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Small, Focused New York Foundation Should Serve as Grant-Making Model



By Pablo Eisenberg

A century after its creation, the New York Foundation remains one of the brightest stars in philanthropy's constellation.

Small, focused, and led by superb executive directors, its antennae are well attuned to community needs and its unwavering mission of social change. The foundation is the Sugar Ray Robinson (the great boxer) of philanthropy, pound for pound the best in the grant-making business. Few foundations can match its vision, integrity, and risk-taking agenda.

The foundation's origins lie in the conviction by three very wealthy turn-of-the-20-century Jewish capitalists, Jacob H. Schiff, Isaac Seligman, and Paul M. Warburg, that disadvantaged New Yorkers, if given the resources and tools, could change their neighborhoods and alter their lives. They established a foundation in 1909, one of the first in the nation, predicated on a willingness to test new ideas, conduct risk-taking activities, and support unconventional organizations. It is a path the New York Foundation has followed ever since.

From its creation, the organization has provided money to start groups and programs that could make a difference to the lives of New Yorkers. In 1912 it financed a network of nurses and social

workers to relieve the suffering of the poor on the lower East Side; a year earlier, it gave money to an emerging young group—the National Association for the Advancement of Colored People. One of its first efforts was to pay to distribute free milk to hungry children, a forerunner of free lunch programs for the poor.

The foundation decided in 1975 to focus exclusively on New York, but in its history it has supported significant efforts to change American society.

Its grants helped create the national child-labor movement, the civil-rights efforts in the South, the development of historically black universities and colleges, the resettlement of refugees from war-torn Europe, and organizations that stressed workers' rights.

In the mid-1950s and early 1960s, the organization turned its attention to community organizing, the Saul Alinsky-inspired movement that mobilizes citizens and neighborhood groups to apply pressure on local governments and other institutions to change the way they do business, thereby providing more power and resources to the community's neediest people.

The foundation has long played an important role in welcoming and helping organize immigrant groups from all over the world, long before the interest in immigrants became a hot topic. Its 2009 grants went to organizations that represent African, Arab, Asian, Brazilian, Central American, Chinese, Filipino, Haitian, Korean, and Mexican neighborhoods, and it doesn't plan to change its emphasis on helping people who immigrate to the United States.

It is a sign of the organization's commitment to activism that in 2009 nearly half of the foundation's grants went to community organizing, while another 27 percent went to advocacy efforts.

Maria Mottola, the foundation's executive director, believes that her organization's successful record is the result of consistency in its priorities, its willingness to listen carefully to what communities say they need, and the assistance it provides grantees so they can grow.

"Our board has always allowed us to be flexible and responsive to changing needs," she says, "and one of the ways we have done this is to provide our grantees with general operating money that is so crucial to building sound organizations. We are acutely aware of our limitations, both in size and scope. We know we must be good at the things we can do and not try to do what we can't."

"Listening" is at the heart of the New York Foundation's work.

It is a quality that is lacking in so many of our foundations throughout the country. Most of them develop their priorities as a result of board and staff decisions or in response to important policy issues noted by researchers or the news media. They then look for potential grantees working on those causes.

By contrast, the New York Foundation takes a “bubble up” approach, basing its priorities and grants on what neighborhood residents and grass-roots organizations say are their top needs.

As Keith Hefner, executive director of Youth Communication, in New York, and a board member of the foundation, says, “We appreciate professional expertise, but we think it must be joined with the deep knowledge of community members. And we love clever ideas and solutions, but we have observed that when they are proposed and executed from above, they lack staying power. Imposed solutions lack the responsiveness and resiliency of grass-roots change.”

In a city the size of New York, keeping in touch with the grass roots is an enormous challenge. While many needy, deserving groups necessarily get left out of the foundation’s grant making, everybody seems to agree that the foundation is doing its best to cover the most urgent neighborhood problems.

The organization’s success in identifying, supporting, and nurturing its large network of grantees, current and past, is attributable to an outstanding board and staff.

David Jones, president of the Community Services Society of New York, who served for 10 years as a board member of the foundation, cites the extraordinary quality of the board as unusual, if not unique, among foundations.

The New York Foundation, he says, “has always been an extremely diverse and collegial board composed of grass-roots activists and representatives of various minority communities as well as established institutions, all deeply committed to the organization’s values and mission. It is committed to the well-being of all New Yorkers.”

Madeline Lee, a legendary figure in New York City philanthropy, who served for 25 years as director of the foundation, says the foundation’s staff is the ingredient that has made it so outstanding.

With deep roots in the neighborhoods they serve, the foundation’s program officers work tirelessly to reach out to all corners of the city and spend almost all their time doing site visits.

They are continually riding the local subways and buses talking to and assessing grantees and potential new groups to support.

“Wonderful program officers and support staff who really care about the people they serve,” says Ms. Lee. “It’s such a simple recipe for great grant making.”

The foundation has had a substantial impact on New York philanthropy and beyond through its example as a thoughtful, grass-roots-oriented, and courageous organization that is not afraid to sustain old priorities but always willing to try something new.

Few, if any, of the New York Foundation’s colleague institutions have ever criticized its operations.

Perhaps David Beckwith, executive director of the Needmor Fund, in Toledo, Ohio, sums up the foundation’s reputation best: “The New York Foundation has always stood out as an innovator, ready to embrace risk—whether by funding controversial causes, focusing on the poor when ‘it’s not done anymore,’ or speaking out in the field to encourage others to fund the most critical needs,” he says.

And perhaps most important, he says, is “its unfailing commitment both to help magnify the voice of the voiceless and to support the new, marginalized, and powerless.”

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