

Democracy in Practice:
**How *the* Ford Foundation
and Its BUILD Grantees
Are Changing Philanthropy**

by Jeanne Bell and Ruth McCambridge

BASED ON OUTCOMES, THERE CAN BE LITTLE doubt that new approaches are needed to address the long-standing and intensifying global and national issues of racial inequity, economic injustice, and environmental disregard that have marked this past decade. Previous approaches have not been decisively effective in turning these tides; and although we might argue about why that is, there is at least a very good argument for trying something different

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THIS ARTICLE IS MEANT TO BE less about the BUILD program and more of a wake-up call for institutional philanthropy generally. We have found in examining this program that it has had some extraordinary effects on grantees and potentially on America's future, and that many of these effects have been achieved by changing the practical frameworks through which grants are given and managed. These practical frameworks, however, are informed by social constructs that influence both power relationships between grantor and grantee, and the ultimate effectiveness of the grantee. These social constructs are so firmly embedded in our culture that they are virtually invisible to those whose power is reinforced by them—but they are by no means invisible to those who are subjected to them. What BUILD did, in short, was commit \$1 billion to a grant program that:

- Selected a group of grantees who were seen as central to networks working on issues of inequality and social justice.
- Provided sufficient capital over multiple years to allow them to build strategy around vision.
- Retained a close enough relationship to identify where BUILD might be helpful along the way by providing spaces for convening around developmental issues encountered by grantees.
- Centered evaluation in developmental or formative styles.

philanthropically to dislodge the powerfully dishonest narratives that continue to exert a grip on our collective consciousness. There is a mounting urgency in the social sector, therefore, to examine our own histories of practice; to uncover and confront any ways in which we have reinforced or benefited from the flaws in our own practices and their supporting narratives; and to take on the necessary work of (finally) operationalizing our long-professed values of democracy and justice.

In our sector, grantmaking institutions, of course, hold enormous power, in that they can both model this necessary work, if they so choose, *and* scale it exponentially by financing nonprofit organizations to take it on as well. The Ford Foundation is advancing grantmaking practice in exactly this inside-out fashion with its BUILD program. Deployed in June 2016, BUILD provides large, five-year general operating grants with significant capacity-building support to nonprofit organizations on the front lines of social change in the United States and around the world. The scale of Ford's investment—\$1 billion to three hundred social justice organizations globally—is surely impressive, but it is BUILD's ethos, structure, and accompanying practices that deserve study and replication.

Upending Grantmaking Practice

Before we move into the focus of this article, we want to revisit two drivers of current practice between grantmakers and grantseekers in the United States. One is the idea of the *muted market*, which is—put very simply—the reality that, in large part, nonprofits are paid not by those they are organized to benefit or represent but by a third party.

Simplistically, to thrive over time in much of the business world, institutions must please those who use their products or services. This is a fairly direct relationship. The user is the same as the buyer—and this is the customer. Businesses may be able to fool customers about what they deep down want and even sell them things that are not in their or the world's long-term best interests, but even if they have many millions of customers, the basic relationship remains very direct.

In contrast, in many nonprofits the buyers can be different from the users. The buyer may be a foundation, a government agency, or even a base of individual donors—or some combination of all of these, purchasing services that will be consumed by someone else: a community theater attendee, a homeless person. This creates a potential, and too often lived-out, disconnection between what users (constituents) really want or need and what the buyer thinks they ought to have. There may be no, or at the very least a delayed, financial consequence to the nonprofit if it is unresponsive to constituents—beyond satisfying the buyer's contracted requirements. Thus the voice of the user is “muted.” This also places the nonprofit in the morally vulnerable position of broker—the entity presumably responsible for the translation between what the donor/buyer wants to fund and what constituents really need.¹

In the case of social change work, this third-party payer will often be one or a number of foundations. The problem in this structure is that the groups funded may find themselves

responding more to the foundation than to their constituency. This may lead to a growing disconnect and lack of accountability between the organization and its power base—in other words, it may create a power suck in the very field in which power was to have been built.

The second driver is the infantilizing power dynamic that plays out between the grantor and the grantee. Look at it as the kind of curfews and controlling mechanisms that are used with adolescents. Short cycles of funding and accountability reinforce the primacy of that relationship, as does too much control over how resources are spent. The relationship, as it is currently constructed, is habitually and thoughtlessly power-laden, when in many cases funders might like to think they'd be happy to see the group as primarily accountable to its community. These notions about needed alterations in the deployment of grant funds are not new. For decades, numerous organizations, white papers, and conference panels have addressed the power of less restricted grants over longer periods to increase nonprofit effectiveness. Recall that Grantmakers for Effective Organizations (GEO) was founded more than twenty years ago precisely to lift up and encourage less restricted and more long term grants. And yet, data confirm that these practices remain rare and that their uptake has largely flatlined. According to the National Committee for Responsive Philanthropy, "Together, general operating support and multi-year funding are important in creating healthy and effective nonprofits. Unfortunately, there continues to be a severe shortage of these types of grants at a time when grantees need as much core operating money as possible both to help cope with funding cutbacks and to help offset the increased demands for services."² Thus, while the practices are not new in concept, the BUILD program feels radical because it actually employs them with vigor.

BUILD's Intense Focus

If we were to see this moment in history as being a particularly intense struggle between advocates for democratic voice and equity and powerful but challenged systems of inequity, the degree to which movements can engage their bases and partners becomes absolutely critical.

In interviews with leaders of BUILD grantee organizations as well as with BUILD program officers, an exciting and synergistic set of dynamics emerges that responds to the urgency to advance democracy inside and among our institutions and across societies.

1. Both the foundation and the grantees share an explicit equity-centered analysis of how democracies need to evolve, as well as a sense of the opportunities embodied in this historic moment.
2. The foundation adjusts its grantmaking to better facilitate the work of nonprofits to accelerate social change.
3. The nonprofit, in turn, is able to speed up its own cycles of programmatic development, but also works to ensure that its own organizational and network practices are aimed at creating an ever expanding and more vibrant base of connected political activists.

Aligning Foundation and Grantee Practices for Social Change



This grantmaking form creates a very different dynamic between the funder, the grantee, and the grantee's field.

Regarding the third dynamic, Kathy Reich, BUILD's director, noted, "In many cases, the promise remains unfulfilled or only partially realized. Ford has been far from perfect in the design or implementation of BUILD, and of course nonprofits haven't been perfect either. I do think it's necessary to acknowledge that there's a difference between theory and practice, and that in practice, we may not achieve this virtuous cycle. We are learning a lot along the way, though, and I very much believe it's better than what we were doing before."³

Two years into the five-year commitment to the BUILD program at Ford, a number of lessons are emerging about how this form of grantmaking reflects and inspires deeper democracy in organizations, fields, and communities. These are drawn from early interviews with BUILD grantees and the excellent report on the program, *Changing Grant Making to Change the World: Reflecting on BUILD's First Year*, published in November 2018.⁴

1. **Accountability is reportioned.** The grantee is more responsive to its field, network partners, external circumstances, and what it is learning than it is to its funder.
2. **Nonprofits have greater control of their resources.** Funds can be used in fluid ways that create the most strategic leverage in the work being done—providing greater flexibility for adaptation based on learning.
3. **Organizational strengthening is on time, and makes sense to the organization.** Strengthening encompasses the technical, inclusive, and adaptive work that drives impact and engagement. Grantees are able to better align administrative systems and organizational culture to their work as it develops.
4. **Financial security allows for risk-taking.** With a more reasonable and secure base of financial support, grantees confidently take on risk and developing sustainability.
5. **Funder confidence is leveraged across the grantee network.** The confidence expressed by Ford created a sense of momentum and safety that encouraged other funders to similarly and safely invest in that

organization or one or more of its network partners.

We explore each of these further on, centering the voices of the nonprofit leaders in grantee organizations as they variously describe the particular dynamics and effects of BUILD funding in our current sociopolitical context.

Accountability Is Reportioned

"For BUILD to work well . . . we have learned that it's critical to start with the ultimate goal—the system you are trying to change, the policy win you are trying to achieve, the community you are trying to empower—and then give BUILD support to grantees who are your key partners in achieving those goals."⁵

Again, the BUILD program affords its social justice grantees a five-year commitment of large, general operating grants, including funds directed to organizational capacity building. This grantmaking form creates a very different dynamic between the funder, the grantee, and the grantee's field. Most nonprofits function in a muted market (as described earlier), where those who are meant to benefit from their work are different from those who pay for the work. This at the very least establishes interrupted lines of accountability; it also sets up a system that, in its typical practices, infantilizes nonprofits and, in turn, communities. Two of the most powerful mechanisms of this infantilization are short cycles of grantmaking and restrictions on the uses of grant money. Both have the effect of drawing the organization's accountability focus to the funder, an antidemocratic dynamic that undermines constituent voice and power.

Sarah Johnson, director of Local Progress, a project of the Center for Popular Democracy (CPD), gave an example of how this constituent responsiveness showed up in Local Progress's work in connecting progressive municipal government officials with community organizations:

The immigrant rights work that Local Progress launched in 2017 following the presidential election is a good example

of where we were able to be responsive to our membership by launching a new body of work—in an area where the need was high—on an immediate basis. We were able to dedicate more capacity to it without, at the time, having identified dedicated funding specifically to support that work. Since then we have found additional funding streams, but that is an example of how we were able to lean in to the energy of our members to define a body of work that met their needs and priorities.

Johnson further underscored that democratic practices are inherently time and capacity intensive, in that they engage constituents at every step:

The amount of time it takes to build a new strategy in a constituency- and membership-based organization requires, in and of itself, a big chunk of capacity. We have built out member steering committees for all of our different bodies of work. Just building those to identify what the strategies are is a project. It takes time to do that and then define the strategies moving forward instead of having to try to backwards-build constituency-based strategies.

Being constituency driven is made far easier by not having to find funds before an organization can structure itself for—and respond to—constituents' shifting needs and priorities.

Nonprofits Have Greater Control over Their Resources (and, by Extension, Their Programs)

“BUILD grants need to be large enough to make a difference. One error we made with some early grants was not making them significantly larger than past grants, to enable organizations to really think big and strengthen their own leadership, strategies, and systems. Our aspiration going forward is to make each BUILD grant at least 30 percent larger than past levels of support from Ford.”⁶

One of the most problematic issues in managing nonprofits for greater effectiveness is the fact that external revenue sources so often control how the organization's cash on hand is allowed to be spent. This is, of course, not true for the revenue sources of for-profit businesses. The result for nonprofits of this external control of fungibility is that their ability to develop in a balanced, fluid, and responsive way is seriously undermined. The fact that BUILD consciously gives more money over an extended period and that the majority of those funds can be used for general operating allows the grantees to remain nimble and responsive to the environment, as well as to any needs that emerge as a consequence of organizational growth, leadership change, or necessary shifts in strategy.

The notion of “slack” can be applied here, though it is seldom used among nonprofits. Slack is “a cushion of potential resources which allow an organization to adapt to internal pressures for adjustment or to external pressures for change in policy, as well as to initiate changes in strategy with respect to the external environment.”⁷ In a fast-moving and volatile environment, where developments of all kinds are the norm rather than the exception, to not budget as a funder for slack is—as Woods Bowman termed it in his 2007 article, “Organizational Slack (or Goldilocks and the Three Budgets)” —tyrannical.⁸ Or, to put it another way, undemocratic.

Organizational Strengthening Is on Time, and Makes Sense to the Organization

“Not only does general support provide vital working capital to sustain and improve infrastructure, it also allows organizations to spend more time and resources on programming, planning for the longer term, and responding more quickly to new challenges or opportunities.”⁹

Nonprofits are often forced to develop special funding applications to resource the necessary infrastructure for their work as it increases in volume and complexity. These extra requests often suffer from a lag time. Sufficient capital on hand to address issues as they emerge cuts

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down on the need for potential leaders to ignore or delay capacity-building measures that could advance an organization's work. Interviewees talked in depth about these measures being critical. Sometimes the systems are relatively standard (including, for instance, new CRM capacities), but sometimes they are more organic to the specific mission work of the organization.

For Race Forward, which is the coming together of the historic Race Forward: The Center for Racial Justice Innovation and the historic Center for Social Inclusion, BUILD funding came at a dynamic intersection of the organizations in a moment ripe with opportunity for advancement of their shared causes. The two organizations had often worked in tandem to end structural racism and to operationalize structural and racial equity. "Race Forward had a fabulous air game with a wonderful communications arm," noted Jennifer Levison, Race Forward's interim senior vice president of development and partnerships—"including the publication *Colorlines* and other narrative strategies." She continued:

It did other things as well, but I think it was known for those things. The Center for Social Inclusion, while it had narrative strategies, was known for policy operationalizing racial equity on the ground. Four years ago, we also brought in the Government Alliance on Race and Equity—so that, in addition to doing operationalizing of racial equity in community-based organizations, we really started looking at the local and regional government sectors and other institutionalized change.

Merging two organizations even as they responded to the exciting acceleration of the national discourse about racial justice left the newly combined Race Forward staff with any number of capacity-building needs. "You wouldn't normally hear the word *longing* attached to the merger of e-mail platforms or databases," said Levison, "but honestly, we were longing for administrative capacity. Database technology work is so unsung, and it's so important."

BUILD funding also allowed Race Forward to

invest in its programmatic vision. According to Levison, "One of the big things we were longing to do was to build out our Narrative, Arts, and Culture department. We said that we would find a visionary leader for this in our second year of BUILD, and we ended up finding somebody in our first year, so we're a little ahead of the game on building out what it's going to look like."

The fit between what an organization needs for next steps and its ability and willingness to take on the capacity and infrastructure building for those next steps is always highly sensitive, far more so than most funders and consultants generally acknowledge; and indeed, some grantees talked about awkward moments in negotiating that realm of the work, especially early in the process, but much of that friction appears to have dissipated with time and adjustment of processes. About this potentially charged and energy-draining space, Melissa Fourie, executive director of the Centre for Environmental Rights (CER) in South Africa, commented, "They show a lot of interest, but they don't prescribe, and they don't tell us what we should be doing. Some of our other funders have strong views about some of this, and that's really hard to manage."

Since opening its doors in 2010, CER's programs have grown exponentially in response to enormous environmental challenges, but its organizational structure and capacity have not necessarily kept pace. As Fourie described it, some areas of organizational change require concentrated effort over longer periods, and this includes advancing diversity, equity, and inclusion within the organization. "The diversity work in itself is a big body of work—and particularly in our very complex [South African] environment, with a lot of unresolved hurt—so it's really not an easy thing for us. But on the upside, we are pretty plain-speaking people in South Africa, so that actually helps us deal with some of these issues more head-on. We definitely want to see our management structures much more diverse than they are now. We want to see more career paths for our younger Black attorneys coming through. And that's achievable. I think we can do that by the end of five years. The BUILD reporting requirements are really streamlined and easy

and that's also of course the benefit of a five-year grant."

Prioritizing Engagement with Constituents and Networks

"One thing that we have been learning and evolving especially since 2016 is our organizational muscle around rapid response," said Johnson. "That stuff is like a muscle. You can build your ability to do it, to do it quickly, and do it in a consultative way with stakeholders so that it's not just chaotic and responsive. The second area where we are really experimenting is around translocal coordination of our members who are working on similar issues. Ideally, these two kinds of work are being built together and complementing each other." She continued:

When white nationalists brought hatred and violence to Charlottesville, we had one member—Wes Bellamy, [then] the vice mayor of Charlottesville, Virginia—who was personally singled out. He was targeted as a result of his history of organizing around racial equity—including both the fight around the Confederate statues and his successful advocacy for a racial equity budget package that dedicated \$4 million in funding—including significant funding for public housing, money to fund GED and scholarship programs, the creation of an ethnic studies curriculum within public schools, and a youth opportunity coordinator. We were able to mobilize our whole network to support him, helping them respond in their own ways to that truly horrifying series of events. Two months later, we held our first racial justice convening both responding to the overt racism being expressed in our country and thinking about what it means for municipal governments to be centering racial justice in their work. Among other things, the convening helped us spread information about racially equitable budgeting practices that members in several cities are now actively using, and it helped us build an evaluation tool for policing policy, with significant membership input. That's an example of

something that's not a new body of work but where we were able to build a rapid response and then build out infrastructure around it.

These are not the only processes Local Progress has had to work on, however, explained Johnson. "We did a bunch of really unsexy, infrastructural work. We updated our CRM and our website. We have a bigger staff, so we need tools that work better. We're no longer three people looking at an Excel spreadsheet and making a plan together. We have tried to build infrastructure at pace with growth, and I'm proud of that."

Fourie talked about the responsibility CER feels to share the wealth with its own wide network of partners. "What we're going to try to do is share some of the stuff. So, particularly our closer partners that we work with regularly, to tell them: this is what we're doing; here is a copy of the policy we developed; here's the right consultant we found on governance; this is the process we used. It's always been part of our organizational culture of openness and sharing of information. I mean, long before BUILD, that's been one of the things we're very strong about: that we make public all the resources we have available, share what we have."

A Longer Runway for Confidently Taking on Opportunity, Risk, and Sustainability Creates More Momentum

Many of the BUILD grantees talked about the timing of their BUILD grant as being critical in that they were in an environment where, if they couldn't ramp up quickly and inclusively to meet a more regressive yet opportunity-filled moment, they would lose potential momentum in the movement in which they were involved. Said Levinson of Race Forward (which, as was mentioned previously, has built out to meet that opportunity through a merger and an acquisition), "We haven't had a conversation on race like we're having right now since the civil rights era. So not only did we want to build that power but we really wanted to create something new—so, not just put together the work of two organizations but create something new and bigger and

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more powerful. So that's the nutshell of how we came to be and what our purpose is."

For Fourie, the change of time frame relieves the usual pressure of an arbitrary time frame that does not fit the arc of the work being done. "I don't think it's exclusive to law firms," she said, "but when we look at how litigation and advocacy develop and how law reform develops, nothing happens within a one-year frame. And nothing happens in a two-year frame. It really does enable better planning—and enables better recruitment, as well, because you're then potentially not under pressure to recruit *now* somebody who can hit the ground running. So it's a knock-on effect to how you grow the organization and then actually approach work."

Fourie continued: "It was the first five-year grant we ever received. That was an enormous difference, I think. It had an enormous impact on our planning and comfort with longer-term planning."

Financial Security Allows for Risk-Taking

"Today, with 90 BUILD grantees in 26 countries outside the US, we have seen no evidence that grantees are using BUILD funds inappropriately or wastefully. To the contrary, we have seen plenty of evidence that they are spending them well. For example, at least 14 grantees in the Global South are using BUILD grants to support leadership transition—in many cases, transition of a founder or longtime CEO to new leadership. The new leaders tend to be younger, and are more likely to be women or members of marginalized groups, than previous leaders. Changing the demographics of who leads nonprofit organizations can itself disrupt drivers of inequality, like persistent discrimination and entrenched cultural narratives."¹⁰

"I think it's always a relief for any organization of this size to understand that they have multiyear support coming, that it's mainly unrestricted," said Pia Infante, board chair of the Center for Media Justice (CMJ), a national hub for racial justice leadership and strategy on culture, media,

and technology issues. The BUILD grant aims to help CMJ bring its work to scale and connect media reform and Internet access organizations to a broader movement for racial and economic equity. Infante continued:

I think there is an allowance for imagination, and there's relief, and then there's the ability to imagine out in ways that it's harder to do right when the financing isn't secure. And the timing of the BUILD grant was not accidental. I mean, it was after this new administration took hold that was obviously very antagonistic toward net neutrality, antagonistic to many of the visions and missions of the greater network that CMJ is the hub of. So, politically, it was timed in a really powerful moment of not wanting to just be constantly in response to either perceived or actualized threats to freedom, dignity, net neutrality, access to affordable Internet, and communications—and then at a time of increasing digital surveillance. So, the ability, not exactly to forecast exact strategies and tactics, but to know that there was some level of resource that was going to be available as net neutrality got repealed, as digital surveillance increased, as the police state was authorized monetarily and kind of culturally in different ways. And it has enabled not just the Center for Media Justice but really the entire network to mobilize swiftly, to get some wins, some small wins during what feels like a darker time for free and independent journalism, for non-mainstream media voices.

We're investing well, not just in building the infrastructure of a single nonprofit but in actually building the long-term sustainability of a wider network of close to one hundred groups; and that doesn't mean we're regranteeing, but it means that we have to think about where we're investing the resources that we're getting at this level for the next three years.

I think it's a good protective measure for foundations to be able to say we're trusting the leaders on the ground with

the decisions they need to make in the moment. And I really do credit that BUILD culture and process as encouraging us to do just that. We knew we weren't going to win back net neutrality in six weeks, but we still, of course, did what we could to bring national attention. So I think in every instance where we went out to do something, we may not have won the policy but we did win public discourse or maybe some ability to shift and reframe the conversation, which is constant right now. Like, you know, the constant vilification of any effort on any group's part or any individual leader's part to protect civil liberties. I don't know if you're seeing what's going on with Andrew Gillum and Trump right now, but it's fascinating. There's a lot to cut through when it comes to even how we're describing or how we're discussing what our work is and what we're trying to do, and trying to frame it in bigger language so that it doesn't just sound like we're defending ourselves against accusations.

And risk taking is something that we do all the time. It's a part of why I think we're a movement organization. We don't shy away from risk. But when you can take risks with the confidence that you're not going to get a phone call the next day in front of that funder asking what exactly you are doing—well, that is not true of every funder of this organization. There are funders that say, “We fund you specifically to do leadership development,” or “We fund you specifically to work on this one regional campaign, so that we can say that when we went and tried this out, we were using our unrestricted BUILD dollars.” It's protective on both sides, I think. It works for the funder who's giving unrestricted funds, and it also works for the movement organization.

Funder Confidence Is Leveraged across the Grantee Network

“Northup knows firsthand what can happen when institutions don't invest enough in their own structures, systems, and people.

‘One of the first human rights experiences I had was working for an organization in Kingston, Jamaica,’ she recalls. ‘They were doing incredibly important work on police brutality there and on extrajudicial killings. Within a few years of my having worked there, the organization no longer existed. The need still existed, but the organization didn't. I think that was my early lesson in how important sustainability is for individual organizations, but also for movements. I applaud Ford's approach to strengthening all of us who are in this for a very long time.’”¹¹

One of the critical functions of a multiyear, high-dollar unrestricted grant is that it gives other funders a level of comfort in making a similar commitment—and that, in turn, gives the organization enough space to make impressive progress that acts as a convincing reason to invest. As Johnson recalled, for quite a while after it began in 2012, the Surdna Foundation was the first and only funder of Local Progress. In 2015, Open Society Foundations started funding the group, and then Ford. “But,” she said, “I think that year was a crucial growth year for Local Progress, both in the urgency of leaning in to cities and this moment, and then also our growing capacity helping us to make a stronger case for ourselves. I had assumed that foundations were influenced by each other, so I think seeing other foundations make significant, multiyear contributions definitely helps people feel like they're building something that's going to be durable, especially with a new project that's scaling up quite quickly. I feel like it creates more momentum and energy for other fundraising and for folks to be motivated to invest in the work.”

Philanthropy Must Shift to Help Build a Stronger Civil Society in which to Leverage Grants to Make Change

“My question is,” said Infante, “do we want a stronger civil society or not? Because there's no way to get a stronger civil society without a ten-year investment in base building, constituency building—you know, civic engagement.”

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"I think just as there's a capacity being built on the grantee side, there is a capacity that can be built in terms of the learning and the more sophisticated understanding of social change on the foundation side."

She continued:

There's no way around it. You either invest in activating, mobilizing, and moving much bigger groups of people than most movement groups can usually do, or you don't. So, the results will speak for themselves. I've been thinking about how to make the case—to spread this type of grantmaking as the default. Two things: I think the story of the movement organization [is key]: "This is what we can do now." So, if you're talking to domestic workers, for instance, "This is what we can see now as the future opportunity and how to take advantage of it." I think that's a big story. But also, how does it benefit a foundation to do work in this way? What does it contribute to the capacity of its own staff? How does it redistribute the work and focus of its own staff from micromanaging gatekeepers to being meaningful and significant contributors to movements in driving civil society? How does the time get allocated differently? I think just as there's a capacity being built on the grantee side, there is a capacity that can be built in terms of the learning and the more sophisticated understanding of social change on the foundation side—which is different from ideas being baked in academia, and different from the big-evaluation-firm way of thinking about metrics. It's real, practical, step-by-step learning-organization stuff that you wouldn't otherwise get if you were making grants in a different way.

BUILD Program's Director Kathy Reich: Reflections on the BUILD Program's First Year

On top of Ford's interest in promoting social equity through a more reasonable and empowering grantmaking practice focused on highly networked social justice groups, the BUILD program's director Kathy Reich is also interested in encouraging other philanthropies to commit to longer, larger, more flexible grants that are attentive to institutional strengthening and health.

"That's what I care about," Reich said. "I don't care what they call it. I don't care quite how they do it." She continued:

There are lots of different nuances, right? But what I would say to them is (to paraphrase Dennis Whittle, director and cofounder of Feedback Labs), it's the right thing to do, it's the smart thing to do, and it's the feasible thing to do. I completely agree with Hilary [Pennington, executive vice president for programs at Ford] that nonprofits cannot achieve their missions unless they are well resourced and healthy. And the way that we're financing in this sector is broken, so I think this is the smart thing to do. If you care about results, if you care about effectiveness, if you care about long-term change, this is the way that you invest. And, frankly, this is the way people invest in companies and government and all kinds of things, right? So, that's one thing.

The second thing I'd say is, it's the right thing to do. Ford is a social justice foundation, and if you are serious about justice, you have to walk your talk; too often, the way that foundations fund their partners in the nonprofit sector is not as partners. It doesn't have justice at its core. This is a more just way to make grants. (Now I'm getting on my soapbox.)

And the third thing I would say is, it's not rocket science. It actually isn't that hard, and if you're worried about it, if you think it's hard, you don't have to start with a billion dollars—you can start small. I have been advising a foundation in Canada that is starting with just three grantees to try it, learn from it, experiment with it. We are so good, in philanthropy, at overcomplicating everything, but it doesn't have to be like that. This is not hard, but it does require acting against the current grain.

When I reflect on my own journey in philanthropy, I realize I started my career as a really directive funder. I funded advocacy and campaigns, and I was so intent on telling people what to do. At one point,

NPQ interviewed four of three hundred grantees of the BUILD program. These are the organizations included in our interviews:

CENTER FOR POPULAR DEMOCRACY

Sarah Johnson is the director of Local Progress.

The Center for Popular Democracy (CPD) received \$8.5 million in BUILD support through the Ford Foundation's program on Civic Engagement and Government. BUILD supports CPD civic participation, education and scholarship, fair economies, and government policy and practice. Local Progress, a project of CPD, builds on the power of local governments to shape policy that works for everyone. It is a network of progressive municipal government officials across the country that connect deeply to community organizations such as unions and movements. By connecting those inside of government and advocates and organizers on the outside, Local Progress hopes to center the people impacted by policy and encourage lawmakers to work in partnership with those they serve.

CENTER FOR MEDIA JUSTICE

Pia Infante is board chair of the Center for Media Justice (CMJ), and a trustee and coexecutive director of The Whitman Institute.

The Center for Media Justice received \$3.1 million in BUILD support over five years through the Ford Foundation's program on Internet Freedom. This includes work in the topic areas of arts, culture and media, civil and human rights, education and scholarship, fair economies, government policy and practice, and technology.

CMJ devotes itself to democratic media ownership and fundamental, universal communication rights and access, including fair and meaningful representation in news and culture for all people. It is home to the Media Action Grassroots Network. They hold power accountable by fighting the consolidation and stereotypes that limit the ability of communities to tell their stories within and without their borders. By organizing communities to advocate for media rights and access, they help promote social and economic justice.

CENTRE FOR ENVIRONMENTAL RIGHTS (SOUTH AFRICA)

Melissa Fourie is the executive director of the Centre for Environmental Rights (CER).

The Centre for Environmental Rights received a \$1.6 million BUILD grant through the Ford Foundation's office for Southern Africa. Ford provides general support to advance the realization of environmental rights through public interest litigation, legal research, advocacy and social mobilization, and core support for institutional strengthening. CER's strategies have been successful, and it has reached a phase where institutional strengthening is critical if it is to gain more ground in the area of natural resource governance. To do this, BUILD will help CER attain clarity on its strategic direction and organizational development needs.

RACE FORWARD

Jennifer Levison is Race Forward's interim senior vice president of development and partnerships.

Race Forward received a grant through the Ford Foundation's program on Future of Work. Race Forward brings a systemic, advanced, and innovative approach to dismantling structural racial inequity and promoting equitable outcomes for all. It is the publisher of *Colorlines*, one of the foremost publications critically discussing racial equity over the past twenty years, and the presenter of Race Forward, the country's largest multiracial conference on racial justice. It conducts research on the entrenched barriers to racial justice and how this intersects with other societal issues. It also engages in advocacy, including mobilization, training and development, and consultation on changing the conversation about race. Previously Race Forward: The Center for Racial Justice Innovation, it merged in 2017 with the Center for Social Inclusion in order to multiply their mutual efforts to advance racial equity.

I was talking with a seasoned social justice leader, a very smart policy hand in Washington, and I was saying to him, “I don’t want to keep funding your welfare reform work, because you’re just fighting the same fight year after year.” And he said to me, “Do you think I like fighting this fight every year? I hate it. Do you think I like asking you for money? I hate it.”

It was such a wake-up call.

There was nothing about our conversation that made sense. So, I guess what I say is, as a grantmaker, as somebody who now has been doing this a while and has learned a few things, I’m smart enough to know I’m not always the smartest person in the room.

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No one is suggesting that the BUILD program is grantmaking perfection, and there are a number of challenges that prevent funders from taking on this approach. For starters, making larger grants means reducing the number of grantees a funder can continue to support. For Ford, it required tying off grants to long-standing grantees, and even exiting fields like education reform. It can also lead to a tiered system of grantees—those with larger, more flexible grants, and those with smaller and more restricted grants. And, as Reich notes in her report, it takes a lot of time and trust to make a five-year unrestricted commitment:

At Ford, we learned this lesson the hard way. In the early days of BUILD, the Ford Foundation rushed to name BUILD grantees, in some cases choosing them before the foundation had clarity on its own goals and strategies. As a result, a few BUILD grantees, while important and effective organizations, are no longer core strategic partners of Ford. It’s not exactly that money was wasted, since BUILD grants will still enable these organizations to do great work and strengthen themselves for the long term. But, every time Ford makes a five-year, multimillion-dollar BUILD grant to a grantee that’s not aligned with our

strategic goals, it means we can’t provide support to other organizations that may be more closely aligned.¹²

Still, BUILD represents a commitment to a few critical principles of power-sharing that other philanthropic bodies would be wise to emulate inside and outside of social justice grantmaking. In Reich’s last statement, however, she points to a cultural barrier that may well continue to block the adoption of these principles by other grantmakers. For years, grantmakers have quipped that their jokes are always funny in rooms full of grantees. This lack of progress in grantmaking practice is no longer even mildly amusing in the face of critical need for a different way of being.

NOTES

1. Ruth McCambridge and Lester M. Salamon, “In, but not Of the Market: The Special Challenge of Nonprofit-ness,” *Nonprofit Quarterly* 10, no. 1 (Spring 2003).
2. National Committee for Responsive Philanthropy, “Good Grantmaking Practices,” www.ncrp.org/publications/good-grantmaking-practices.
3. All quotes are from interviews with NPQ in October and November 2018, unless otherwise noted.
4. Kathy Reich, *Changing Grant Making to Change the World: Reflecting on BUILD’s First Year* (New York: Ford Foundation, November 28, 2018).
5. Ibid., 11.
6. Ibid., 10.
7. L. J. Bourgeois, “On the Measurement of Organizational Slack,” *Academy of Management Review* 6, no. 1 (January 1981): 29–39.
8. Woods Bowman, “Organizational Slack (or Goldilocks and the Three Budgets),” *Nonprofit Quarterly* 14, no. 1 (Spring 2007).
9. Reich, *Changing Grant Making to Change the World*, 9.
10. Ibid., 15–16.
11. Ibid., 9.
12. Ibid., 11.

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