



Transforming philanthropy: it's time to get serious

Could the big foundations ever be the change they want to see?

By Fatima Van Hattum and Arianne Shaffer

Is “social justice philanthropy” an oxymoron? Most of the money that’s sitting in the bank accounts and endowments of large philanthropic foundations originates from the same mechanisms that caused the problems their giving is meant to fix.

Foundations with their roots in the extractive and automobile industries spend money to combat climate change and environmental degradation. Technology-based philanthropy benefits from a global economic system of cheap, outsourced labor and poor working conditions, while spending money to alleviate poverty and ill-health. And while asking transparency and accountability from others, many foundations don’t

“A number of groups are already making space for this kind of discussion—like Resource Generation and Bolder Giving.”



and power. Particularly for people of wealth and for the gatekeepers of the big foundations, this can feel very threatening. It's a conversation that digs deeply into disagreeable dark corners and involves an uncomfortable degree of self-reflection. But without it, no improvement is possible. If we are serious about the transformation of philanthropy, what could be done?

Here are three concrete ideas.

First, every funder should embody the changes they want to see in the practice of their giving.

You can't promote social justice and democracy effectively if you don't model it in your own behavior. For example, the Astraea Lesbian Foundation for Justice supports the most marginalized communities at the intersection of racial, economic, social, and gender justice—working class people, people of color, and the LGBTQI community. Their approach is based on a form of community-based decision-making that works with activists on the ground as advisors in the grant-making process. They are also committed to a

“Philanthropy of Inclusion” that seeks to build a diverse community of donors and advisors across the economic spectrum.

More broadly, Astraea looks:

“beyond a narrow causal relationship (expecting to see the direct result of each dollar spent) towards a ‘contributational’ analysis, which understands that societal change is a complex process involving the interplay of multiple organizations within an ecosystem of forces. We understand no one organization can singlehandedly take down structural oppression.”

By linking activists, donors and the global LGBTQI community together through joint action and education, their philanthropy tries to create systems change through deeper shifts in relationships.

Another example is Marion Rockefeller Weber, who witnessed the pitfalls and exhausted spaces of philanthropy first hand in her own funding practice and decided to adopt an approach that's more aligned with her vision for the world. She describes her old model like this:

“I would look at a pile of proposals, take one from the pile, and read it quickly...I was feeling pretty overwhelmed and heavy with this money work...having too much money to handle is unhealthy for myself and the world.”

Instead, Weber wanted to include the wisdom and creativity of others and empower more activists and grassroots organizers to be in the position to give. She came up with the idea of a “Flow Fund Circle” to help other people give away her money. The “flow funders” had never done this before, and were each given \$60,000 to distribute over three year periods.

There was no salary involved and little bureaucracy. No-one knew that the flow funders had any money since Weber wanted to inspire a spontaneous spirit and practice of generosity. By practicing giving in this way, she was trying to embody and foster the trust and community that she envisioned as crucial in the wider world, as well as to free her resources to do things that went beyond her direct control.

Second, funders should

mirror the kind of economic system they want in the ways they manage and spend their money.

Making grants to groups that work for a just and sustainable world can be powerful, but grants are only one way in which the money that's tied up in foundations can be used for social transformation.

For example, DivestInvest Philanthropy has persuaded a number of philanthropists to divest from fossil fuels in their endowments. Most notable was the announcement from the Rockefeller Brothers Fund that they were joining the Divest-Invest movement along with 656 individuals and 181 other institutions.

Other initiatives, such as Confluence Philanthropy, focus on promoting mission-aligned investing to promote social justice and environmental sustainability. They work with organizations like Transform Finance who seek to support community-led investment practices and models that are, “primarily designed, governed, and where feasible owned by communities,” and which seek to add more value than they extract.

Transforming these fundamental economic relationships may have a much deeper impact over the longer term than making radical but piecemeal grants.

In terms of the economics of race and class in the USA, for example, ReGenerative Finance recognizes that, “The racial wealth divide has emerged through and is maintained by the extraction of resources from communities of color.” As a result, they support “long-term wealth building in communities most impacted by systemic racism through investing in Black-led cooperative enterprises that have emerged from grassroots organizing.” Instead of offering grants focused on alleviating inequality, they want to create financial mechanisms that serve the interests of communities of color over the longer term.

Some groups have dropped the notion of operating in perpetuity that has been a cornerstone of mainstream philanthropy for generations, and are spending all their assets now. For example, The Chorus Foundation is spending its resources so quickly that it won't exist at all in ten years time. They've

decided that—given their focus on climate change and the urgency of the issue—it would be irresponsible not to move as much money as quickly as possible. “Profit-oriented conservation of wealth is where a lot of our problems originate,” states Farhad Ebrahimi, Founder and Trustee Chair.

Instead, Chorus has chosen to, “Take a step back and think about the problem that we are actually trying to solve. How can we change the problems if we don't change the fundamentals of how we think about resourcing and moving money around?” They questioned and then rejected the conventional wisdom that keeping the bulk of a foundation's money in a pool and spending out a small percentage every year is the best way to operate.

Third, spaces have to be carved out for a much more honest and equal discussion of philanthropy and its future.

The basis of any kind of transformation is a willingness to ask and answer difficult questions that can fracture the status quo and open the way for different answers to emerge. This is critical in a context where

great privilege is combined with control over resources and decision-making. Personal transformation is therefore vital to explore and challenge roles of privilege, power, accountability and trust.

A number of groups are already making space for this kind of discussion—like Resource Generation and Bolder Giving. The EDGE Funders Alliance is also encouraging deep inquiry at an institutional level. Their upcoming conference is focused on the theme of a “just transition,” with an emphasis on the principles and practices required for a radically-different economy. Such groups and gatherings provide an opportunity outside of the everyday rhythms of philanthropy to envision and plan for a different future.

Kindle Project (our organization) is a relative newcomer to this field. It was founded in 2008 by two friends, both artists, out of a desire to respond to the urgent need for systemic changes by creating a more radical funding organization. After six years of grant-making, Kindle Project launched the Indie Philanthropy

Initiative to explore what the broader transformation of this field might involve. The Initiative serves as a nexus for conversation, knowledge-sharing and inspiration via a website that carries a wealth of information on how to practice giving in non-conventional ways.

Will social and economic systems evolve over time to remove the need for philanthropy entirely? In the immediate future, this isn't very probable. But by asking deeper questions and being willing to put the answers into practice, funders can become much stronger allies in defying that probability—and in the process, inch philanthropy closer to another and greater set of possibilities. ■