers and bills to reduce toxic waste dumping in low-income neighborhoods.

A more recent report issued by the National Committee for Responsive Philanthropy confirmed what many organizers and advocates know intuitively: One dollar invested by foundations in policy advocacy, community organizing, and civic engagement results in \$91 in benefits for local communities. Despite the power of supporting community organizing and public policy, however, many foundations shy away from such work, preferring to support direct services. A recent Foundation Center survey indicated that 76 percent of foundations do not fund or engage in direct charitable activities that could be considered policy related.

Yet the current US budget crisis requires that foundations reassess their attitude toward public policy engagement. Increased scrutiny of the philanthropic sector and the expectation that foundations can fill the gap created by diminishing public resources have created a need for foundations to step up and participate in the public policy debate in an organized and strategic fashion.

STRENGTH IN NUMBERS

Perhaps the timing is fortunate. In the past two decades, we have witnessed tremendous growth in the number, scale, and impact of foundations. In fact, the nation's 76,000 foundations, nearly two thirds of which were established since 1990, possess more than \$590 billion in assets. Many are small and understaffed, focusing on local causes dear to their hearts—churches and synagogues, educational institutions, soup kitchens and shelters, and youth programs.



Public policy and advocacy are often seen as the domain of large, private, national foundations and not usually perceived as relevant or appropriate strategies for many community-focused foundations and their governing boards. Foundation boards are often reluctant to engage in what they perceive as political activities. Furthermore, there is sometimes confusion about whether activities such as advocacy and lobbying are permissible and legal for foundations.

So how can foundations, especially community-oriented ones, influence public policy?

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They can collaborate. Although foundations often require nonprofits to collaborate, their own track record is unimpressive. Yet public policy and advocacy are areas where collaboration is not only appropriate, but imperative. Collaboration also makes sense. For example, smaller foundations in a collaborative can benefit from institutions

with in-house research and evaluation expertise. Ones with cautious boards can see that they are not the only ones engaged in risk. And smaller-asset foundations can leverage their dollars by partnering with others. Furthermore, legislators may be more apt to listen when messages are consistent and being delivered by more than one organization.

Fortunately, the recent growth in philanthropy has been accompanied by an increase in infrastructure organizations that support the sector. These include research and training organizations (for example, Alliance for Justice); associations of grantmakers (the Council on Foundations, Southern California Grantmakers, and the European Foundation Centre); affinity groups (the Association of Black Foundation Executives); and public policy organizations (the Center on Budget and Policy Priorities). This community of practice can help funders examine how their mission and grantmaking can better align with public policy opportunities, while also maximizing philanthropic impact and effectiveness.

FOCUS MISSION, LEVERAGE ASSETS

As the intersection between public policy and philanthropy can be vast, foundations may find that their work has greater impact if public policy efforts focus on the issues closest to their values and vision. Some already do that. The Rosenberg Foundation, for example, has a special focus on policy changes that can reduce California's high rates of incarceration and recidivism and increase former convicts' participation in the workforce and civic life.

The California Endowment is another example. It uses its assets to advance social change. In 2010, the foundation announced plans to reconsider more than \$5 million in investments in Arizona-based companies in reaction to the state's harsh anti-immigration law. This was the first time the foundation had attempted to influence public policy through the investment side of its work. In addition, the foundation's headquarters at the Center for Healthy Communities in downtown Los Angeles leverages the endowment's physical assets to bring together policy and advocacy groups, government agencies, and community organizations in a shared conference space. In an era of limited budgets, the center has become a hub for social change agents in a vast geographic region without a core.

Another noteworthy example of collaborative systems is in the area of children's health insurance coverage. Several California health foundations, including the Alliance Healthcare Foundation, Blue Shield of California, the California HealthCare Foundation, Kaiser Permanente, the California Endowment, and the UniHealth Foundation, came together to help find a solution to the approximately 1 million uninsured children in the state. The results of this collaboration yielded impressive results, contributing to a reduction of uninsured children by more than 40 percent between 2000 and 2008. Although the economic downturn and the budget crisis may have affected the momentum gained, many lessons were learned.

Foundations also can play an important role in the public policy arena. When I worked with the Open Society Institute's Emma Lazarus Fund—a \$50 million initiative to assist immigrant and refugee communities—grants often focused on supporting and connecting grassroots coalitions and networks with national policy organizations to impact immigration issues.

Bringing together diverse institutions, strong leaders, and varying theories of change can make collaboration messy and slow. Yet the long-term benefits can be worth it.

PRIORITIZE ACCOUNTABILITY

Foundations active in the public policy arena must be prepared to answer questions about their accountability—and for a possible backlash to their involvement. Whereas governments are accountable to voters, public companies to shareholders, and nonprofits to funders and communities served, foundations can operate in a less transparent manner. If they attempt to influence policies and programs that should be responding to democratic processes, they may be perceived as lacking legitimacy and accountability; the worst-case scenario is that they are seen as directed by the whims of the wealthy.

How best can foundations address the perceived and real challenges surrounding accountability? Foundations—with their long-term view on social change and relative independence—can bring together diverse stakeholders and communities to build a stronger, more vibrant, and democratic public sphere.

But foundations must be careful to strike a balance between being inclusive and moving the needle. After all, on any single public policy issue there are divergent perspectives on the best way forward. Do we strengthen public education or offer vouchers to private schools? Should health care be provided to undocumented immigrants or be restricted to citizens? Foundations can respond best by focusing on those most disenfranchised, those whose voice is most excluded from the public policy conversation.

In 2001, while serving as a program officer at the Ford Foundation's New Delhi office, I helped convene a group of Dalit activists and researchers to discuss the issue of caste discrimination, a human rights situation that affects more than 160 million Indians. Out of that consultative process was created the Dalit Foundation, the first grantmaking institution in South Asia working for the empowerment of Dalit communities.

Not all foundations are created in this manner, but they can incorporate the values of inclusion and equity in their public policy and grant strategies. The International Budget Partnership, funded by the Ford Foundation and the Open Society Institute, provides an example of foundations convening and supporting a network of civil society organizations around the world. The partnership uses budget analysis and advocacy as a tool to improve governance and reduce poverty. Based on the belief that people's participation is critical to the budgetary processes, the partnership's programs help to ensure that the public has timely and meaningful information on how governments manage public funds. In countries where governance reform can make or break the development prospects for society, budget analysis and advocacy are important strategies for funders to pursue in order to meet development goals.

Although the foundation community has historically preferred to work behind the scenes in regard to public policy issues, the current political and economic environment necessitates a shift in thought and action. Today, a stronger, more engaged philanthropic sector must understand and operate in the broader political environment to increase its impact and effectiveness. It can do that by focusing its efforts on collaboration and accountability. ■