

PERSPECTIVES ON PHILANTHROPY

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**THE PHILANTHROPIC *PRIZE* AND HOW TO PURSUE IT
SYSTEMATICALLY**



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There are many challenges and dilemmas facing foundations that make giving away money *right* so difficult. However, in facing those challenges and dilemmas, we can draw upon the conceptual frameworks, strategies, and practices developed by others over the past 100 years to increase the effectiveness of philanthropy. This paper summarizes what many leaders and observers of the field of philanthropy believe are some of the most critical elements of successful foundation programs. First, it focuses on the driving purpose and intent behind a foundation's decision to launch a new programmatic initiative – *The Prize*. Second, it emphasizes the importance of pursuing the prize in a systematic fashion. Third, it stresses the imperative of involving all relevant constituent communities, from beginning to end, in programs in which they have a vested interest. Fourth, it stresses the critical role of time in effective foundation programs.

I. THE *PRIZE* AND HOW TO KEEP OUR EYE ON IT

A. THE *PRIZE*

We often say “keep your eye on the prize” when emphasizing how important it is to have a single-minded focus on the goal one is striving to achieve. The phrase connotes a strong sense of purpose and intensity of effort required to make something happen.

The same is true for foundations. For them, *The Prize* is its *raison d'être* – the mission it exists to pursue, the programmatic goals it strives to attain, and the outcomes for which it holds itself accountable. Conceptually, *The Prize* drives everything a foundation does and how it does it – governance, leadership philosophy, organizational structure, operational style, programmatic strategy, and staffing. Practically, *The Prize* is: (i) the banner behind which everyone marches, bringing the board, staff, grantees, and other partners together in a common, shared effort to effect a change they all agree is a worthy objective; (ii) the rationale behind the efforts of these partners to mobilize resources, energy, and talent in a concerted effort to achieve a specific outcome; (iii) the glue that binds different projects, grantees, and activities into a coherent, integrated whole aimed at the same ultimate outcome; and (iv) the basis on which the foundation measures its performance, learns about what works and what doesn't, and adapts its efforts accordingly.

B. HOW TO KEEP OUR EYE ON IT

Sustained Concentration. If *The Prize* represents a foundation's collective vision and driving force, it follows that a critical element in the foundation's success is the degree to which the Board and staff keep their eye on it in a consistent and sustained way. Success in philanthropy, as in other endeavors, favors those who: (i) are absolutely clear about what they are working toward; (ii) maintain their focus on that goal and hold themselves accountable for reaching it; (iii) mobilize their resources to pursue the goal single-mindedly; and (iv) organize themselves for maximum effectiveness and efficiency.

Too often, however, foundation boards and staffs take their eyes off *The Prize*, becoming isolated from the world in which they operate, forgetting what it is they are trying to achieve, *overall*, failing to stick with program directions long enough to have an impact, and increasingly focusing on internal processes and bureaucratic procedures at the expense of external ideas, experiences, and realities. They launch new programs with goals clearly in mind and strategies for achieving them clearly in place. However, in time, goals often become diffuse and strategies fragmented. This loss of concentration is the result of several forces at work in philanthropy. These include:

Dilution of Focus and Resources – All foundations, no matter the magnitude of their assets or the narrowness of their purview, are faced with a daunting array of societal ills toward which they can direct their resources. Since each of those ills has potentially serious consequences for the lives of individuals, families, and the communities in which they live, deciding among them is often wrenching. As a result, foundations too often spread their resources across many problems areas, rather than making the kinds of tough decisions it takes to focus intensively on a small number where they can make the greatest difference.

Demands of the Market Place – In reality, there are many more meritorious ideas and worthy organizations in an area than any foundation can support. And, given the realities of the non-profit world, many of those ideas may languish and organizations perish without funding from private foundations. As a result, foundations feel great pressure to say “yes” to proposals, even when saying “no” is more consistent with their funding priorities. This is particularly true for community-based foundations, where board and staff are in close contact with the issues, problems, and needs of their communities, and with the individuals and organizations struggling to address them.

Institutional Drift – In time, organizations tend to become preoccupied with form – internal politics, policies, procedures, and structures – at the expense of substance – *The Prize* and how best to attain it. This is true for foundations too, where a number of factors lead to a gradual erosion of the excitement, focus, intensity, and optimism surrounding the initiation of new programs, replacing them with more prosaic concerns. Among the factors at work are: (i) the requirement to meet annual distribution targets; (ii) the pressure of grant cycle and board meeting deadlines; (iii) the difficult challenge of having an impact on almost any social problem identified as a focus of a foundation’s grantmaking; (iv) the even greater difficulty of demonstrating that the foundation’s efforts actually made a difference; (v) the problem of knowing how to assess the performance of staff vis-à-vis program effectiveness and outcomes; and (vi) the tendency of board and, sometimes staff, to become bored with “old” program areas and enthralled with new ones (“donor fatigue”).

Coherent Sense of Purpose. Foundations that seem to do the best job of keeping their eyes on *The Prize* are those best able to sustain a coherent sense of who they are, what they are trying to accomplish, and how they are trying to accomplish it. Real effectiveness in philanthropy derives from a pervading sense of institutional coherence. This sense manifests itself as a consistent conceptual and operational framework which the foundation uses to: (i) determine its focus and priorities; (ii) make decisions about which opportunities to pursue; (iii) establish its implementation strategies; and (iv) control the natural tendency to branch out into too many areas. Such institutional coherence serves not only as the internal beacon that guides everything the foundation does, but also as a sign to the outside world of a consistency of purpose that brings credibility to the foundation's intentions and programs.

Effective foundations continually reexamine the purposes of philanthropy, and constantly assess the degree to which the programs they fund are consistent with their missions, values, and principles. In selecting their priorities and designing their programs, these foundations ask: How do we add optimum value with the resources available to the Foundation? What are the foundation's comparative advantages in addressing the particular issue or problem? What are the fundamental values and principles to which we must adhere as we move forward? And, how will we know if we are meeting our own expectations?

Focus. The more disciplined and focused the work of a foundation, the more likely it is to have an impact. No matter the size of its assets and the level of its annual payout, the resources available to a foundation pale in comparison to the magnitude of the social problems it exists to address. Accordingly, effective foundations are perceived to be those that focus their attention and their resources on a relatively small number of social problems, issues, or needs that are consistent with their missions, perceived comparative advantages, and capacities to make a discernable difference.

There is a natural tendency among foundations gradually to expand their purviews in an attempt to mitigate the many social problems that exist in the communities they serve, and to respond to the importunings of organizations struggling to address those problems. Ultimately, however, the resulting diffusion of emphasis serves to: (i) dilute the capacity of foundations to have a significant impact in any one area; (ii) reduce the effectiveness of boards in overseeing their foundations' programs and assessing their outcomes; (iii) reduce the ability of staffs to develop, facilitate, monitor and evaluate programs; and (iv) confuse the external world.

The most effective foundations are those that are able to resist this temptation to "be all things to all people" and to sustain a focus of attention and action that is driven by a coherent and consistent sense of mission, direction, values, and comparative advantages.

II. PURSUING THE PRIZE SYSTEMATICALLY

Having defined *The Prize* it intends to pursue, the next challenge for a foundation is to establish a programmatic strategy and operational style that is most likely to achieve the goals it has set for itself. As stated earlier, the societal issues foundations exist to help solve are, by their very nature, multi-faceted, complex, and deeply seated in social, cultural, and economic systems that defy easy solutions. Accordingly, a foundation's success in devising solutions to social problems lies in its ability to address them systematically.

Being systematic implies matching a foundation's programmatic activities in a specific area to the goals they are intended to achieve, to the realities of the conditions in the field, and to the availability and readiness of people and institutions to make significant contributions to addressing the problem. As a function of their independence and protected resources, foundations represent the societal institution best able to recognize a significant social need, identify all the forces affecting that need, and systematically mobilize the full range of resources required to address the need in a comprehensive and sustained way. If foundations *can't* to this, who can? If foundations *don't* do this, why do we need them?

Acting systematically means designing foundation programs in such a way that their individual components represent elements of a coherent, integrated strategy intended not only to fill specific gaps, overcome specific barriers, and exploit specific opportunities, but to add up to something that, as a whole, contributes to making a difference in people's lives. Development and implementation of such strategies requires:

Thorough Knowledge of the Field – Basing action on an in-depth knowledge of the issue/problem/need being addressed;

Clear Theory of Change – Selecting an implementation strategy on the basis of a clearly articulated change theory and process judged to be the most effective one for achieving intended outcomes;

Strategic Deployment of Resources – Mobilizing and deploying all the resources available to the foundation in such a way as to increase the likelihood of success, and to attract and leverage the participation and resources of other partners;

Timeliness and Duration – Maximizing the potential for success by taking into account the realities of the environment in which the program will be operating and the readiness of actors to act, and sticking with a program for sufficient time to make a real difference;

Interaction With Key Constituencies – Involving key constituencies from the initial conceptualization through implementation to evaluation;

Mobilization of Communities – Drawing, building on, and strengthening the capacity of communities to solve their own problems; and

Communications – Including communication strategies and tools as integral elements of every program undertaken.

A. IN-DEPTH KNOWLEDGE OF THE FIELD

Know the Field. Effective philanthropic programs are perceived to be those that are based on a thorough, comprehensive, and in-depth knowledge of the problem area in which a foundation intends to launch a programmatic effort. A principal benefit of focusing attention and resources on a limited number of problems is the opportunity it gives a foundation to design and implement programs based on an intimate knowledge of those problems and of the real-world environments in which they exist. More specifically, knowing a problem area intimately increases a foundation's ability to: (i) be more timely, opportunistic, and flexible in pursuit of program goals; (ii) understand how to manipulate the full range of factors involved in creating change; (iii) assess the potential effectiveness of alternative change strategies; (iv) respond knowledgeably to ideas proposed by others; and (v) feel comfortable with a messy change process that may require a fair amount of wallowing and groping before a clear path forward is identified.

Knowing the field means developing a feel for the big picture – the landscape and texture of the environment in which a problem is imbedded – as well as for the details of the problem, of the strategies best suited to addressing it, and of the degree to which the time is right for intervention. Developing this level of knowledge and familiarity starts with a willingness on the part of the foundation's board and staff to devote the time and energy necessary to: (i) becoming familiar with relevant literature concerning the problem, the environment in which it exists, and the experiences of others in attempting to address it; and (ii) listening to people from a diversity of perspectives and interests capable of helping understand the problem and how it might best be addressed;

Identify Key Levers of Change. An key factor contributing to a foundation's effectiveness is a clear theory of change. Systematic program implementation is likely to be more effective and assessment of its impacts more meaningful if it is based on a clear, rational, and conscious process of deciding which actions are most likely to achieve the desired change. Accordingly, it is important that a foundation include in its program development process a separate and discrete step devoted to identifying the points of leverage where, if pressure is applied in a systematic, coherent, timely, and appropriate way, change is effected. Before it can identify those points of leverage, a foundation must first understand the *entire* system within which a particular social problem is embedded, the targets of intervention that are likely to be most productive in addressing the problem, and the sequence of actions that have to be taken in order to achieve the desired change.

B. SYSTEMATIC DEPLOYMENT OF RESOURCES

There is a growing consensus among those working in the field of philanthropy that the effectiveness of a foundation program is directly related to the degree to which it is implemented systematically. Thus, once a foundation has determined its focus and goals, established a firm grounding of knowledge and understanding of the problem to be addressed, and selected a change process on which to base its programmatic efforts, the next critical step is to determine how best to deploy its resources so that it achieves the most bang for the grantmaking buck.

Systematically Deploying *All Available Resources.* Beyond their financial assets, foundations have at their disposal a wide range of resources that, when deployed in a strategic fashion, have the potential to be much more powerful in addressing social problems than money alone. These include: (i) legal, structural, and financial independence; (ii) a singular focus on improving the human condition; (iii) neutrality; (iv) flexibility; (v) a long time horizon; and (vi) the knowledge, experience, and skills of the board and staff. While grants represent the core of a foundation's strategy for achieving its programmatic goals, other elements of such a strategy include:

Convening – pulling together organizations and individuals that cut across the entire range of perspectives and capacities that must be mobilized if social problems are to successfully addressed;

Leadership – serving as a catalyst in mobilizing community resources;

Technical Assistance – providing help in building the capacity of partner organizations to fulfill their missions more effectively; and

Communication and Education –raising the level of awareness and knowledge among the public, opinion leaders, and public officials concerning the importance of a societal issue and how best to address it.

Remaining Flexible. Effective foundations sustain a high level of flexibility in implementing their programs. A paradox in philanthropy is that, despite the freedom they have to establish their own program goals and implementation schedules, foundations often become just as bureaucratic and rigid as other societal institutions. Often, the conventions of traditional grant processes force foundations to be more restrictive and prescriptive about the requirements of their grants than is appropriate for programs operating in the real world.

Given the rapid rate at which change takes place in the social, economic, and political environments in which foundations operate, there is a growing need for them to allocate resources in such a way as to adapt to that change and take advantage of emerging and unanticipated opportunities. In practice, this may involve:

- Anticipating, and being explicit about, the milieu in which a foundation program will be operating, including the limitations and barriers it faces;
- Assuring that the expectations of the board, staff, grantees, and other constituencies are realistic;
- Helping the foundation board become comfortable with the risks inherent in operating in fluid environments;
- Modifying program strategies in response to changing realities, including the jettisoning of initiatives that no longer make sense; and
- Shifting resources to exploit new opportunities to make a difference in an area within the foundation's mission.

C. THE ELEMENT OF TIME

A critical element contributing to the success of foundation efforts to improve social conditions is time – the degree to which the time is right to launch an initiative (timing); the way in which the various elements of the initiative are phased in (staging); and the length of the foundation's commitment (duration).

Timing. People who have been in the field of philanthropy a long time come to understand the critical contribution of timing to the eventual success of a program. We often talk about someone who had the right idea at the right time, with the implication that the timing was simply fortuitous. However, in the development and launching of foundation programs, timing need not be a hit or miss matter. A critical element in selecting the focus for a foundation initiative and in designing an intervention strategy appropriate for that focus, is determining the degree to which the environment is

ready for, and receptive to, change. If the time is right and the environment ready and receptive, a foundation's initiative may be like throwing a match on dry tinder; if it is not, even the most creative strategy may fail to spark a constructive response.

The Natural History of Program Initiatives. A major factor in the design and implementation of effective foundation programs is an understanding of the natural course of initiatives aimed at social improvement, and of the relationships on which those initiatives are based. Every effort to achieve change in a social condition goes through stages of development from early preparation of the environment in which the effort is to take place, through implementation of the change strategy, to preparation of the environment for withdrawal of foundation funding and activity. Failure to recognize this natural history of program initiatives, launching them, instead, on the basis of arbitrary blocks of time determined by foundation funding cycles, may lead to implementation schedules that are inconsistent with real-world time frames, expectations that are unrealistic, and relationships that are unnecessarily strained and frustrating.

Start Up Phase. Getting off to the right start is critical to the eventual success of a foundation initiative. The zeal to launch a new program, together with the imperative to move on to other projects and prepare for the next board meeting, often lead foundation staff to allow too little time to lay the groundwork for a new initiative. Doing so effectively involves:

- Making sure that the foundation's vision is shared by key participants, using their feedback to refine the vision and the strategy through which it is to be implemented;
- Preparing the environment so that, when it is time to launch the initiative, the way has been paved and all the necessary pieces are in place, using planning and development grants, as appropriate, to help critical organizations prepare to be active players; and
- Being prepared to go back to the drawing board to redesign an initiative, delaying it until the time is right, or scrapping it entirely if it appears likely to be ill-fated.

Implementation Phase. Effective foundation programs are characterized by pragmatism and realism in terms of what it takes to get things done out in the world. The implementation strategies they employ are interactive and iterative, recognizing that their first fix on a problem is likely to be so imprecise that they should not get too wedded to their initial approach. Like any individual or organization trying to accomplish something significant, foundations have to allow for falls and bumps, make corrections, and try again. This requires that they build into their implementation strategies opportunities to stop, take stock, and learn, to make mid-course corrections when necessary, and to cut losses when things aren't going well.

Assessment Phase. Consistent with this evolutionary view of effective program development and implementation, program assessment is not, as traditionally practiced, a separate and distinct activity instituted at the end of a program to determine its success, but an ongoing learning strategy begun at the program's inception and sustained throughout its existence.

Follow Up Phase. One of the weaknesses of many foundation programs is the failure to build into the programs they undertake the time and resources needed to undertake the kind of follow up necessary to leave a lasting legacy. Elements of effective program follow up include:

- Assuring that effective interventions are institutionalized ("sustainability"). In the traditional model of foundation action, it was assumed that the role of the foundation was innovation, and that the government would assume funding of successful innovative programs. That no longer being a realistic scenario, it is important that foundations anticipate, from the beginning, what it will take for successful interventions to be institutionalized so that their impacts are sustained.
- Catalyzing the wider application of interventions that work ("going to scale"). Too often, effective social interventions are not replicated in such a way as to test their effectiveness in other settings, or to promote their wider acceptance and application in other communities and situations (innovation without scale-up). Or, in some instances, interventions are adopted by other communities or organizations before their effectiveness and wider applicability have been demonstrated (scale-up without innovation). If it is indeed less likely now that the government will assume responsibility for funding the replication and dissemination of effective new interventions, then it will be up to the foundations, themselves, to help figure out how to take them to scale. In this view of the world, it just doesn't make sense for foundations to invest in the development and testing of new interventions if they are not going to be willing to invest in the wider application of those that prove to be highly effective.
- Communicating the results of programs. A complaint heard by foundations struggling to address difficult social problems is the sense that they are constantly re-inventing the wheel. The same forces that mitigate against foundations following up their successes, also mitigate against their investing the time and resources necessary to capture what they have learned from a particular programmatic initiative – both successes and failures – and to sharing that information with other funders as well as with the other interested parties.

Exit Phase. How a foundation exists a program may be almost as important as how it enters it. Yet, in many cases, this is the most neglected part of a foundation's program effort. When a foundation creates a new program, it creates a culture of relationships and interdependence in which the foundation plays a central role. Developing a conscious and deliberate strategy for withdrawing from that culture so that its partners are protected, is not only a responsible way for a foundation to act, but also helps assure that the work it initiated is carried on. Accordingly, in establishing new program initiatives, it is important that foundations: (i) be absolutely clear in advance about how long they intend to fund a program; (ii) include in their initial program planning development of a deliberate exit strategy; and (iii) consciously manage the transition out of an initiative in such a way as to minimize its impact on grantees and other participants.

Duration. Foundations are often criticized for their failure to stick with programs long enough to make a significant difference. Due to the natural tendency on the part of boards and staffs to lose interest in what comes to be seen as the same old thing, to grow impatient with programs that take a long time to mature and produce results, and to want to be associated with initiatives that are new and exciting, foundations often end initiatives before they have had sufficient time to pay off.

Unfortunately, social change takes time. To maximize impact, foundations need to: (i) adopt a longer time perspective when deciding to address important social problems or needs; (ii) learn to be patient, staying with initiatives long enough to make a difference; and (iii) identify intermediate goals and outcomes to help gauge how the initiative is coming along.

D. INTIMATE INVOLVEMENT OF KEY CONSTITUENCIES

Effective foundation programs are often characterized by true partnerships between the foundation and the other entities with which it is involved in attempting to address a social condition. A program that works involves entrepreneurial staff who know how to listen, applicants with ideas to pursue, other independent perspectives and voices, time to nurture mutual understanding and respect, and an environment that fosters true partnerships.

The Balance of Power Conundrum. A major weakness of traditional philanthropy is the power imbalance inherent in a relationship in which one party has money that the other party needs. It is perhaps the quintessential definition of the pragmatist's golden rule – "Those who have the gold rule!" – making true partnerships between grantors and grantees illusory.

This power relationship may have been more understandable when philanthropy consisted of a few wealthy individuals granting money to solve what they perceived to be the problems of others. And, many of today's largest and most influential foundations evolved directly from this model. However, with the extraordinary growth of new foundations, most of which are community based, focused on local issues, and in close proximity to those with whom they work, accountability is much more immediate and tangible. As a result, foundations are placing increased emphasis on building relationships characterized by trust and equity with groups of people with whom they want to work, organizations whose capacities they want to harness, and institutions and systems they want to engage. This re-balancing of the power relationship between foundations and their grantees is one of the most significant challenges facing the field of philanthropy.

Involvement of Key Constituencies. Foundations increasingly perceive that engaging key constituents in every aspect of an initiative – from early conceptualization, through the establishment of goals, priorities, and strategy development, to implementation and assessment – significantly increases the likelihood that the initiative will be designed and implemented in such a way as to be successful. Accordingly, a critical first step in the development of a foundation program is to define those key constituencies that the program is designed to serve. Once key constituents are identified, they may be actively involved in creating the knowledge and understanding on which the program's design will be based, defining goals and priorities, formulating success criteria, and developing implementation strategies. Developing partnerships with key constituents also builds an audience for the program's ultimate results and products.

The Importance of External Inputs. There is a tendency among foundations to become isolated and parochial, gradually coming to believe that, as a function of their positions and viewpoints, they really *do* know what is best for the communities they serve. In part this is a result of the power imbalance discussed above, in which those in need of money find it difficult to tell foundation officers what they really think about their ideas – the fear of telling truth to power – and,

in part a defensive reaction to the pressure of constantly being asked for money. It is imperative that foundations take every step possible to avoid this kind of thinking and the isolation it breeds.

Effective foundation programs emerge from, and flourish within, an environment in which substantive interactions with the brightest and most creative practitioners in a field of endeavor are both actively sought and highly valued. The contributions of these interactions can be sustained through the regular turnover of advisors, gaining the perspectives of "new blood" while, at the same time, avoiding the creation of an in-group that becomes stagnant.

E. MOBILIZING COMMUNITIES TO ADDRESS THEIR OWN PROBLEMS

Community Resources. Effective foundation programs recognize and engage the capacities within communities to solve their own problems. A corollary to the imbalance of power inherent in the relationship between foundations and those with whom they partner is the assumption underlying many foundation (and government) programs that communities lack the resources to solve their own problems. That assumption has led to a kind of co-dependency in which communities become dependent upon external forces and resources to solve their problems, and those external forces come to measure their effectiveness by how much they help communities.

This situation has important ramifications for all involved. Their dependence upon external forces for leadership and resources keeps communities fragmented and powerless, and inhibits the emergence of the indigenous leadership and capacities needed to solve today's problems and to prepare to solve tomorrow's. The delusion that external forces can, *in the long term*, solve the problems of communities leads foundations to overlook the latent resources within communities and to become frustrated and impatient as their programs fail to produce *enduring* improvement in social conditions. Moreover, as governments reduce the level of their commitment to solving social problems, foundations are being increasingly called upon to fill the resulting shortfall of resources. Since foundations don't come close to having the resources to do so, finding other approaches to addressing the social ills of communities is a growing imperative.

Solving Problems From the Inside Out. An approach gaining increased currency is to use foundation resources to develop and build on the capacity of communities to identify and solve their own problems. This approach – solving community problems from the inside out rather than from the outside in – is based on the belief that many communities have the capacity to come together to address problems they perceive to be of high priority. If empowered to do so, communities can often organize themselves to: (i) define their own needs and priorities; (ii) establish the goals they wish to achieve and the time frame in which they hope to achieve them; (iii) figure out how to work together in such a way as to make a real difference in the quality of life of the community in which they live; and (iv) decide what kind of help they need from the outside.

This requires a whole new way of thinking on the part of foundations. Instead of defining what they think represent the most important problems facing communities, then trying to get local organizations to adapt their agendas to address those problems, foundations operating under this alternative paradigm see their role as helping communities think more strategically about the future,

and mobilizing community resources in such a way that they not only contribute to the solution of specific problems of today, but can then be used to address the problems of tomorrow.

F. INFRASTRUCTURE DEVELOPMENT

An integral element of programmatic strategies aimed at mobilizing communities to address their own problems is helping them build the infrastructure they require for sustained and effective action. Investing resources in such capacity-building reflects the recognition that: (i) effective community action results from the organized efforts of individuals and institutions within the community to bring about change; and (ii) helping those individuals and institutions realize their potential is a funding strategy with significant and enduring long-term payoffs.

Investing in Individuals. Ultimately, it is individuals who provide the leadership, commitment, and energy required for social change. While organizations often are the direct change agents, it is the individuals who create and lead those organizations who are responsible for establishing the environment in which change is possible. Foundations learn early on that a key to getting something done is getting the right person to do it – a person with a burning desire, the right experience and background, the capacity to bridge various worlds, and the ability to mobilize others.

Most creative foundation work comes from supporting such individuals – or teams of such individuals – whose work has purpose, life, and vibrancy. There are huge differences among individuals and organizations in terms of these factors, and those who have them at one point in time may not be able to sustain them. Accordingly, skillful foundation officers soon learn how to: (i) identify such individuals and groups; (ii) provide the resources they need to make the best use of their creativity and talent; (iii) help them remain vital and effective; and (iv) help them move on when the time is right. They also learn to identify individuals and groups with the *potential* to be particularly creative and productive, and to provide the resources they need to fulfill that potential.

Given the important role of highly effective individuals in creating social improvement, development of tomorrow's leaders is a critical component of efforts to solve problems through community mobilization. Accordingly, a growing number of foundations are including leadership development activities in their programmatic strategies aimed at community improvement. An important element of such activities is interaction among the developing leaders aimed at the creation of enduring relationships and networks that, in the long term, will become a community's leadership infrastructure. This is consistent with the belief that investing in people has long-term ripple effects. Individuals touched by leadership development programs not only go on to do great things, themselves, but they influence those with whom they come in contact, diffusing a sense of possibility and potential throughout their community.

Investing in Institutions. While individuals play a key role in mobilizing the talent, energy, and resources required for change, it is organizations that implement the service, advocacy, knowledge development, education, and policy programs through which foundations achieve the goals of their programs. Accordingly, an important element of foundation efforts to build the problem-solving capacities of communities is developing, nurturing, and sustaining the organizations whose ongoing activities directly affect the lives of individuals and families. This may involve providing support for

technical assistance, the filling of key staff positions, fundraising consultants, and core operations – anything it takes to sustain and strengthen organizations whose activities fill vital community needs.

There is tendency among foundations to eschew general operating support for organizations providing social services. They would much rather fund the establishment of new organizational entities or the development of innovative new programs than support an organization's ongoing operations. Unfortunately, with governments cutting back their support for social service and safety net programs, these organizations have few places to turn for resources to sustain their bread and butter activities and support their underlying infrastructure. Accordingly, foundation's are faced with the challenge of helping sustain organizations that play a central role in a foundation's program strategies, while, at the same time, providing support for the development and testing of new and innovative approaches to addressing social problems and needs.

G. THE ROLE OF COMMUNICATIONS

Communications are increasingly being perceived to be powerful allies in helping foundations attain their programmatic goals. Rather than constituting a footnote or afterthought to a program, as has traditionally been the case, communication strategies are envisioned as integral elements of every program undertaken by foundations. Such strategies include: (i) communicating the goals and expectations of the program to diverse audiences; (ii) helping build a constituency for the programs results and outcomes; (iii) providing practical information to people on the results of programs, their implications for individuals, families, and communities, and how they can be applied in practice; (iv) drawing attention to the role of the foundation and the grantees it supports in a particular field; and (v) disseminating program results to others working on similar problems.

Foundations active in the realm of public policy employ aggressive communication strategies as integral elements of their efforts to raise public awareness and educate public officials about a particular issue. In a complicated political world in which most public policy issues are polarized and contentious, these foundations view their role as serving as credible, non-partisan sources of information that can help people understand all sides of an issue, as well as building a consensus for a particular approach to addressing social issues and problems.

No matter the purpose, effective use of communications requires paying attention to constituents, carefully matching the strategy employed to the target audience and desired impact. It is important to be clear, from the beginning, on what the foundation is trying to achieve, whom it is trying to reach, and at what scale it will be working, and to select a communications strategy that is consistent with these specifications.