



WIDESPREAD EMPATHY

5 Steps to Achieving Greater Impact in Philanthropy





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Grantmakers for Effective Organizations is a community of more than 350 grantmakers challenging the status quo in their field to help grantees achieve more. Understanding that grantmakers are successful only to the extent that their grantees achieve meaningful results, GEO promotes strategies and practices that contribute to grantee success. More information on GEO and a host of resources and links for grantmakers are available at www.geofunders.org.

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CONCLUSION FROM PEOPLE TO ORGANIZATIONS

INTRODUCTION

As president and CEO of the Marguerite Casey Foundation, Luz Vega-Marquis leads the organization's efforts to fight poverty and injustice in communities across the country. An equally important foe in the Seattle-based foundation's work, she said, is arrogance.

"I have been in philanthropy a long time, and one thing that has always irritated me is that the power of money can get to people," Vega-Marquis said. Program officers and other foundation staff too often act as "gatekeepers" to money that isn't theirs, she added. She said her priorities in running the foundation include ensuring that staff members understand the importance of showing respect for the work of grantees and others.

When new staff members join the foundation, Vega-Marquis gives them three books, including *The Tale of the Unknown Island* by the late Portuguese writer José Saramago.¹ "It's the story of a king and all of the people who go begging for his attention, and we talk about how this is not what we want to be," Vega-Marquis said.

Equity and compassion for others are key values in the work of the Marguerite Casey Foundation, Vega-Marquis added. She said the foundation has "worked hard to build a board and staff that reflect the voice and experience of diverse cultural groups."

Humility is another institutional value at the Marguerite Casey Foundation. "We don't lead with our work. We lead with the stories of grantees," Vega-Marquis said. "These organizations and their communities are doing amazing work, and as an organization we try to make their work the focus so it's not about us."

Vega-Marquis said the grantmaker's approach to responding to grantee and community needs can be summed up with the simple phrase: "We ask. We listen. We act." Rather than evaluating foundation staff on the basis of how many grants they manage, the grantmaker uses data from grantee surveys and other information to assess the quality of program officers' relationships with grantees.

"We're looking for program officers who can develop powerful connections with grantees so they can be as supportive as possible. That is the standard of excellence for us," Vega-Marquis said.

¹ The other two books are: *The Four Agreements – A Practical Guide to Personal Freedom, A Toltec Wisdom Book* by Don Miguel Ruiz (Amber-Allen Publishing) and *The Alchemist* by Paulo Coelho (Harper One).

Empathy

It is one of the main sparks for philanthropy, one of the main reasons foundations exist. Grantmakers in communities across the country and around the world are mission-bound to try and help people and communities overcome challenges and thrive. Implicit in most grantmaker missions is this message: “We care, and we want to help.”

But while philanthropy often originates out of compassion and concern for others, grantmakers sometimes forget to make empathy a core driver of their grantmaking. As described in the pages that follow, “widespread empathy” allows grantmakers to base their decisions and actions on an authentic, firsthand understanding of the perspectives of grantees, community members and other partners. Grantmakers, in turn, become more effective as their work is based on a more thorough, ground-level understanding of organizational and community priorities and needs.

In this publication, GEO and Jump Associates offer some lessons from the Marguerite Casey Foundation and other grantmakers about what it means to create widespread empathy and how to make the connection between empathy and better results.

GEO and Jump Associates bring different but complementary perspectives to this work:

- ▶ GEO has been leading an initiative on stakeholder engagement in philanthropy, producing publications and workshops and coordinating other activities to encourage grantmakers to connect with grantees and communities in more effective ways.
- ▶ Jump Associates is a leader in helping organizations make widespread empathy a driver of growth and success. Jump CEO Dev Patnaik is the author of *Wired to Care: How Companies Prosper When They Create Widespread Empathy*. (For more on the book and Jump Associates, see page 4.)

Together, GEO and Jump have been working to apply to philanthropy some of the principles at the heart of Jump’s work.

Linking Engagement to Empathy

In 2006, GEO’s Change Agent Project found that funders and grantees alike agreed that the relationship between them is one of the key factors in increasing their effectiveness and, ultimately, achieving nonprofit results. That insight, along with the pioneering practices of members in our community, led GEO to adopt the goal of increasing the involvement of grantees and communities in grantmaking.

The GEO publication *Do Nothing About Me Without Me* urges grantmakers to be more deliberate about how they engage grantees and other relevant stakeholders in their work. As she presents the case for greater stakeholder engagement in philanthropy, author J. Courtney Bourns describes some of the practices grantmakers can adopt to help ensure that they are working in partnership with nonprofit leaders, community members and others.

This publication about empathy builds on GEO’s prior work to look more deeply at how grantmakers, both as individuals and through their organizations, can develop a gut-level understanding or intuition about grantee and community needs and concerns.

Whereas the earlier publication was about reaching out and involving others in the work of philanthropy, this one is about grantmakers operating in systematic ways that ensure their people are empathic — that is to say, attuned to what is happening with their grantees and in the communities that are the focus of their work. Grantmakers are using stakeholder engagement practices to develop and foster deep roots that ultimately help them make more effective decisions. They are on the ground, are proactive and often “get” what is needed without being asked. In turn, having widespread empathy allows grantmakers to increase the engagement of grantees and other key stakeholders in their work and build more fruitful relationships.

In the following pages, we explore a range of activities, strategies and attitudes that can help grantmakers connect with grantees and communities in more authentic and organic ways.

Great Organizations Are “Wired to Care”

In their book *Wired to Care*, Dev Patnaik and Peter Mortensen of the strategy firm Jump Associates write about how businesses and organizations that forge deep connections with the people they serve can see new opportunities faster than their competitors.

“Ultimately, every single one of us is biologically wired to care. Scaling that ability to the level of an organization can transform its mission,” the authors write.

Wired to Care features stories of numerous companies that have adopted high-empathy practices as a route to better results. For example:

- ▶ **Procter & Gamble** created the “Living It” program, in which its consumer insight division arranges for managers and other employees to live for a few days in the homes of lower-income consumers. Another program, “Working It,” allows employees to work behind the counters of small stores so they can interact with consumers in an up-close-and-personal way.
- ▶ **Harley-Davidson** requires its managers to participate in biker events such as rallies and organized rides on a regular basis, which keeps them in close touch with their core customers and enthusiasts. This allows top decision-makers, from marketing and sales to product development and finance, to make smarter decisions rooted in what the people who love and ride Harleys really need.
- ▶ **Nike** has labored for decades to create a company culture that’s obsessed with sports. Not surprisingly, the people who design new running shoes at Nike tend to be runners themselves. As a result, these employee-athletes make decisions based on the kind of intuition that can’t be captured in a typical market research report.

For more information about Jump Associates and *Wired to Care*, go to www.jumpassociates.com.

Empathy on an individual level is the ability to reach outside ourselves and connect in a deeper way with other people — to understand their experiences, to get where they’re coming from, to feel what they feel.

From Compassion to Authentic Connections

The Missing Link In Philanthropy

The **Evelyn and Walter Haas, Jr. Fund** took advantage of a recent overhaul of its website to deepen the content on its program priorities, add more stories about the work of its grantees and provide links to more resources. But even with the changes to the site, Senior Communications Officer Denis Chicola said that he and his colleagues still wanted to do more to lift up the voices of the people at the heart of the San Francisco grantmaker's work.

"We felt a real need to keep reminding ourselves and our allies and friends what this work is about," Chicola said. "And what it's about is real people who are living with the consequences of unequal opportunities, and it's about supporting nonprofits and movements that are working to make things right."

This desire prompted the Haas, Jr. Fund to launch a new and ongoing series of first-person, Web-based stories about the "real

people" — immigrants, gays and lesbians, young students, and others — who are the focus of its mission to help build a "more just and caring society."

Ira S. Hirschfield, president of the Haas, Jr. Fund, said the stories provide the fund's board and staff with a touchstone that connects them in a deeper way to the mission and goals of the fund and its grantees. The hope is that the stories will foster similar connections among audiences outside the fund as well.

"As a funder, we have unique access through our grantees to so many amazing stories," Hirschfield said. "With the project, we're looking to share some of those stories in ways that draw people in and that promote a deeper level of understanding and engagement."

Many people inside and outside of philanthropy express concerns that grantmakers are disconnected from their communities and from the organizations they support, as well as the people whom those organizations serve.

This isn't just a matter of grantmakers having an "image problem." The lack of strong connections between grantmakers and their grantees and communities can be a major barrier to philanthropic effectiveness. Widespread empathy is the antidote to this malady.

What Is Widespread Empathy?

Empathy on an individual level is the ability to reach outside ourselves and connect in a deeper way with other people — to understand their experiences, to get where they're coming from, to feel what they feel.

Widespread empathy scales that intuition from the individual to the organization.

In philanthropic organizations that have widespread empathy, every single person — not just program officers, but the entire board and executive leadership, finance, HR, communications, administrative staff and others — has an immediate sense of the true needs, concerns and priorities of grantees and communities and what solutions will best meet those needs.

Project Streamline, a collaborative effort of grantmakers and grantseekers working to improve grant application and reporting practices, recently summed up the current relationship between foundations and nonprofits as follows:

Even though individual dealings between foundations and nonprofits may often be harmonious and supportive, the overall tenor of the relationship seems to be one of distrust and irritation on both sides.²

High-empathy grantmakers seek to change that dynamic by building more collaborative relationships with two important audiences: their grantees and the communities that their grantmaking is intended to help. Such grantmakers base their relationships with those audiences on a simple premise: There is no "us and them" — we are all working together toward the same goals.

Widespread empathy connects a grantmaker's staff and board to the organization's mission in a visceral way. Instead of going through the motions in their day-to-day grantmaking work (and instead of talking and thinking in general terms about broad concepts like "social change" and "community revitalization"), the staff and board have a firsthand, gut-level understanding of the work of grantees — why their work is important, what it's achieving, whom it's helping, where it's falling short and what more needs to be done. And they can do this because they have felt the change they're seeking through direct, on-the-ground experience.

² Project Streamline, *Drowning in Paperwork, Distracted from Purpose: Challenges and Opportunities in Grant Application and Reporting*, accessed May 15, 2011, <http://www.projectstreamline.org>, 20.

Connecting Empathy and Better Results

When grantmakers create widespread empathy, good things happen for their organizations and the people they serve:

- ▶ **Change occurs more quickly.** Bureaucracies melt away as staff members don't rely solely on paperwork to understand community problems or make funding decisions. *The result:* Grantmakers are able to respond in real time to developments they see and hear about on the ground.
- ▶ **Innovative solutions take hold.** Staff and board members are more in tune with the best ideas outside their organizations. *The result:* Grantmakers call into question established but potentially outdated programs and strategies and explore promising new approaches put forth by the community and other stakeholders.
- ▶ **Philanthropy is more efficient and effective.** Lengthy grant review cycles shorten, and more, better projects get funded. *The result:* Grantmakers can focus on addressing the most urgent needs of grantees and communities and supporting community-driven solutions in a timely way.
- ▶ **Nonprofits are stronger.** Local organizations get the kind of support they need to create lasting change in the communities they serve. *The result:* Grantmakers have to spend less time turning operationally challenged community groups into robust applicants.

Imagine a foundation where each person has the same intuitive connection to the world of grantees and the people in the communities they serve. It can happen — and does — when philanthropy embraces empathy as a route to smarter grantmaking, stronger nonprofits and better results.

Lack of Empathy Reduces Effectiveness

When grantmakers fail in their strategies and decisions, it is often because they aren't connected to their communities and other stakeholders. They don't have a real-world understanding of the challenges and the most urgent needs facing people and organizations. As a result, they make decisions based on what they believe a community needs, or else they hire outside "experts" to offer their points of view and advice (which is often based on what might have worked in other communities or with other organizations).

Grantmakers who lack community and other connections are often slow to adjust their strategies and investments in response to changing circumstances on the ground. They tend to cling to the "same old, same old," even if it's not working, because their organizations aren't plugged into their communities and, as a result, aren't able to soak up new ideas and innovative solutions to try.

Many of the grantmakers we talked to in our research for this publication acknowledged that their organizations are works in progress when it comes to connecting with people outside their office walls in deeper and more authentic ways. Many of their policies and processes are too entrenched, the power relationships between them and their communities and grantees too ingrained to allow for a systematic, top-to-bottom transformation into high-empathy grantmaking.

In addition, many philanthropic practices and approaches that grantmakers might consider empathic still fall short of the mark. For example, responding to a grantee's request for more general operating support (as opposed to restricted project support) is an example of responsive and supportive grantmaking. But empathic? Not quite. A high-empathy approach would mean that the grantmaker has a more intuitive understanding of the grantee's need for unrestricted funding and suggests the change without the grantee having to go through the motions of issuing a special request.

The bottom line: When it comes to operating with a high level of empathy, philanthropy plainly isn't there yet. Few foundations are truly empathic in the way they operate, and when they are it is often by chance.

"A lot of grantmakers will fool themselves into thinking they have a close connection to their grantees, but empathy to me means you are much more conscious about issues of power that inevitably affect your relationships," said Mary Mountcastle, a trustee with the Z. Smith Reynolds Foundation. "It's about bringing more honesty to those relationships so you can have an authentic understanding of how you and your organization are helping or not, and what you can do better."

Identifying Empathy Bright Spots

Is it possible for grantmakers to completely remove the power imbalance that prevents them from forging more honest and open relationships with grantees and communities? Perhaps not.

Nonprofit organizations and their leaders may not be comfortable sharing their every challenge, concern or failure with the people who provide them with the funding they need to sustain their operations and programs. Similarly, if grantmakers expect community leaders and local residents who might be looking to them to help address an urgent neighborhood priority to openly share every doubt or misgiving they have about the work, they will soon find this is an expectation that cannot be met.

But grantmakers can still take important steps to forge better, more open relationships with grantees and communities. In the process, they can create the widespread empathy that their board and staff members need in order to add impact to their grantmaking.

In our research for this publication, GEO and Jump Associates found bright spots of empathy in a diverse cross section of organizations that are introduced in

the following pages. These are people and organizations working in ways that orient them toward connecting deeply with grantees and communities. For example:

- ▶ The William Caspar Graustein Memorial Fund has hired community liaisons whose job is to build deeper connections between the grantmaker and the Connecticut communities that are the focus of its early learning investments. *The result:* The grantmaker is better able to anticipate each community's needs in order to achieve its early education goals.
- ▶ The Wilburforce Foundation built a field staff and opened a Bozeman, Mont., office so it could connect more directly with grantees in the regions where they work. *The result:* Foundation staff engage in deeper, richer conversations with grantees, who regularly give Wilburforce high marks as a valued partner in their work.
- ▶ After recognizing that many of its grantees regarded the grantee reporting process as a largely ceremonial chore, the Geraldine R. Dodge Foundation in New Jersey decided to start from scratch and create a new system. *The result:* The grantmaker and its grantees worked together to design an assessment process that grantees say has helped them chart a path to higher levels of performance and impact.

GEO and Jump Associates also identified a number of specific practices and principles that can bring more empathy to grantmaking. We spotlight these in the following pages, along with the stories of grantmakers that are moving from compassion to connection as they bring more empathy to their day-to-day work.

Widespread Empathy

5 Steps to High-Empathy Grantmaking

1. MAKE IT ABOUT OTHERS, NOT ABOUT YOU

In 2008, at a time when charities across the country were starting to feel the pinch of the economic downturn, Beatrice Benidt, president of the **Charles E. Benidt Foundation** in Elm Grove, Wis., approached the local Feeding America chapter with a proposal. Instead of receiving one annual grant in October, Benidt asked whether the charity, a Benidt foundation grantee since 2005, would prefer receiving monthly checks. Feeding America executives welcomed the idea.

“We knew that the burden of their obligations goes on every month, and we thought this might help assure that they have steady resources throughout the year,” said Benidt, who leads the foundation created by her late husband in 2003.

Later, after a conversation with the president of the Feeding America chapter about cash flow challenges facing the organization at certain times of year, Benidt asked whether the foundation could make other changes to help. As a result of that conversation, the

Benidt Foundation now provides its funding to the organization in four installments between July and October, the months when Feeding America’s contributions generally decline and when cash flow issues are at their touchiest. The Benidt Foundation also increased its support for Feeding America as the downturn continued, recognizing that the charity was facing increased demand for its services.

“Bea is a real visionary,” said Bonnie Bellehumeur, president of Feeding America Eastern Wisconsin. “Having a foundation come to us and ask how they can do a better job supporting our work is a real breath of fresh air, and it’s made a real difference in what we’re able to do.”

Many grantmakers believe they do a good job reflecting the interests and priorities of grantees and communities in their work. Ask grantees and community members, however, and you often hear a different story.

Traditional philanthropy operates on a model of hierarchy and power: Foundations have the money, so they get to make the rules. The perception among many nonprofit and community leaders is that grantmakers are driven by their own agendas and needs, rather than by what's best for people and organizations working at the grassroots level. Class and race differences between foundation leaders and community members can make the perception of a divide more pronounced. And the layering on of processes, procedures and requirements associated with even relatively small grants only adds to the belief that too many grantmakers “just don't get it.”

High-empathy grantmakers play against these perceptions and beliefs by putting others' interests first. They look at their organization's grantmaking strategies, policies, processes and requirements through the eyes of grantees and others, and they always ask questions about whether their organization is doing the right thing by its grantees and applicants for support.

High-empathy grantmakers also have an intuitive understanding of how important it is for others to feel ownership of their work and priorities. As a result, they are conscious of ensuring that they remain behind the scenes, and that nonprofits and community members are out front in shaping and taking credit for their work. While they may never eliminate the power imbalance that comes with having money that others want and need, these grantmakers position themselves as partners in helping to solve grantee and community problems.

How Do You Present Yourself?

Grantmakers can reduce the power imbalance between philanthropy and others by paying attention to what political consultants call “optics” — the way you present yourself in meetings with grantees and community members.

- ▶ If you are the only one at a meeting wearing a business suit, that says something about your role in relation to everyone else.
- ▶ If you continually check your smartphone or regularly cut meetings short because of other priorities, that says something about your priorities and your level of commitment to the people you're with.
- ▶ If you tend to pepper your speech with philanthro-jargon and insider lingo rather than the language that your grantees or communities speak, that can suggest a poor connection to real-world, day-to-day concerns.

TIP: Instead of talking about the “theory of change” behind an initiative, talk in specific terms about what it aims to achieve for a neighborhood or a community — for example, more affordable housing, better health care, and so forth.

A 2010 report by the Center for Effective Philanthropy identified key predictors of strong grantmaker-grantee relationships.³ Chief among these were

- ▶ the grantmaker's understanding of funded organizations' goals and strategies,
- ▶ the grantmaker's understanding of the fields and communities in which grantees work, and
- ▶ the nature of the grantmaker's ongoing communications and contact with grantees.

³ Ellie Buteau, Phil Buchanan and Timothy Chu, *Working With Grantees: The Keys to Success and Five Program Officers Who Exemplify Them*, Center for Effective Philanthropy, 2010. Available at www.effectivephilanthropy.org.

How can your foundation build better relationships with grantees and other audiences? Start by asking them to offer candid feedback about how well the foundation’s staff understands their fields, their goals and strategies and their needs. This “empathy report card” can help foundation leaders diagnose where the staff is making assumptions or operating on misconceptions and, alternately, where its gut feelings are on track because staff members are connected to community and grantee perspectives.

Is your organization providing mostly project-related support to grantees that are struggling to maintain core organizational infrastructure (staffing, technology, etc.) and could benefit from more general operating support? Are your organization’s application and reporting

processes placing too big a burden on grantees, particularly in relation to the size of the grants you give them? Do grantees need more support from your organization and others for leadership development, board development and other capacity-building priorities?

High-empathy grantmakers don’t wait for their grantees and applicants to raise these issues. They don’t wait for nonprofits to ask the organization to consider changing its policies and requirements. They simply act — because they know intuitively the best ways to support the effectiveness and the success of others.

Questions for Your Organization

Do your organization’s program officers and other staff have regular opportunities to come together and discuss what’s happening with your grantees, and how to strengthen your grantmaking to help address urgent needs?

...

To what extent do staff members have the flexibility to make changes in how you support various grantees based on the staff’s sense of what types of support will help the most right now?

...

To what extent can your organization provide grantees with various forms of support (e.g., for capacity building, leadership development, cash flow loans) based on staff members’ understanding of what grantees need?

...

What is the status of your organization’s relationships with grantees and community leaders — and how do you know? What do you do to ensure that you understand how stakeholders view their relationships with your organization?

...

What opportunities are available for community members and nonprofit representatives to connect with people from your foundation? Does the organization actively create opportunities for initiating and strengthening connections between its people and the people it serves?

...

Does your organization have standards or expectations in place to help guide program staff members in their ongoing communications and contact with grantees? Do you provide staff with training in relationship building and related topics?

...

What can your organization do to encourage staff members to bring a higher level of humility to their work with grantees and others?

...

How can you provide staff members with training in practices such as “active listening” so they are not viewed as an intimidating or controlling presence?

...

2. GET OUT OF THE OFFICE

In 2004, the **Wilburforce Foundation** commissioned its first Grantee Perception Report from the Center for Effective Philanthropy. When asked to assess the quality of their interactions with the foundation, nonprofit representatives rated the foundation relatively highly but offered suggestions for improvement.

“People said they wanted program staff to visit more often,” said Paul Beaudet, associate director of the Wilburforce Foundation, which works to protect wildlands throughout the western portion of North America. “They wanted more access to our people for advice and strategic conversations.”

As the staff and board weighed the survey findings, they decided to change the structure of the organization to focus on “interactional” rather than “transactional” grantmaking. Among the changes: The grantmaker hired additional program associates so it could have two-person program teams covering each of its three priority regions.

Jennifer Miller is program officer with the Wilburforce Foundation’s Yellowstone to Yukon program and works with a program associate out of the grantmaker’s Bozeman, Mont., office. Miller estimates that she is out of the office on work-related travel as much as 30 percent of the year. (She said she might do even more traveling if she wasn’t concerned about her carbon footprint.)

“The whole reason we opened this office in 2000 was to try and develop closer relationships with grantees, and that means getting out into these areas where we’re funding,” she said. Miller added that her travels don’t necessarily

revolve around formal site visits. “A lot of it is just getting out into these communities and going to local meetings and talking to people and learning more about the local context.”

Beaudet said that Miller’s presence in the region is representative of the grantmaker’s approach to building and sustaining good working relationships at the local level. “We have long-term, place-based relationships with our grantees, and you can’t sustain those relationships and interactions if you aren’t out in the field on site visits and participating in convenings and conferences,” Beaudet said.

In a 2007 Grantee Perception Report, Wilburforce’s grantees gave the foundation dramatically higher marks for the quality of its interactions with them. More importantly, Beaudet said the ability to engage in “rich conversations” with grantees has strengthened the grantmaker’s understanding of their day-to-day challenges and needs.

Rick Johnson is executive director of the Idaho Conservation League, a longtime Wilburforce grantee. He said he finds the grantmaker’s staff members “uniquely available” to answer questions and to help him and his colleagues as they face questions and challenges in their work.

“It seems to me that a lead criteria in their hiring is making sure their people are warm and caring and accessible, and that has an obvious impact on what we’re able to do,” Johnson said. He added that Wilburforce also pays attention to having a sufficient number of program staff. “The staff aren’t overstretched, and that means you can build a genuine relationship with them.”

It's hard to have a deep understanding of what's going on in a community if you're not there. At too many foundations, board members and program staff have a skewed or sanitized view of what grantees and communities need because they lack connections to what's happening on the ground.

All too often, grantee reports and applications for funding are the principal source of information about community issues and the work of local nonprofits. And while many grantmakers regularly go on site visits, these can easily become stage-managed, show-and-tell sessions rather than a chance to dig deep into grantee and community challenges and concerns.

Nothing beats a face-to-face visit to the very places where a grantmaker's stakeholders live their lives and do their work. This allows grantmakers to develop and deepen relationships and to see the world through the eyes of the people who are the focus of their work. Another payoff from getting out of the office: Grantmakers can capture contextual information that often is lost in a grant proposal or over the phone.

Bill Somerville, executive director of Philanthropic Ventures Foundation, is committed to spending a minimum of 30 percent of his day in the field meeting former, current and potential grantees in their world. If Somerville is considering funding a soup kitchen, he goes and eats there, talks with other people who eat there and spends time serving food.

"Almost everything you need to know as a grantmaker is taking place beyond your office doors," Somerville advises his colleagues. "Devote as much time as possible to exploring unfamiliar corners of your community to learn what's happening on the ground."

Getting out of the office doesn't mean simply engaging in exploratory site visits, however. Often, it means working hand in hand with others in the community — recognizing that your mandate does not begin and end at the front doors of your offices. Over the

last few years, for example, the Greater New Orleans Foundation has gradually shifted from a traditional community grantmaking approach — focused on serving donors and responding to grant requests — to becoming a more active partner with others in community problem solving.

According to the foundation's President and CEO Albert Ruesga, the main spark for the shift was Hurricane Katrina. "That really brought it home to everyone here that we are the community, and the community is us," Ruesga said. "We all live here, and we all care about the future of this place, and so we're committed to rolling up our sleeves and being out in the community and working alongside the people we serve."

Other ways for grantmakers to "get out there" include volunteering and serving on nonprofit boards, in community government and in civic organizations. Participating in the community in these and other ways can be a great way to open one's eyes to the real world, bust a few myths and ensure that a grantmaker's strategy is properly targeted to the most urgent problems, opportunities and community needs.

.....

Questions for Your Organization

About how much time do staff members spend in the office versus the field?

...

Does your organization have any formal requirements or informal guidelines for how much time a program officer should spend in the community meeting with grantees and community groups and participating in local convenings?

...

To what extent are board members involved in the communities that are the focus of your organization's work — as volunteers and nonprofit board members?

...

What firsthand experience do foundation staff members have with the community and organizations they serve?

...

Does the foundation have any formal or informal programs that allow program staff to work in the community or with nonprofit organizations you serve for periods of time?

...

Where are most of the projects you fund located? How physically far away from your offices are most of your grantees and the beneficiaries of their work?

.....

“Almost everything you need to know as a grantmaker is taking place beyond your office doors. Devote as much time as possible to exploring unfamiliar corners of your community to learn what’s happening on the ground.”

BILL SOMERVILLE, EXECUTIVE DIRECTOR
PHILANTHROPIC VENTURES FOUNDATION

3. BRING THE OUTSIDE IN

Chicago's **Crossroads Fund** was established in 1979 by a group of young people with a simple idea: They believed philanthropy should be guided by the expertise and insights of people working at the grassroots level to strengthen their communities and advance the cause of social change. More than 30 years later, the foundation continues to embrace a form of philanthropy that places a premium on community involvement.

One look at the board roster of the foundation is enough to show that this is a grantmaker with a special connection to the community and the causes it serves. The majority of the 17-member board consists of activists — there are community organizers, an artist and art educator, and the former executive director of a domestic violence shelter, to name a few. Those activists serve alongside a smaller number of major donors to the fund from the worlds of banking, investment management and other fields that traditionally have supplied foundations with the majority of their board leaders.

"This is not your typical community foundation board," said Jeanne Kracher, executive director of the fund.

To further enhance the community's involvement in the Crossroads Fund's work, the board's grantmaking committee isn't limited to board members only. Rather, the fund invites people from the community to serve on the committee alongside board members.

"When we talk about stakeholders making grantmaking decisions, we talk about a true partnership of all stakeholders, including activists who have an expert view of what's happening at the ground level," Kracher said.

The Crossroads Fund's approach — assigning grantmaking decisions to a board or activist committee — is somewhat unique among the members of the Funding Exchange, a network that includes Crossroads and 14 other public foundations across the country that share a commitment to social justice via activist-led grantmaking. Most of the funds have a board of directors and a separate "community funding board" that guides their grantmaking decisions.

"There are a variety of ways to do community-based grantmaking," said Ron Hanft, associate director of the Funding Exchange. The common denominator among his organization's member funds, he said, is that they engage community members in their grantmaking decisions — not just on their boards and grantmaking committees but also on their staffs.

For the Crossroads Fund, the payoff from this work is grantmaking that is more reflective of community priorities and concerns. "The best practice in philanthropy is to view these resources we have at our disposal as public resources," said Kracher. "The only way to be responsible stewards of those resources is to let go of the power we think we have and to invite others to get involved in deciding where they can best be put to use."



Two words: ivory tower. All too often, this is the image people have of foundations. The staff and board are isolated from grantee organizations and local communities. They don't look like the people they serve or live in the places they invest in. They make their decisions about their priorities and their grants without getting much if any input from the outside world.

Whether this is an accurate description of your organization, it is the perception many people have of foundations, and it is a perception that philanthropy desperately needs to change.

GEO's Change Agent Project included interviews and focus groups with nonprofit leaders who regularly commented on the need for grantmakers to develop more open and inclusive grantmaking practices.⁴ In addition, the Philanthropy Awareness Initiative has conducted extensive research showing that more than half of "engaged Americans" cannot name a foundation, and very few (15 percent) can cite examples of the impact that foundations have had in their communities.⁵

High-empathy foundations actively try to remove the barriers that can contribute to their isolation and their anonymity in their communities. One way they start is by bringing into the organization the kind of people it serves — including nonprofit executive directors and staff, as well as representatives of the communities that are the focus of its grantmaking. With such people onboard, it doesn't take a lot of effort for grantmakers to connect to key stakeholders or to weigh the real-world impact of their decisions and actions. There are people in the office who know! Having such people inside the organization can contribute to smarter, more informed grantmaking, better decisions and better results for the foundation and its grantees.

At the Eugene and Agnes E. Meyer Foundation in Washington, D.C., for example, most program officers have served as nonprofit executive directors. "That changes the culture here because we've all been on the other side, and we know how it is," said Rick Moyers, the foundation's vice president for programs and communications.

Beyond hiring "customers," high-empathy foundations also take other steps to ensure that they are bringing the outside in. These include adding nonprofit and community representatives to the board; adding comment pages and other interactive elements to the foundation website; inviting grantees to share stories with the staff and board in formal and informal settings; and even populating the walls of the office with stories, photos and artwork that reflect what's happening in the community and among the people they serve.

In addition to its hiring policies, the Meyer Foundation has used its office space to bring the outside in. The foundation's Metro-accessible, downtown D.C. office is home to a "community conference room" that Meyer offers as a free meeting space for grantees. According to the foundation's President and CEO Julie Rogers, the conference room has proved a well-used resource among nonprofit leaders who want to bring people together in a central, easy-to-get-to location, and whose typically cramped offices can't accommodate larger meetings.

The payback for the Meyer Foundation in offering its office space as a resource is that its staff has a chance to engage with grantees and other community members in the grantmaker's own digs. "We constantly have grantees and others from the community walking through our office, which gives us frequent opportunities for listening and networking and reminds us who we're working for and why we're here," Rogers said.

⁴ For more on the Change Agent Project, see the GEO publications *Listen, Learn, Lead: Grantmaker Practices That Support Nonprofit Results* (2006) and *Imagine, Involve, Implement: Transforming Grantmaker Practices for Improved Nonprofit Results* (2008). Available at <http://www.geofunders.org>.

⁵ Philanthropy Awareness Initiative, *Philanthropy's Awareness Deficit: Results from Survey of Engaged Americans*, accessed May 15, 2011, <http://www.philanthropyawareness.org>, 3.

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Questions for Your Organization

What are the backgrounds (socioeconomic, cultural, educational, etc.) of your program staff, leadership and board? To what extent do those backgrounds match or differ from most of your grantees' staff or the communities they serve?

...

What did staff members do before they came to the foundation? Do any of the staff have experience working with grantees and other nonprofit organizations in the communities that are the focus of the foundation's grantmaking?

...

Who are your interns? Does the foundation have any formal or informal programs for community members or nonprofit staffers to come work in your offices?

...

How does the foundation remind itself of the communities and organizations it serves? Does the foundation have specific ways it keeps the stories, images and ideas of its grantees, nonprofits and communities physically and mentally present in the organization?

...

Do stakeholders have any input on foundation processes and policies? To what extent have grantees, community leaders or nonprofit representatives been able to comment on application processes and deadlines, program requirements and other aspects of how the foundation does its work?

.....

"We constantly have grantees and others from the community walking through our office, which gives us frequent opportunities for listening and networking and reminds us who we're working for and why we're here."

JULIE ROGERS, PRESIDENT AND CEO
EUGENE AND AGNES E. MEYER FOUNDATION

4. INVEST IN WHAT IT TAKES

In 2002, the **William Caspar Graustein Memorial Fund** launched a multiyear effort aimed at supporting the work of Connecticut communities as they set out to improve early learning opportunities for children. The grantmaker's Discovery initiative offers grants and capacity-building support to 53 communities across the state that are home to more than half of Connecticut's children from birth to age 17.

A key operating principle for the initiative is that solutions can't be imposed on communities from outside; they have to emerge from a collaborative process involving parents, teachers, child care providers and others.

"Community engagement is in the water we drink," explained David Nee, executive director of the Graustein Memorial Fund.

But with more than 50 communities, each pursuing independent strategies for change, the grantmaker needed a way to stay connected to the collaboratives that were managing local Discovery initiatives. A significant component of the Graustein support for the collaboratives was capacity building, and the grantmaker wanted to ensure that it understood each community's challenges and needs.

"We were committed from the start to wanting to do all we could to support these communities in their work, and that meant we had to figure out a way to maintain a close connection to what was happening on the ground," said Carmen Siberon, community program officer with the fund.

The answer to the challenge: community liaisons charged with serving as a bridge between the grantmaker and the 53 local

collaboratives. The Graustein Memorial Fund pays liaisons to spend a set amount of hours each month working with anywhere from three to nine communities in their areas of the state.

"We basically hold up a mirror to these communities so they can make sure they're asking tough questions and getting the support they need to reach their goals," said Paul Vivian, a liaison currently working with eight communities in the southwestern part of the state.

A veteran of state and city agencies working on family and youth issues, Vivian said he was skeptical of the liaison role at first. "I feared these communities might see us as outsiders coming in to try and monitor their work, but the reality is we're there to make sure they can succeed," he said.

Mary Broderick, a liaison working with nine communities in eastern Connecticut, said the Graustein Memorial Fund is deliberate in ensuring that she and her colleagues play an "empowering" role in the local communities. "There is a real respect that the fund brings to this work in terms of meeting the communities where they are and helping them reach their goals," Broderick said.

Donna Labbe, who runs the local Discovery collaborative in Torrington, Conn., agreed. Even though the fund is working simultaneously with 53 communities, Labbe said she feels its people are very closely connected to what's happening in her community. "They are always interested in what's happening here and they seem to be ahead of the curve in anticipating the kinds of technical assistance and other support we need as we do this work," Labbe said.

In many ways, the shift to high-empathy grantmaking can happen through relatively simple steps that organizations and their people can take to connect in more authentic ways with others. It's not that big a deal to make changes in how staff members plan and structure meetings with grantees, or to encourage and incentivize people to get out of the office more often.

At the same time, however, grantmakers should recognize that creating widespread empathy in their organizations may require stepped-up investments in operations, starting with staff. Project Streamline, citing Foundation Center figures, reported that of nearly 21,000 foundations with at least \$1 million in assets or making grants of \$100,000 or more, only about 17 percent had staff. This prompted Project Streamline to observe:

Foundation boards want their available money to be given as grants, rather than spent on internal administrative tasks. As a result, many foundations are reluctant to invest in their own operations — technology, staff or infrastructure. This leaves foundation staff and trustees highly taxed with little time to build relationships with nonprofit organizations, rethink their grantmaking process, solicit feedback from grantees, respond to reports and evaluations. . . . Even when funders have significant staff resources, they often experience a lack of continuity as staff come and go.⁶

Some grantmakers are bucking this trend in the hope that adding staff will foster stronger connections with grantees. As noted earlier in this publication, the Seattle-based Wilburforce Foundation expanded its program staff after the board and staff decided to change their focus from “transactional” to “interactional” grantmaking.

Beyond staffing, grantmakers also might find they have to invest in new processes, new systems and

new strategies to nurture deeper connections between their people and the communities they serve. The Marguerite Casey Foundation, for example, holds its quarterly board meetings in communities across the country where its grantees are working. In addition to their business meeting, board members of the Seattle-based grantmaker spend a “learning day” in the community where they meet with grantees, visit their programs and talk to community members. Recent board meeting locations have included Jackson, Miss., and the Liberty City neighborhood of Miami.

One caveat as grantmakers consider what they can do to forge deeper relationships with grantees and others: Always be conscious of your impact on the capacity of grantees to stay focused on their work. Stronger connections and openness to listening and hearing grantee concerns are almost always welcome; interfering in grantees’ day-to-day operations is not.

Questions for Your Organization

To what extent are your organization’s leaders prepared to invest in becoming a high-empathy foundation? What resources are available for doing this work?

...

What top two investments could your organization make to ensure that staff and board can develop and sustain a strong, firsthand understanding of grantee and community needs?

...

What level of demands are you placing on your program staff? Do staff members have the time they need to develop strong relationships with grantees and others in the communities that are the focus of your work, or are they overstretched?

...

⁶ Project Streamline, *Drowning in Paperwork, Distracted from Purpose*, 22.

5. LEAD FROM THE TOP

David Grant joined the **Geraldine R. Dodge Foundation** as its president and CEO in 1998 after a career in education. On a day shortly after he joined the New Jersey–based grantmaker, he noticed that grantees were frantically running into the foundation’s offices delivering grantee reports that were due that afternoon.

“You could tell from looking at them that this had been a real chore and that many of them had been scrambling just to get it done,” recalled Grant, who retired from the Dodge Foundation in 2010.

Based on his experience in the education field, Grant knew that there was a better way. In the same way that an effective educational assessment needs to involve a broad community of learners, teachers, administrators and parents in a wide-ranging effort to improve learning outcomes, Grant believed it was important for the Dodge Foundation to engage grantees in designing an assessment process that could deliver better results for all involved.

Based on this belief, Grant asked some of the foundation’s grantees if they wanted to get together and talk about how to improve assessment and reporting so it wasn’t such a chore — and so it actually could contribute to better results for grantee and grantmaker alike. That conversation, in turn, provided the spark for a broad effort aimed at supporting grantees in the work of assessment.

Drawing on his previous work in educational assessment, Grant developed a workshop series that enabled grantees to chart a path to higher levels of performance and impact. “This wasn’t about us coming in and telling them what to do,” Grant explained. “It was framed as a conversation and a partnership so we could explore with grantees how to do assessment in a way that benefits everyone.”

For its assessment work and other grantee-centric practices, Dodge tends to get positive marks from grantees. In Grantee Perception Reports prepared by the Center for Effective Philanthropy, nonprofit leaders regularly praise the foundation for the quality of its interactions with them, and for its capacity building and other support.

“Dodge is one of the most flexible and creative funders we have worked with,” said Donna Drewes, who directs a Dodge-funded program at the College of New Jersey’s Municipal Land Use Center. “To say they are accessible is an understatement — there is a real sense that they understand our challenges and opportunities and that they are here to help us in any way they can.”

Widespread empathy isn't possible without a top-level commitment on the part of an organization's board and senior staff. One of the most essential characteristics of high-empathy organizations is a leadership team that walks the talk and demonstrates high-empathy behaviors in its everyday work.

To change the culture and overarching strategies of the organization, leaders must embrace widespread empathy as a pathway to better results for the organization and its stakeholders. That means getting everybody to focus on what's really going to make a difference for the people and the organizations that are central to the mission of the organization. Foundation leaders should set out to improve the thousands of decisions people in the organization make every day, and to ensure that they have the flexibility they need to make changes in response to their understanding of what's happening on the ground.

Leaders can start by reviewing their own work practices to assess the extent to which they follow some of the steps outlined in this publication — for example, building relationships, getting out of the office, checking their egos at the door, and so on. If a foundation president is spending more time meeting with financial advisers or paid consultants than she is with nonprofit leaders and community members, then something is wrong. Similarly, if grantees are expected to drop everything and rearrange their schedules because a foundation board chair or other board members can conduct a site visit only on a certain day and at a certain time, then the foundation clearly is not operating with a high level of empathy.

Going from individual to organizational behaviors, leaders also should consider what systems the grantmaker has in place (or needs to implement) to enable program officers and other staff to spend time in the communities they serve. In too many foundations, program staff members are overwhelmed and their grant portfolios are too large.

Grantmaker Sets Standard for Respectful Site Visits

The Geraldine R. Dodge Foundation developed a "site visit rubric" that lays out how program officers can exceed the foundation's "Respect for Grantees" standard during site visits:

- ▶ **Quality of preparation.** Before the visit, the program officer seeks to expand knowledge of the field and reviews supporting material; the program officer confirms the appointment and consults with grantees about the agenda for the visit; and the visit is only one of a number of other contacts with grantees throughout the year.
- ▶ **Quality of visit and conversation.** The program officer helps steer the conversation to important things that need to be discussed; the program officer acts as a resource and helps the groups make connections and brainstorm about the future; and the program officer notes impressions and body language to better understand what the grantee is trying to convey.
- ▶ **Aftermath outcome.** The program officer sends a thank you to the grantee after the visit; the program officer makes an effort to see programs taking place, makes a follow-up visit, or both; the program officer follows up on promised connections and thinks about "Who else should this grantee know about?"; and the program officer calls others in the field connected to or affected by the grantee's work to incorporate those perspectives into board write-ups.

For leaders addressing this problem can mean taking any number of steps, such as hiring new staff to spread the burden of the work, easing the administrative requirements on program officers so they can get out of the office more, and offering rewards and incentives to employees who participate in community goings-on (for more on this, see “Invest in What It Takes”).

Leaders also need to review what the foundation does (and how it can do more) to promote work practices that encourage and sustain empathy, from deep listening and reflection to looking at the world through the eyes of grantees and others. Grantmakers should consider making these types of skills the focus of staff training and employee orientation content for program officers and other employees. In addition, orientation and policy manuals, along with other core materials laying out the foundation’s operating philosophies and approach, should clearly state the organization’s expectations of how staff members should relate to grantees and others in the community.

Last but not least, foundation leaders should consider what the organization’s physical space says about its relationship to others. How far are the foundation’s offices from the places where its grants are put to work? Are its offices welcoming and accessible to grantees and others in the community? To what extent do the offices reflect their surroundings — for example, with pictures on the wall of the community and the people who live there?

It’s not enough to change your organization’s application and reporting processes. It’s not enough to survey grantees or invite them to share their thoughts and ideas with your staff and board in other forums. Those can be important steps, but creating widespread empathy is a much deeper and more transformative endeavor that requires strong leadership.

This is about removing the barriers that exist between a grantmaking organization and the outside world. It is about closing the gap between those who are “inside” the foundation and those who are “outside.” Last but not least, it is about changing the culture and operations of your organization in ways that encourage lasting, gut-level connections between your people and the people and communities you serve. Leadership is essential to making this happen.

Questions for Your Organization

To what extent do staff and board leaders follow high-empathy practices in their work? Are they building relationships with grantees and community members and getting out of the office?

...

What can your organization do to make empathy an organization wide priority — for example, by encouraging staff behaviors that promote and sustain empathy?

.....

Foundation leaders should set out to improve the thousands of decisions people in the organization make every day.

CONCLUSION

From People to Organizations

Every person is born with the ability to connect with other people. Unfortunately, the world of work sometimes requires that we set aside that instinct. Because of organizational cultures and the confines of our jobs, we tend to place facts ahead of empathy and intuition. We tend to develop systems and processes that, while well intentioned, often diminish what a more human perspective can bring to our work.

But it is possible to reclaim empathy. For grantmakers, doing so requires a specific mindset that values and prioritizes deeper connections with grantees and others. Rather than seeing themselves and their stakeholders as “us and them,” high-empathy grantmakers start to see themselves as part of the same team. They start to think like their “customers.” They find themselves anticipating challenges and opportunities facing grantees and communities and thinking in advance about how best to help.

Reclaiming empathy can’t happen with the snap of one’s fingers. Rather, it is a result of embracing specific practices aimed at building and sustaining deep connections with others. By following some of the steps outlined in this publication, grantmakers can strengthen their ability to see the world from the point of view of others and to act accordingly to help reach their goals.

Empathy starts with people — people who can develop a gut-level understanding of and connection to those whom they work with and serve. For grantmaking organizations, however, fostering empathy is about more than assembling a group of program officers and other team members who can reach outside themselves and connect with others. It’s about creating an organizational culture where everyone can have a firsthand sense of what’s happening on the ground in the communities where the grantmaker does its work, and of what grantees and other nonprofits truly need to be effective.

A widespread sense of empathy can transform an organization. The line between inside and outside starts to blur. High-empathy foundations see the world as it truly is: rich with life and good ideas and overflowing with opportunities for impact.



WIDESPREAD EMPATHY

5 Steps to Achieving Greater Impact in Philanthropy

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