

Philanthropy and inequality

April 13 2016, by David Maurrasse, Earth Institute, Columbia University

Recent incidents in places such as Ferguson, Mo., Staten Island, N.Y., and elsewhere vividly unfolded in the news media. Murders of unarmed black men at the hands of the police and the protests that followed reminded the general public of persistent racial discrimination in the United States. In the field of philanthropy, foundations have been confronted with how to address structural racism and various forms of systemic inequities. How can foundations play a greater role in reducing racial disparities, promoting criminal justice reform, and tackling any range of manifestations of inequality?

Some foundations have begun to increase their focus on these issues. For example, in 2015 the John D. and Catherine T. MacArthur Foundation announced a five-year, \$75 million set of competitive grants to [reduce jail populations](#) and underscored projects which focus on the high rate of incarceration among communities of color. Additionally, the Open Society Foundations responded to Ferguson with a \$2 million grant to the Center for Policing Equity to create a national database of police behavior and support youth groups that advocate for police reform.

The economic insecurity that has become characteristic of our times, and a shrinking middle class demonstrate the vulnerability of substantial populations. Opportunities for low-income communities seem frighteningly limited when the most basic manifestations of social mobility—such as homeownership—are less accessible. Inequality has always been a pressing matter; but the vulnerability of so many communities in the 21st century makes us all wonder about solutions. Philanthropy, as it has rapidly expanded in recent years, brings many

billions in assets to strategies that address matters such as climate change, poverty, [health inequities](#), limited access to quality education and others. What can we really expect from philanthropy as a means of truly turning the tide against these issues?

Some foundations have developed programming stressing various socio-political themes, such as: reducing inequality; improving economic inclusion; empowering women and girls; strengthening the public healthcare system; and politicized giving.

One of the more striking examples of philanthropic giving targeting inequality comes from the Ford Foundation. The foundation's current president, Darren Walker, made it a point to bring the foundation back to its original "social-justice infrastructure" and [introduce](#) a \$1 billion, five-year initiative aimed at strengthening social-justice organizations. Walker [asked](#) grantees and partners to provide feedback on the organization's programming and received more than 2,000 emails that later resulted in the creation of this new initiative. As the nation's second largest grant maker, this is a substantial feat worthy of recognition and will likely set a standard for other organizations funding programs that target inequities.

Ford's initiative follows a broader understanding of inequality, focusing on wealth, race, ethnicity, gender and access to technology and the arts. With the change, the foundation's grant subject areas will decrease from 35 to 15, cutting funding for LGBT rights initiatives and microfinance projects among others in order to focus instead on initiatives grouped among seven primary categories: civic engagement and government; gender, racial, and ethnic justice; equitable development; inclusive economies; internet freedom; youth opportunity and learning; and creativity and free expression. Most significant perhaps, is the doubling of the amount given to grantees to cover administrative overhead costs. This move comes from Walker's desire to "provide support without

strings attached [that] will help make organizations more durable and allow them greater leeway in designing their own programs."

Another large organization placing high priority on alleviating the root causes of systemic inequalities is the WK Kellogg Foundation, which has expanded its emphasis on racial equity and racial healing. One intriguing way in which Kellogg has been demonstrating this commitment is through its Catalyzing Community Giving program, which expands philanthropy in communities of color. This effort is funding numerous initiatives in African-American, Latino, Native-American, Asian-American, and Arab-American communities that coordinate philanthropic resources in their communities and channel them to address pressing social and economic issues. This thinking alters the all-too-common conception that communities of color are only recipients of philanthropic dollars rather than financial contributors themselves. Some grantees of this initiative include, the Links Foundation, Inc., Association of Black Foundation Executives (ABFE), and the First Nations Development Institute.

Whether or not philanthropic initiatives have actually succeeded in reducing inequities or alleviating poverty is a contentious matter. On one hand, these examples of philanthropic initiatives demonstrate promising signs, although it is far too early to tell the outcome—change occurs slowly and sometimes take a generation of effort. This is especially true with respect to persistent inequities. On the other hand, critics point to how deeply embedded these inequities are in our political and economic system—the same system that produced large private foundations—so that any solution will need to see the existing status quo as [hindrance](#) rather than the answer.

Looking forward, a few considerations are worth noting.

First, the 2008 financial meltdown and resulting recession has laid bare

the crisis of inequalities in America and also highlighted the shortcomings of philanthropic pursuits during that time. Moving forward, philanthropy will need to respond to threats confronting our civil society by allocating resources where they are needed the most.

Second, philanthropy has great potential to combat inequalities, and this should be catalyzed and opportunities for progress seized by other foundations. The Home for Good initiative funded by The Conrad N. Hilton Foundation and the United Way of Greater Los Angeles is a compelling example. This initiative involved expanding and demonstrating the efficacy of using permanent supportive housing to successfully combat chronic homelessness in Los Angeles County. Crucial to note, this led to the development of a collaborative funding approach, which leveraged a significant amount of public and private funding to increase and better coordinate funding for supportive housing projects. Looking ahead, one of the great challenges is to build on successful and effective philanthropic practices to reach wider populations.

Third, national foundations should reach out to local funders and make every effort to support, not lead, local efforts that are already effectively addressing issues of inequality in their communities.

There is no question that one of the best ways to address poverty and inequality is by addressing their root causes. Focusing on surface level remedies are shortsighted and will not solve the problems. Social-justice philanthropy has a long and valuable tradition in the United States, but still remains on the fringe with limited resources. As philanthropists shift to a focus on systemic practices and grant-making programs with supportive mechanisms for existing organizations and activists, perhaps we will begin to see greater progress toward alleviating poverty and [inequality](#).

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