

## **How Small Family Foundation Investments Can Shape Policy Reform**

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Common Counsel is a consortium of family funds based in Oakland, California. Each fund has its own mission, but all support organizations working to build social-economic equity and increase participatory democracy.

We arrived at consciously funding policy-related work in the last four to five years. We fund – and partner with – America’s working poor and have a goal of bringing them, the voiceless, to the policy tables to help construct real solutions to their communities’ problems, rather than to support the pattern of solutions being created for them from “above” or to support temporary, charity-based funding.

In terms of policy-related funding, we’re most known for three funds: (1) The Abelard Foundation gives \$350,000 annually via small (\$10,000 average) grants to very low-income community organizing groups across the Western states. We have focused significantly on groups working on the Living Wage movement, on “Anti-Predatory Lending,” and in youth organizing for state budget priorities to support real educational reform; (2) The Penney Family Fund grants about \$650,000 annually to groups California, Oregon and Washington working in community-economic development, workforce policy, sustainable communities and money-in-politics reform and (3) the Common Counsel Grantee Exchange Fund is a tiny but significant fund that gives \$25,000 a year in small grants helps small groups connect to replicate, not duplicate, successful efforts at organizing for policy change.

As I mentioned, we do not fund direct services, like food, health or housing services, but focus rather on strengthening the capacity of low-income communities to build solutions to problems of basic quality of life issues like living wages, affordable housing, education and after-school programs. Our grantmaking purposely facilitates low-income community members to meet with or be present at the policy arenas, whether this is a local city council, state legislature, or at the federal level. So we fund very small to medium-sized organizations that are “grassroots” groups as well medium sized “intermediary” organizations that provide specific policy-related technical or fiscal analysis to a variety of stakeholders. These are not “think tanks,” but they often do the research and briefings on issue areas like how state budgets work, how taxes work...and how it all affects things like healthy neighborhoods, affordable housing, access to medical care benefits and quality education. Often, the groups we fund have to organize in very clever ways to arrive at the policy table because, traditionally, they have been excluded from the table. I’ll be happy to give some examples of how this works later.

### **Questions from Moderator:**

#### **Offer a quick example of a grant (or series of grants to the same organization) that you think has had impact on a public policy issue**

Funding for groups supporting a Living Wage has had great impact on local and regional policy. Our impetus: 35 million people are so poor in the US they suffer from basic hunger and one out of five American children lives in poverty – this is the highest rate amongst the

world's industrialized countries. A full-time minimum wage worker cannot earn enough to bring a 2-person family above the poverty line and the majority of African-American and Latino families live approximately 3 to 5 months away from financial catastrophe. No amount of soup kitchens will take care of this problem....so, the basic concept of a Living Wage is to ensure that a worker makes a dignified salary – and that is NOT minimum wage. Living Wage campaigns are being initiated at a local level and in each of the 70 some cities or municipalities where a living wage has been passed, it has done so with the collaborative efforts of faith-based leadership, labor, business, activists and local government. In essence, wherever there exist city contracts with companies that receive subsidies from local tax payers (the company that hires the janitors that work in the local government office; the hotel worker in the hotel that gets a tax break from the city that wants the hotel located there) the living wage campaign would require that the city ensure its subcontractors provide pay that enables a full-time worker to earn approximately \$8.20 an hour – which is the poverty level for a family of four – preferably with benefits. And while that may not sound so great – know that 30 million Americans earn less than \$8 an hour! In San Francisco's Living Wage ordinance, nearly 20,000 workers moved into living wage jobs with benefits...many of whom were airport workers. In the end, and despite their initial resistance, the SF Airport management were happy, Mayor Willie Brown was happy, and now SFO is one of only five US airports where workers were not replaced with new TSA federal security screeners.

### **Is there a primary strategy that you employ?**

One strategy is to fund groups working in collaboration. For example, in funding Children, Youth and Families to pursue affordable, quality afterschool programs, we funded a constellation of groups including, in 2002 alone California Childcare Resource and Referral Network's Parent Voices, The Foundation Consortium, Children Now and Fight Crime: Invest in Kids in California and Children First and Stand for Children in Oregon.

### **Are there different strategies for working at a local level vs. state vs. federal?**

As governmental "devolution" has moved from Federal to State budgets, the Penney Family Fund has focused on helping non-profit groups make the policy link to legislators at a state levels. For the last 3 years, the Penney Family fund has sought to increase the capacity of small groups by funding three leading non-governmental organizations that monitor, analyze and report on state government fiscal policy – a service increasingly important given deficit crises in the Western states. These "intermediaries" not only help nonprofits to use fiscal analysis as a tool to understand the "big picture" but also end up training state legislators in budget analysis and fiscal responsibility. Quickly, they are:

**The California Budget Project** based in Sacramento, California which was established in response to an identified need among advocates and service providers for a permanent source of expertise on budget policy issues affecting low and moderate income Californians. It prepares timely, accessible and credible analyses of state budget. Its constituencies include state and local elected officials, community-based service providers, advocacy groups and the media. Its efforts span a range of state fiscal policy with a particular emphasis on tax systems, education, labor market policies and income support programs

**The Economic Opportunity Institute** is based in Washington State and also uses research, policy development, public opinion polls, and media strategies to advance policies that offer increased economic security and opportunity to working families. Issue areas include worker advancement, welfare-to-work, early childhood education, family leave insurance, retirement security, tax reform, and health care. In addition to using its research and evaluation to promote public policy changes with legislators and opinion leaders, the

institute has been successful in catalyzing grassroots support for initiatives put forth directly to the voters, like helping write legislation that gained access to health care for more than 50,000 low-income workers.

**The Oregon Center for Public Policy** is dedicated to expanding the debate on budget, tax, and policy issues affecting low and moderate income Oregonians like minimum wage, child care, the devolution of social services from the Federal to state and local governments, and tax policy. It helped write policy papers on solution to the hunger issue in Oregon and other. The OCPP is addressing human and social issues in a manner that emphasizes advocacy, public policy, and community involvement approaches aimed at root causes of societal problems, poverty and income inequality.

### **What size grants do you need to make to be effective?**

The grants I've mentioned above are \$50,000 a year, multi-year grants, which I can assure you the organizations would prefer, but small can be great too – through our Grantee Exchange Fund, we made a \$1,000 grant to help send real “Welfare Moms” to Washington, DC last year as part of a national movement that sought humane revisions to the Welfare Reform Act. In this case, some groups met with legislators, while others utilized more action-oriented tactics. Hundreds of welfare recipients marched into the lobby of the Heritage Foundation and found the lead policy-writer on Welfare in the lobby getting a coke from the vending machine. Surrounded by 100s of organizers, this man agreed to their request, which was to “walk in the shoes” of a welfare recipient for two days and include his findings in this next report. He agreed to do so. In fact, the new Welfare laws that were passed last summer actually made some gains for the poorest of the poor in the US. Clearly, it was a response to the thousands of member groups working in concert with each other.

Another example is a \$10,000 grant to a youth-led organization based in Richmond, California, just north of Oakland. Its leader is a Latina high school sophomore who realized she'd never get into college because she wasn't being offered college-bound courses at her school. She helped organize other students who demanded basics like books, credentialed teachers, and better funding for those teachers. As other high school chapters from Richmond and Oakland were formed, the students, organizing under the faith-based PICO grassroots group, brought hundreds of students to Sacramento and last year they received \$1,000,000 in funding specifically to give pay incentives to qualified teachers.

### **How do you choose the organizations to work with?**

We have some specific criteria for most of our organizations who ideally:

- Work in and based in low- to moderate-income communities
- Engage in community and neighborhood organizing
- Grow and build power by building members and getting others involved
- Have a board and leadership reflective of their membership
- Have a clear policy change objective and a strategy for meeting it

### **What measures do you use to know if you're making a difference through these types of grants?**

Beyond reports, we meet with groups and other funders to try to measure impact, but measuring the impact of closing the wealth-poverty gap is hard. In California in the last 20 years, the widening gap between rich and poor has exceeded all other major states in the country save New York. But in that same period, corporate profits nearly doubled.

According to a 1998 Business Week study, the gap between a CEO (averaging out about 400 US public companies) rose 419 times (as opposed to 16 times in Japan and 21 times in Germany). At the same time, tax breaks for corporations and wealthy individuals were reduced, and the burden of tax upon working families grew. So, we do measure by tangible things like living wage successes, but increasingly we make grants when groups are making broader links to policymakers and the business community. We're looking at bridge building and partnerships....it's a big picture goal to increase participatory democracy.

**How do you manage this type of grantmaking with limited staff?**

We work often with networks of funders doing similar work; we bring trustees on site visits to keep them educated and in the loop. We keep a good sense of humor.

**Is this type of grantmaking controversial?**

It should be less so. There are clear openings to fund groups working on policy reform, but most foundations still have grant agreements that prohibit such work. I know the Public Policy 101 focused on this, but if any one in the room has a squeamish board, they should contact Alliance For Justice which helps foundations understand the openings for funding policy work.

Finally, in an era when lobbyists earn and pay in the billions to have the ear of our lawmakers, and corporations have little or no restrictions on campaign contributions, foundations can and should help facilitate the balancing of policy debate – and how state and local budgets are being set. That's why we invest in small, grassroots organizations that are building a significant base of membership—to bring voices of working families to balance the public debate on issues regarding wages, benefits, healthcare, schools, libraries, civil rights, etc.

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