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Inside Philanthropy

Exit Interview: How Fred Ali Reinvented the Weingart Foundation

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The world of philanthropy has seen tremendous change in recent years. The biggest news has been the arrival of major new donors on the scene like MacKenzie Scott, who gave away \$6 billion last year. But there's also been a lot of flux in foundations as these institutions have turned to new strategies to advance social change.

One important trend here has been the growing number of foundations elevating issues of equity and race to the top of their agenda. Now, if you know anything about foundations, you know they can often be cautious and conservative, as you might expect from organizations rooted in wealth created by business leaders.

Foundations are also largely led by boards and executives who are mostly white. So it's a pretty big deal that lately, more grantmakers have stepped up to focus explicitly on the deep socio-economic cleavages in U.S. society

and the injustice experienced by communities of color. While it has definitely accelerated in the past year, this trend started well before the pandemic spotlighted how grossly unfair economic life is in this country. And it started before the death of George Floyd, which sparked nationwide protests in June 2020.

A case in point is the Weingart Foundation, which is based in Los Angeles and focuses its work exclusively on Southern California. In 2016, it made a big shift in its mission to commit fully to challenging an unjust economic system and the structural racism at the very heart of that system. A range of other foundations have made similar commitments in the past half-decade.

The person who led the Weingart Foundation as it made this major shift was Fred Ali, who has served as its president since 1999. Fred also led Weingart as it responded to the pandemic, a crisis that dramatically spotlighted the deep inequities in Los Angeles. I spoke to Fred in mid-January for my new podcast “Inside Change,” just two weeks before he stepped down from his job. Today is his last day. You can [listen to the podcast](#) or read the transcript below.

David: Hi, Fred, welcome to the show.

Fred: Thanks, David.

David: I’m super-interested to hear about the work of the Weingart Foundation, but first, I thought we could set the stage a little bit by talking about inequality in the Los Angeles region where Weingart focuses its

grantmaking. I think many people know that Southern California is a place of staggering and often glittery wealth. But it also has staggering economic disparities, which track heavily along racial lines. So I'd be interested in you just giving a bit of the big picture here in terms of what the challenges are in this region.

Fred: Thank you, David, and thank you for having me on today. Los Angeles, like a lot of major metropolitan areas in the country, is one of the most racially segregated regions, with high levels of poverty concentrated in primarily low-income, marginalized communities of color—and a lot of that actually stems from policies and practices that go back to the mid-20th century—things like redlining, racist attitudes and policies, underinvestment, and we still see the legacy of those policies playing out today. And I must say we especially see this in the disparate impact that we are now witnessing with COVID-19. That impact has been disparate, and it has primarily impacted our African American, Latino, Asian and Pacific Islander communities to a greater extent than anywhere else. So yeah, it is a place of wealth, but it is also a place, as you said, of staggering inequality, and we're paying that price today.

David: Los Angeles is also a place with huge numbers of immigrants, many of them undocumented. And I know that has been a particular challenge in terms of providing people with assistance during this pandemic. Could you say more about that?

Fred: Yeah. First of all, the undocumented population represents about 18% of the county's population—and many of whom have been in this community in this city contributing so many positive things, but for the most part, have been left out of public relief efforts that were made available. And so the plight of these communities has just grown worse.

David: So Fred, how do you square the fact that L.A. as a county and city is run by Democrats in a state that is run by Democrats? We think of the Democratic Party being much more attuned to issues of inequality. So why is inequality so entrenched here? Why hasn't more progress been made, given who's been in charge?

Fred: Yeah. So I mean, I wanna say that I think progress has been made over the years. Certainly, in my 22 years at the Weingart Foundation, we have seen progress. But it's not at a pace that is acceptable, and much of this goes back to a legacy of policies and practices embedded in institutional and systemic racism. And those policies and practices have not received the kind of attention, the kind of focus, that is needed by policymakers. And hopefully, if there is a silver lining in COVID-19, it's a recognition that's got to change, because this is unsustainable.

David: Last spring, a group of civic leaders came together in L.A. from business, government, philanthropy, to put forth an ambitious plan—to figure out how to not just respond to COVID, but also to address these profound inequalities going forward. I know you were deeply involved in this effort. Could you say more about it?

Fred: Yeah. So at the start of the pandemic, and I remember the moment vividly, a group of us in philanthropy and other civic leaders were attending a dinner. And we received a report from our [Los Angeles] director of public health, Dr. [Barbara] Ferrer, who predicted what, in fact, has happened in our community with the spread of COVID.

And for a lot of us sitting around the table and philanthropy, it was pretty obvious to us that the impact that we would see would be disparate, and would impact communities that we were most focused on—marginalized communities of color—and that we needed to get ahead of this. We needed to start tracking that impact and develop in ensuring that relief efforts that we assumed would come would focus on the population most in need. So what was created was a thing called the Committee for Greater Los Angeles. We reached out to academic partners at the Luskin School at UCLA, the policy school there. We also reached out to the University of Southern California's Equity Research Institute.

And we asked them to come together and begin tracking indicators of distress resulting from COVID-19 and also advancing policy recommendations that could be used to support efforts in both the public and the private sectors.

David: I know that the committee's report offered a whole slew of recommendations. Could you give us a sense of just a few of the big ones?

Fred: Yeah. So the report was very broad. Because we were trying to cover all the impacts that we were seeing from COVID, and those impacts have

been broad in terms of their scope. First of all, from the start, we centered the importance of racial equity, and in the aftermath of George Floyd, centered the need to challenge anti-black racism. We talked about the importance of inclusive economic development. We focused a lot on homelessness, given the significant problems in Los Angeles with our homeless population, and quite frankly, an inability to answer a question of who's really in charge of addressing this problem. So that became a focus of the report.

We talked about the internet and the lack of access to connectivity, especially for, again, students of color. And so that became a focus of our work. And obviously, we talked about the importance of access to appropriate healthcare testing, screening and the like. The last thing I would say is the report really focused on centering the voices of lived experience. So it wasn't just an exercise conducted by two esteemed academic partners. We created a committee made up of community-based organizations, representatives from community-based organizations, as well as from city and county government.

They became active partners with UCI and USC in the development of the report and the policy recommendations. And we also did a lot of convening at the community level. Listening again to the voices of lived experience that were being impacted by the crisis, including a lot of convening with youth. So it was, again, fairly comprehensive in its scope. And now we're turning the attention to implementing policy recommendations.

David: So I read the report, and went through a number of the recommendations, and I have to say some of these challenges facing Los Angeles just feel overwhelming. You mentioned homelessness, the housing crisis writ large. There are now around 70,000 unhoused people, many sleeping on the streets and pretty much everyone except for the rich are getting clobbered by these sky-high costs of housing. The report mentions that L.A. needs to build around 500,000 affordable housing units to meet the housing need here. And of course, it's nowhere close to that. Which brings me to my question about the role of philanthropy. You know, what can philanthropy realistically do about challenges at this scale?

Your foundation has a budget of around \$40 million a year. L.A. city spends about \$10 billion a year. The county spends about \$35 billion a year. The state spends about \$200 billion a year. In the seven years that I've lived in L.A., it seems like a lot of these issues have just gotten worse, despite all of this government investment: more homeless people in the street, housing costs rising even further. And so I wonder, where does philanthropy fit in here? Your resources really feel like a drop in the bucket. And for people who aren't so familiar with the world of philanthropy who are listening, I'd like you to give a sense of why resources like that could make any difference at all.

Fred: It's a great question, and I guess it depends on one's view of the role of philanthropy. Our grantmaking is approximately \$40 million a year. So compared to city and county expenditures, it is a drop in the bucket. But philanthropy can go beyond that by using voice and influence. And I think

we are fortunate in Southern California that philanthropy is a fairly collaborative space. It is led by a number of people who are recognized as civic leaders who are, again, using voice and influence to push the city and county on issues that are central to their charitable missions.

And I think the results are telling. Despite our problems in homelessness, we would be, I think, in worse shape if it had not been for philanthropy pushing the city and county to the extent that they have through initiatives like Home for Good. That has resulted in better—not perfect, but better—coordination of services between the city and the county. You look at things like the reform of the criminal justice system and alternatives to incarceration. All of that work, or a significant amount of that work, was pushed by philanthropy.

You look at work in the immigrant rights space. Again, so much of that work has been supported by philanthropy, supporting community-based organizations, supporting community organizing and movement-building. So philanthropy can go beyond grantmaking to use its voice and its influence to push the city and county and people at the state and federal levels, as well to pay attention to issues that they need to be paying attention to in terms of advancing justice and inequality.

David: I want to get into the particular strategies of your foundation, but first I'd be interested to hear a bit about the backstory. I know the foundation has been around for 70 years. It was founded by a real estate mogul. How did the foundation evolve over time and bring you to the point

where, just a few years ago, you made a big shift, which I'd love to hear about?

Fred: It's a great question, David. And obviously something I think about a lot. So I came to the foundation in 1999 and I would start broadly and say that philanthropy in Southern California at that time was very different than it is today. Its practices were fairly conservative. Philanthropy did not really collaborate with one another. It was fairly siloed. When I got to Weingart, it was a traditionally run foundation. It was an all-male, all-white board, for example—many of whom had been friends of our benefactor, Ben Weingart. The idea of funding things like advocacy and organizing was completely off the table.

And so it was a different place, but what happened? The backstory of how the foundation evolved to a point where it could make a commitment in 2016 to use all of its resources to advance equity and injustice really resulted from a couple of things. First of all, the board, as I found it in 1999, inevitably started to change. And as we had opportunities to replace the founding board, we did so with people who were more representative of the community who were civic actors in the community. And we intentionally added diversity, gender and race diversity to the board. So that was the starting point. While that was occurring, we were also changing the composition of the staff. And deliberately, we chose to, first of all, only bring people into the foundation who had come, who had experience working in the nonprofit sector—who had come out of at least mid-level positions in the nonprofit sector. Our philosophy was that if you're going to

be evaluating and assessing the work of nonprofit organizations, it might be nice to have people who actually know what it means to work inside a nonprofit organization. Along with that was a very deliberate focus on adding diversity at all levels of staff.

So you fast-forward. Now, it's a majority person-of-color board. It's a 90% person-of-color staff, all who've come out of the nonprofit sector.

So what you get is significant culture change, here. And it's a culture that has increasingly become focused on advancing equity and advancing justice. So that's a quick summation of many years. It happened somewhat incrementally. But from the day I got there, it was my hope that we would eventually get to the point to which this foundation has advanced. And although I might have not been using the words at the time, David, it was all about advancing equity and advancing justice.

David: Conservative critics of philanthropy often complain about donor intent being ignored. What do you think Ben Weingart would think about the way the foundation has evolved?

Fred: It's another great question. Mr. Weingart left very little donor intent behind. And so, from that standpoint, we were fortunate. And were able to craft a different focus, a different mission for the foundation. But I actually asked myself that question a lot.

When our offices were still open at night and when I might be alone, I would wander around and wonder what Ben would be thinking with our

funding of advocacy or funding of organizing—pushing the limits on what we can do on various policy issues. And I actually think Ben would feel good about this.

Because I think at the end of the day, Ben himself grew up in a very tough circumstance. And if Ben were philanthropic, it would have been philanthropic in the sense of giving people an opportunity to advance and improve their circumstances in life. And I think Ben would think that we're doing the right job in terms of how we're spending this money.

David: So let's talk more about that shift in 2016, where the foundation centered its entire mission and work around issues of equity and race. What did that mean in practice, and how much did it change what you were doing before?

Fred: Yeah. So when we made our 2016 commitment to equity, we actually fielded a lot of questions from our grantees and others who said, "We thought you were already doing this." And the fact of the matter is, as I tried to explain earlier, we had evolved to this point—that this was not a matter of just simply waking up one day and saying we're going to completely change the practices and the mission of the foundation. So we had been evolving to the point. But what was different is, number one, we did this as a matter of policy. We said that forevermore, everything the foundation did was going to be focused on advancing social economic and racial equity.

And there have been, since that day, changes in our grantmaking program. We are much more focused on centering racial equity. In some cases, it meant saying goodbye to two good, strong nonprofit organizations, but nonprofit organizations did not necessarily focus on issues of racial equity, diversity and inclusion to the extent that we now wanted to focus.

So there were changes in our grantmaking program. The second thing I would mention is that this was a total commitment to equity. So not only did it affect grantmaking, but it also affected the way we invest our money. You know, foundations can rightly be criticized for paying attention to 5% and ignoring the other 95%.

And what we did, in this case, is, we made a conscious decision to integrate mission investing across our entire investment portfolio. And we are in the process of doing that and have made significant strides over the last few years. Then, we completely changed our procurement practices to ensure that African-American- and Latino-owned companies had access to foundation resources and vendor work.

It also goes obviously to the way we hire. And although we had already been very deliberate about adding diversity to our workforce, that has been reinforced. I think the big thing is that this had to be seen as a full commitment. And that's exactly what it's been.

David: Weingart's focus on an equality race turned out to be part of a larger movement within philanthropy. Other foundations have pivoted in the same way that you have. Still, I think it's fair to say that most

foundations have not moved in that direction and that the sector as a whole can still be pretty cautious and conservative. Would you agree with that?

Fred: What I would say is, we have still so much more to do. I have been encouraged that it, at least in Southern California, in California in general, I think philanthropy has made a very significant pivot in the direction of racial equity and justice. Obviously, much more needs to be done, but I think we stand out as a philanthropic sector. But also recognize that that doesn't necessarily hold across the country. And one of the reasons that we decided to hold an equity summit in 2017 and invite our philanthropic partners to convene with us is because we wanted others to join us in this movement. And the good news is many have. And it's become a stronger movement—not only in Southern California, but throughout the state.

David: And what about those foundations that have not joined and remain very traditional, the way Weingart was back in 1999? How much do you try to push them and get them to change their practices? And how hard is it to push them?

Fred: We're very deliberate about talking about what we are doing and why we're doing the things that we're doing, with the hope that others will follow. We are very supportive of some of our field-building organizations—like Southern California Grantmakers [the association of grantmakers for the region]. If you go back to 2016, when we made this commitment, we sort of called them [other local foundations] out, and we

said, “We’re making this commitment, and we want to know what you’re willing to do to advance the cause of equity and justice.”

And they have responded. If you look at their programming today, it’s very much tipped to significant programming in the areas of racial justice and issues of equity and inequality. The same thing is true with the Center for Philanthropy and Public Policy at the University of Southern California that we have supported. And specifically, if you look at their programming, it is focused more than ever before on issues of equity and justice. They, for example, host a thing called the Executive Roundtable on Philanthropy and Equity.

It’s something that the Weingart Foundation initially helped support. And it brings together on a quarterly basis philanthropic leaders from 20 foundations who are focused on equity and justice issues. This is an opportunity to collaborate on efforts, but also to try to encourage others in our sector to join with us in this fight.

David: I was looking over some of your foundation’s initiatives. You are definitely walking the walk here with your grantmaking. You’re backing a lot of activism, a lot of organizing by social movements groups. You’ve been particularly forward-leaning in backing youth organizing to increase the number of young people leading grassroots, social justice campaigns here in Southern California. Has that resulted in any blowback or criticism for the foundation? After all, these organizers often go up against powerful

institutions. If Weingart is behind them, I would imagine that could produce some real pushback.

Fred: Maybe it's because we live in liberal Southern California, but we haven't seen blowback. Certainly, the foundation's mission and focus have changed, and that's been recognized and not always supported by everyone. But in general, I would say that our focus has been celebrated, that people have actually complimented what we have done and the way we have pushed the sector.

You bring up the issue of organizing and advocacy. That has become a decided focus of our foundation. And one of the reasons we're doing it is because it works. For example, I mentioned earlier criminal justice alternatives to incarceration issues and the immigrant rights space. A lot of that work has been pushed by savvy, community-based organizations who are very good at organizing and advocacy work. And philanthropy can feel good that it has supported a lot of that work and with great results. It's something we're very proud of and will continue to do.

David: I wonder if there are some political or social constraints in terms of how much you can back movements taking on the powers that be in society. Just to give one example, there's a very strong new labor movement in Los Angeles right now—challenging big employers and pushing for higher wages and benefits.

I don't know how much you back this kind of new labor movement organizing. We've covered it quite a bit on Inside Philanthropy. There are

not a lot of funders in that space. But pushing into that kind of work puts you up against big business. Or to take another example, one of the policy recommendations in that report, by the Committee for a Greater Los Angeles, was to challenge zoning laws in order to build more multi-family housing in many places, including affluent, largely white suburbs. Backing that work means pushing for rezoning in suburban communities, which sounds like it could be getting you in the middle of some pretty sticky political battles.

Fred: Yeah. Yeah. So, there's no question that many of the organizations that we are supporting are community-based organizations that are involved in provocative and controversial work. But we think it's important to encourage a civic dialogue that gets us to the goals of our work, which is a more equitable and more just Southern California. Obviously, we take a hard look at the organizations we're supporting. We take a look at their tactics. We take a look at their governance systems and make appropriate decisions. But there's no question if you get involved in this work, there are consequences. And not everyone will agree with the organizations you're supporting

David: Are you backing new labor groups? I didn't look through all your grantees, so I'm not sure.

Fred: We're doing some support in that area. Probably not as much as we might do in the future.

David: Since the pandemic began, your foundation and a number of other foundations have made significant changes in how you allocate funding and what kind of requirements there are around grants. Funders have tried to move more quickly and waive a lot of their usual requirements. How far did you go in that direction?

Fred: We have been, for quite some time now, a funder that has primarily focused on making unrestricted operating support grants. So what you saw in the COVID moment is a lot of funders switching to a more unrestricted, multi-year grantmaking program that has been something we have been doing for some time. What we did do, however, is, we expedited the process to get dollars out the door quicker. And so that was certainly a change in approach.

And we had to make a very difficult decision, because we were inundated with requests, given the needs in the community. And we had to make a very tough decision to close that open application process. And what we did instead is, we went back and we identified those grantees that we thought were absolutely essential at this point in time. And we proactively have begun funding them. And it was, it's a difficult decision, as I said, but it appears to be working, in terms of the organizations we're supporting and their ability to sustain their efforts in a very difficult time,

David: Fred, the Weingart Foundation is sitting on an endowment of somewhere in the order of a billion dollars. You give out \$40 million a year. How do you justify sitting on that much wealth at a time when people in

Los Angeles are literally going hungry or facing eviction? Have you thought about increasing payout?

Fred: So the foundation has increased its payout. In fact, we approved an overspend. That will stay with us for at least another two years. So that was something we immediately did to be responsive to the pandemic. The foundation has a history of not always adhering to the normal 5% [payout]. That's certainly something we did in 2008 and 2009, and something we've done again as a result of the COVID crisis.

Your question gets to the whole question of foundations operating in perpetuity versus spending down. The Weingart Foundation, through its articles of incorporation, has also always operated as a perpetuity foundation, because our board has always felt that they want the foundation to be a grantmaker into the future. And to the extent possible, they want to preserve the future purchasing power of the foundation's endowment.

I think having that discussion periodically at the board level is very important, because I think it very quickly begins to focus the foundation on what its values are. And thus far, those discussions have led to a decision to continue to manage our resources over the long term, but with the ability to change to overspend when conditions require.

David: One other area where foundations are often criticized is in how they give away the money and who gets to make those decisions. There's a lot of conversation right now about moving toward more participatory

grants, with more democratization of the decisions. And I wonder how much you all have talked about that at Weingart and how much you have changed your practices as a result.

Fred: I think of that as part of the culture change that I talked about earlier. The foundation over the last 20 years has really, really centered the voices of our grantees in everything we do. And we frequently convene grantees around issues of emergent issues of importance. For example, during the COVID crisis, one of the reasons we supported the work of the Committee for Greater Los Angeles is because of their focus on, again, centering the voices of lived experience and letting communities lead efforts.

We are involved in another initiative called Bold Vision 2028. It's focused on youth development work. And this is an example where Weingart, in combination with other funders, has actually stepped back and empowered a group of community-based organizations to essentially set the goals and the parameters and the objectives for this initiative. So it's something we take very seriously and have incorporated into, really, all aspects of what we do.

David: Good. I want to wrap up by coming back to where we started: the challenges facing the Los Angeles region coming out of this pandemic. How optimistic are you that we're going to be able to make real progress on some of the challenges we've talked about, particularly housing and homelessness? I just saw a report predicting that the homeless population

is going to explode in Southern California in the next few years because of the pandemic. What are things going to look like a few years from now?

Fred: Yeah. So let me just start where you stopped—with homelessness. I think it's going to be very difficult, David, for us to see much progress in this space until we are able once and for all to answer the question of who's in charge, because right now, you can't answer that question. If we went to a whiteboard together and we started drawing the lines of all the different entities and organizations that have some responsibility for homelessness, it would be mind-boggling. And so unless we solve the question of better accountability, less fragmentation, and a regional form of governance for homeless services, we're going to have a hard time solving this problem.

Now, fortunately, that message seems to be taking hold with people. It's certainly a focus, as I said earlier, the work of the Committee for a Greater Los Angeles. So, I'm hopeful that we'll be able to push that work forward and hopefully to the right solution. Listen, David, I would not be a very good foundation president if I weren't, if I weren't optimistic, I'm sort of in the optimism business. But having said that, I'm not Pollyannaish. We've got challenges here. And unless people are really willing to embrace the fact that we can't go back to where we were, because it wasn't working, then we're not going to make progress. We understand that we cannot repeat the mistakes of the past and that we finally have to deal with issues of structural and systemic racism.

We can make progress, and we just need to keep pushing in that direction. And although I'm leaving the foundation shortly, that's going to be my work until the day I die.

David: Fred, thank you for coming on the show.

Fred: Sure. Thank you, David.