Research
When White Philanthropy Funded Black Power
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After Martin Luther King Jr.’s assassination on March 4, 1968, a coalition of black activists and a group of wealthy, white, liberal suburbanites hatched an experiment to improve race relations and the living standards of urban black citizens in Boston.

The black activists, named the Boston Black United Front (United Front for short) were strikingly more aggressive in their approach than the more collaborative National Association for the Advancement of Colored People (NAACP), which worked with funders on mutual goals. The United Front, inspired by Stokely Carmichael’s Black Power movement and prompted to act by King’s death, demanded more authority in governing the black community and more control over resources—including exclusive community and more control over municipal policy, renaming of public schools to honor African-American heroes, and calls for the immediate transfer of $100 million to the black community, perhaps from Harvard University’s endowment.

Dunning’s intervention illuminates a critical moment—the 1970s—when philanthropists were challenged by the demands of Black Power and civil rights; the antistablishment criticism of the New Left; and the enduring structural inequalities of American life that took shape most dramatically in the urban crisis,” says Julia Rabig, assistant professor of history at Dartmouth College.

In a draft research paper, Dunning documents the central role Ralph Hoagland played. He had become a young millionaire through the founding and lucrative sale of Consumer Value Store, known now as CVS. A resident of one of Boston’s nearly all-white, wealthy suburbs, Hoagland appreciated the pro-business orientation of Black Power activists and their desire for radical transformation. His plan germinated when, after King’s death, the United Front presented the city of Boston with a list of demands, including changes in municipal policy, renaming of public schools to honor African-American heroes, and calls for the immediate transfer of $100 million to the black community, perhaps from Harvard University’s endowment.

This aggressive approach was rejected by Boston’s mayor and shunned by the NAACP. But it inspired Hoagland to recruit a 300-strong donor list among his liberal neighbors and friends—a giving circle of sorts—and incorporate the Fund for Urban Negro Development, or FUND, as a pass-through foundation in May 1968. Membership in the FUND required at least $100 in dues, plus a commitment to volunteer business coaching or services one day a week, if called upon.

FUND members supported Black Power activities in Boston while remaining limited in their understanding of how even their well-intentioned philanthropy continued to perpetuate racial and economic inequality,” Dunning says.

Donors’ ambitious pledges went largely unfulfilled, prompting the group to propose switching from a philanthropic vehicle to a for-profit investment model offering low- or no-interest loans only. Members abandoned FUND when their mentoring advice was rejected. By 1970, FUND was nearly broke. It formally shut up shop in 1972, although some of the black-led nonprofits and businesses that received funding continued for several years thereafter.
“The question of which ‘strings’ tether grantor to grantee, and the nature of their attachment, is crucial to the history of philanthropy,” Rabig says. “Dunning makes a... contribution to the history of philanthropy by veering away from the work of major foundations to examine a highly local and somewhat informal experiment in direct philanthropy.”


CITIES

Urban Renewal?

BY MARILYN HARRIS

Over the past several decades, as public funding for community development has declined, nonprofit leaders have become influential decision makers in urban governance. What does this trend mean for democracy, representation, and inequality?

To better understand its effects, Jeremy Levine, assistant professor of organizational studies and sociology at the University of Michigan, spent four years researching commuter-rail expansion and related development along Boston’s Fairmount Corridor. He is now writing a book.

During Levine’s fieldwork, public agencies and nonprofit organizations planned 51 projects in the Fairmount Corridor and managed 11 urban planning processes. The projects ranged from new transit stations to affordable housing development, public art, and community gardens. In total, the projects included 1,077 new apartments or townhouses, 105,065 square feet of commercial development, and 523,058 square feet of vacant land development.

Levine approached his topic as a fly on the wall, immersing himself in the politics of community development. Starting in 2010, his fieldwork took him to foundation offices, nonprofit conference rooms, community centers, government departments, and “nearly every other imaginable place in between,” including hitching rides with participants to get the kind of insights only available in casual conversation.

The Fairmount Corridor rail line runs directly through a racially diverse, impoverished area of Boston underserved by alternative rapid rail options. Institutional support for development came from both the public and philanthropic sectors. Significant national attention and grant money followed when federal policymakers from the Department of Housing and Urban Development, Department of Transportation, and Environmental Protection Agency named the corridor a “pilot project” for a newly created interagency partnership.

Several community-based organizations (CBOs) pushed the project. Initially boosted by massive government funding in the 1960s, CBOs proliferated between 1980 and 2000. As government funding declined, CBOs moved to center stage in urban revitalization efforts.

During the past two decades, foundations and other private funders have increasingly devoted their resources to projects generated by CBOs: Between 2002 and 2015, total foundation grants grew 58 percent, while grants from community foundations—a subset of foundations that distribute grants locally rather than nationally—grew 110 percent. As a result, grants have become competitive, forcing CBOs to be more professional and less likely to reflect the interests of community members.

During the Fairmount Corridor expansion, residents went to a public meeting to voice objections, expecting to influence the process. But by the time public meetings were held, the project was a fait accompli. The key players—funders and CBO leaders—had already met essentially in secret and created a blueprint and an implementation schedule. The public was invited to voice their opinions just six days before ground was to be broken for the new rail line and ribbon was to be cut for the affordable housing located two blocks from the new transit stations.

Residents tried to slow the project’s momentum and modify the process, and expected their elected officials to help. The effort succeeded in delaying the progress of the project by a few years, but during this time their representatives left office, outlasted by the nonprofit leaders. The Fairmount Corridor project moved forward.

The Fairmount Corridor project revealed a central tension in community development: CBOs both enhance and undermine democracy, Levine says. Neighborhood nonprofits can provide more political voice for the urban poor, but they don’t necessarily represent the interests of all residents and can introduce “new, unintended mechanisms of inequality.”

“In terms of both its conceptual and methodological contributions, Levine’s study breaks new ground,” says Robert Silverman, professor and PhD program director in the University at Buffalo’s Department of Urban and Regional Planning. “Levine highlights the implications of ‘nonprofitization’ on citizen participation and grassroots organizing in the urban policy process, and in both cases the implications are viewed as setbacks.”

Levine does recognize some of the advantages of the community development model, such as “new incentives and arrangements that make it easier to avoid disinvestment and deinstitutionalization that was previously the norm for poor neighborhoods,” he notes. But the problems it addresses demand more than it can provide.

“Community development policy, as reflected in the Fairmount Corridor, is one small step forward from the devastating era of urban renewal,” Levine says. “But there is much, much more work to be done.”