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"I COULD TELL YOU MY ADVENTURES – BEGINNING FROM THIS MORNING," said Alice timidly, "BUT IT'S NO USE GOING BACK TO YESTERDAY, BECAUSE I WAS A DIFFERENT PERSON THEN."

These past five years, we at the French American Charitable Trust (FACT) have been on a wonderful adventure. Our journey has been a challenging one, as we have tackled some of the most pressing social and economic issues facing our society today, but it has also been a rewarding one, filled with stories of commitment, hard work and success. I cannot stress enough how fortunate we are to have worked and interacted with so many talented people. We hope that by sharing our experiences in this Five-Year Report, others may gain some insight from our adventures in progressive grantmaking.

When we first developed our mission statement and goals, we decided it was critical to commit our funds to disadvantaged constituencies and to the kind of work that brings marginalized groups into the democratic process. We quickly realized that democratic, community-based organizations that bring their constituencies into the political process are most able to meet people's immediate needs while working toward a long-term vision of societal change. In this report, we highlight a few of the organizations that are making a big impact. There is a dramatic, ongoing need for money in this sector. According to a National Network of Grantmakers (NNG) report, funding for social and economic justice received just 2.4% of the \$13.8 billion distributed by domestic foundations in 1997.

The U.S. philanthropic sector is the largest in the world and has been growing exponentially during the past 10 years as a result of the longstanding economic boom. Given this situation, foundations have a very real responsibility not only to meet the needs of people in our society who are poor and marginalized, but also to be responsive to non-profit organizations working for a more socially and economically just society. We believe foundations can be most responsible by adopting responsive grantmaking practices and by paying out as much as possible above the federally mandated payout rate (currently 5% of net investment assets per year). At FACT, we have progressively increased our payout rate each year. In 1999, we gave out a total of over 7.5% of our assets in grants only. In addition, in order to be more accountable and responsive to our grantee community we recently invited a well-respected community organizer and grantee of ours to join our Board of Trustees as an advisor.

The Board of Trustees of the French American Charitable Trust is deeply indebted to our wonderful staff, most especially Christina Roessler, for her dedication, endless creativity and stamina over these five years of traveling non-stop. I am personally indebted to Christina for all of the help and guidance she has given me as we worked together to shape what FACT has become.

As I reflect back on our past five years and think about how far we have come, a quote from Dr. Martin Luther King comes to mind: "Philanthropy is no doubt commendable, but it must not cause the philanthropist to overlook the circumstances of economic injustice that make philanthropy necessary." As I turn towards the future, I realize that there is still much for all of us to do. There is a long, exciting road before us. Our adventures are just beginning.

Diane V. Feeney
President
FACT Services Co., Inc.

Dear Colleagues

Imagine, for a moment, being someone who has spent much of her adult life trying to *raise* money from foundations. You have a healthy respect and appreciation for funders, but, let's be honest, you think there are one or two foundations and funding practices that could stand a little improvement. Then the most amazing thing happens. You're offered a job and your first task is to help develop the structure and strategy for a foundation. To say the feeling is like being a kid in a candy store doesn't quite capture it. It's like that, and like stepping through the looking glass all at the same time — a little surreal, tremendously exciting, rather daunting, and initially more like a novel than real life.

This is the incredible opportunity that was offered me a little over five years ago. These last five years have been the most challenging, enriching and satisfying of my life, both professionally and personally. When I was first offered the job with FACT Services Co., I had no idea how completely and richly my life would be transformed. I feel as if I've been participating in a five-year learning period that is not a curve, but a steeply pitched upward trajectory. Perhaps the pitch today isn't quite as steep as it was in the early days, but it continues to rise nonetheless, with no leveling off in sight.

This first phase of FACT's life has been a period of continual exploration and discovery. The goal of this report is to reflect back on our experience of creating the foundation and to share what we've learned with colleagues. Our five-year anniversary also coincides with a period when many new donors are entering the funding community. We hope this report will be of some assistance to those initiating funding programs, much as we benefited from the insight and advice of many funding colleagues when we were getting started. And, we hope to answer some of the questions other funders and groups in the field may have about what we're doing and why.

It's difficult to distill five years of intense experience into a few short paragraphs, as well as capture the spirit of this initial period. But one of the themes that has evolved most profoundly is that of collaboration. From the beginning, Diane Feeney and I have worked together on every aspect of the giving program — structure, strategy and program direction. We've always recognized that the thinking we do together far surpasses anything either of us can do alone. As FACT has developed over time, we've extended that insight so that acting in collaboration with others is integral to the way we approach virtually all of our work. We now make it a practice to hold extended exploratory discussions with other funders, groups in the field, or preferably both, before embarking on a new direction or program.

I cannot emphasize enough how important this collaborative approach to program development and decision-making has been in FACT's evolution. After all, much of the work we support is about bringing multiple voices — especially those of the people most affected by social, economic and environmental injustice — into the decision making process. Not only does applying that same principle to our own internal approach have a nice consistency about it, but we also feel our programs have been most effective when we've brought the best thinking of a broad range of colleagues into the process.

I'm deeply grateful to the FACT Board, particularly Diane, for sharing these last five years with me and for having the vision and commitment to social change that have made the programs possible. Beyond being consistently thoughtful and supportive, the Board brings a marvelous sense of fun and enjoyment to our work together. Above all, the Board has always allowed the foundation to be exploratory, to try new things, and to challenge ourselves and others to achieve more than seems possible. As a result, even after five and a half years, life at FACT Services remains fresh, exciting and full of promise. It is a true privilege to be part of this on-going exploration.

Christina Roessler
Managing Director
FACT Services Co., Inc.

Why This Five-Year Report

When FACT officially opened its office and hired staff in late 1994, we were the new kid on the block. We had everything to learn about progressive grantmaking and the social change community. We still think we have a lot to learn, but after five years we have established a philosophy and system of grant-making, and we are beginning to see some results.

We have benefited tremendously from the experience of our colleagues in the foundation and the grantee worlds and others we have talked with since our early beginnings. We feel that we have developed a unique grantmaking strategy, and with this brief report we want to share it with others. We hope that reading about our experience and how we established our approach will be interesting to all those who have helped us, and may be particularly useful for those new to foundations or setting up new foundations.

Focusing Our Grantmaking

FACT's first grants in 1992 were to various charitable interests of family members. In 1993, in the interest of developing a more focused and effective grantmaking program for the Foundation, one Board member undertook a comprehensive survey of the field of philanthropy, speaking with more than 30 grantmakers from family and other foundations around the U.S. Beginning in 1994, the family experimented with various approaches to its giving, ultimately deciding to target its funds to community-based non-profit organizations working on a variety of issues that address root causes of societal problems. At the end of 1994, a managing director was hired to help the family craft a strategic giving program and open an office. The philosophy and strategy that were developed are explained in greater detail in this report.

"The problems and conditions that organizing groups are attempting to address are immense, and will not be solved in one or two years. The scope and scale of understanding and active participation needed to achieve significant systemic change requires substantial resources, strategic collaboration, and long term support. Progressive funding institutions that understand this are a critical part of the equation for achieving a more just and equitable society."

Anthony Thigpenn

AGENDA

Our Core Values

FACT is committed to fostering social change through the political and social activism of individuals and communities. The following beliefs underlie all that we do:

—————• Democracy is a valuable framework

A basic tenet of democracy is that citizens ought to participate directly in the political process. Too many people — often those who are poor — are cut off from political representation in the U.S. As a result, their issues are not represented and their needs are ignored. We believe that community organizing is the best way to push through the systemic barriers that bar people of color and people of low and moderate income from participating fully in the democratic process.

—————• Systemic change is needed

Very few organizations are actually fighting to change the *systems* that engender inequality and disenfranchisement. Government agencies and non-profit organizations that provide social services generally do not question why people are poor and how to overcome the barriers that confine so many people to poverty. In their attempt to help poor people, social service agencies do their best, but do little more than place Band-Aids on the symptoms of poverty.

—————• Too many are still poor

Despite the current economic boom, too many Americans lack basic necessities: a living wage, health care insurance, decent child care, adequate job training, reliable transportation, good and safe schools. We believe that only through organized social and political activism can the disenfranchised make certain their needs are addressed and move toward true equality.

—————• Leadership must come from within

We believe that community members are their own best advocates. Individuals organized together can speak in one voice to demand representation and hold their elected representatives accountable. Helping citizens become leaders is the best way to create access to social and economic resources and political power for those who are disenfranchised.

For all these reasons, FACT's grantmaking focuses primarily on supporting the involvement of low-income workers, people of color, welfare recipients, and immigrants in the decision-making processes that affect them, their families and their communities.

Since 1992, FACT has funded more than 80 non-profit organizations working for social, economic and environmental health in communities across the United States and France.

Two defining beliefs are at the heart of FACT's approach to grantmaking:

- base-building organizations are an essential component of lasting social change
- the problems facing society are increasingly complex and interrelated and require integrated solutions

By base-building organizations (sometimes called community-based organizations), we mean groups that have accountable, democratic structures and that are committed to building public involvement in the decision-making processes affecting their constituencies. In the words of one of our grantees, Kentuckians for the Commonwealth, "People make up organizations, organizations get things done."

Since we recognize that society's problems are integrally linked, we tend to fund organizations that take a multi-issue approach to their work and that are made up of a diverse, involved membership. Kentuckians for the Commonwealth, for example, works on issues as seemingly disparate as strip mining, welfare rights, campaign finance reform, and forestry, and has a broad statewide membership that includes native Appalachians and African Americans, environmentalists and farmers, welfare recipients and college professors.

"Meaningful and lasting impacts usually come about through processes that involve community folk in a long term approach to the work. One of the things I learned during the civil rights movement is that it takes a long time to build trust in a community – especially in Mississippi where people have been left isolated and standing alone for a long time. You've got to go beyond talking and prove to people you're not going to run in and run out. You need to become part of the community."

Hollis Watkins

Southern Echo

Evolution of FACT's Program

When FACT opened its doors in November 1994 we felt that the best way to learn was by doing. We spent an initial month clarifying our mission, defining the kinds of groups we wanted to fund, and designing the structural framework for our grantmaking. We then went on the road and looked for groups to fund.

Initially, we kept our funding categories and approach very broad, expecting that our explorations would guide us in developing more focused and manageable goals and strategies. We knew that we wanted to engage in funding that would complement and augment the grantmaking of other foundations. But we also knew that we wanted to look for important issues that we felt were underfunded — where the addition of our resources would really make a difference.

Early in the first year we established the following operating principles that remain central to our funding practice:

- to build relationships with people in the field and with other funders and as much as possible to act in collaboration with them
- to rely heavily on site visits and face-to-face meetings for our information about organizations
- to watch groups in action with their memberships, rather than interacting solely with staff
- to be somewhat eclectic, experimental, and risk-taking in our grantmaking

These practices have served us well. The first year, in particular, we spent a lot of time listening to people. We traveled throughout the country meeting with many different kinds of people, asking them what they thought the most important issues were and which groups were doing the best organizing. The development of our program directions, our overall strategy, our funding practices, and our grantmaking decisions were influenced tremendously by these conversations and by what we saw during our travels.

As an example, FACT's focus on the issues of low-wage worker organizing in general, and contingent work (or non-standard employment), in particular, is a direct result of our interaction with groups in the field. Contingent jobs are those that are part-time, temporary or contracted out; contingent workers earn less, have fewer benefits and have no job security compared to standard full-time workers. We gravitated to this issue not because of an inclination toward the topic, but because it surfaced again and again as a great concern to people in communities. We discovered there was very little funding in this area, and we became convinced that the restructuring of the labor force is indeed one of the most important issues facing the country today. As a result, issues of economic development and worker organizing receive by far the largest percentage of our funding.

Distinguishing Characteristics of FACT's Grantmaking Strategy

The funding strategy that we have developed over the last five years seeks to achieve two primary goals:

- to strengthen organizations that are developing the leadership and analytical capacities of a broad membership through active involvement in issue work
- to strengthen organizations that are capable of influencing the development and implementation of progressive public policies that have wide impact

Because we are trying to foster extensive public participation that will lead to socially responsible public policies on the local, state and national levels, we have chosen to fund a rich mix of local, state and national organizations as well as different types of organizations – those involved in base-building, training, research, and legal and technical assistance.

A number of elements form the basis of our approach to grantmaking. These elements are encompassed in three major funding categories, three strategic building blocks, and three funding practices. Each of these is discussed below.

Major funding categories:

- Social and Economic Justice
- Environmental Health
- Infrastructure

Strategic building blocks:

- Funding base-building organizations
- Funding clusters of organizations that have relationships with each other
- Funding in a vertically integrated way; i.e. supporting the training, research, and technical assistance groups that are connected to and work with the base-building organizations on collectively held goals

Core funding practices:

- Making fewer and larger grants
- Providing long-term support
- Providing general support grants

Major Funding Categories

Although our stated categories are extremely broad, our grantmaking has become quite focused within these areas. Within the Social and Economic Justice heading, our primary goals are improving wages and working conditions for those living in poverty and for the working poor. For the most part, we are funding groups focusing on issues of contingent labor, low-wage worker organizing, welfare rights, and economic development, often with a multi-issue approach to their organizing. The primary objective for the Environmental Health area is reducing the use of toxics, with our funding going predominantly to environmental justice organizations (groups that work primarily in low-income communities of color). The Infrastructure category is designed to help increase the capacity and effectiveness of the organizations working within our two broad issue areas and encompasses technical assistance, legal assistance, research, and training. Many of the groups we fund transcend these categories, and their work falls within two, if not all three, areas.

Strategic Building Blocks

Base-building Organizations

The belief that base-building organizations are critical to achieving lasting social change is central to everything we do. We are convinced that societal changes come about most often through the involvement, instigation, and commitment of many people. Furthermore, history has shown us that it requires vigilance on the part of the public to implement and maintain good social policy. We think that base-building organizations are a key mechanism for educating and involving the public in decision-making processes and for maintaining people's involvement over the years.

Cluster Funding

The social problems we are trying to alleviate are vast, and FACT's grantmaking budget is only \$3.5 million a year. Early in our funding history we determined that funding groups in isolation is unlikely to have the far-reaching, long-term impacts we are hoping to achieve. So, we began to fund organizations in "clusters." These are groupings of organizations that have some relationship to each other, whether formal or informal. We believe a cluster approach both encourages and supports the development of alliances that ultimately will have far more impact than any single organization could possibly have on its own.

Our clusters are both issue and geographically oriented. At first, most of the clusters were small and the relationships were somewhat tenuous and informal. Over the years, however, many of our clusters have evolved independently into stable, ongoing working alliances. Our geographic clusters are the South and California, while our issue clusters focus on low-wage worker organizing and environmental health. Since one of our goals is to affect public policy on the local, state and national levels, we look for clusters that encompass groups working collaboratively on all of these levels and that include base-building, research, media, training, technical assistance, legal, and policy components.

Recently we have further refined our cluster approach by designating “anchor groups.” These are organizations that are recognized by their peers as playing a leadership role in a given cluster. These groups receive our highest levels of funding. The benefits of “cluster funding” are described in more detail in the Program section.

Vertically Integrated Funding

While base-building organizations are the core component of our funding strategy, we realize that many elements are needed to create the vibrant, dynamic mix of activity necessary to achieve progressive social change. For this reason, we do not limit ourselves exclusively to funding base-building organizations. We also fund groups that provide training, technical assistance, research, policy-development, media assistance, and legal assistance. The critical factor for us is that these groups must interact in a consistently *collaborative* way with base-building organizations.

Typically, we approach our decisions regarding the groups that provide the “vertical integration” by looking for pre-existing relationships with base-building organizations. For example, we fund the National Employment Law Project, a legal and policy group, because the organization has developed truly collaborative working relationships with other groups working on the issues of contingent work and welfare. Further, while the Strategic Progressive Information Network (SPIN) Project provides media training, the DataCenter provides research, and the Environmental Research Foundation provides technical assistance, all of them provide these services to help build the capacity of community-based organizations.

Funding Practices

Fewer and Larger Grants

When we initially surveyed grantmaking practices, we were struck by the disparity in the size of grants typically made to policy and research organizations and those made to base-building organizations. Policy groups often received six-figure grants, while base-building organizations five years ago could expect \$20,000 - \$30,000 on average. Since we believe that community-based organizations are one of the essential building blocks of sustainable social change, we decided to “walk the talk” and make larger grants. Today, most of our grants range between \$40,000 and \$100,000.

With limited resources, giving larger grants forces us to fund fewer organizations. Funding fewer organizations actually fits nicely with our internal commitment to maintain a small staff and build on-going relationships with the groups we fund.

Long-term Support

FACT is quite unusual in that we have an explicit strategy based on providing on-going support to our grantees. We recognize that it often takes years of hard work and the efforts of many people to achieve changes in thinking and in public policy. It is difficult

for organizations to sustain themselves and to build the organizational infrastructure and capacity needed for substantive policy struggles if they cannot rely on core funding from one year to the next.

We believe it is important that some funders provide ongoing core support so that organizations can plan ahead and be assured that they will be around to work on their long-term vision. FACT supports primarily groups that have a clear set of medium and long-term goals and strategies for achieving those goals. Our intention with most of our grantees is to fund them for many years. At this point, well over three-quarters of our grants are made on a continuous basis. Quite a few of our grantees have received funding for the last five years, and we expect to fund most of our current grantees for the foreseeable future.

General Support

Almost all of our grants have been, and will remain, general support grants. We do a great deal of research before funding an organization, looking at the totality of a group's work. Our commitment to supporting general operations reflects our belief that an integrated, multi-issue approach is the best way to achieve social change. Although our society prefers to look at problems and their solutions individually, real life is generally not that compartmentalized. In order to achieve deep and lasting solutions, we need to work on societal issues in a more holistic manner. It is difficult for organizations to tackle problems in an integrated, strategic way when most of their funding is project-specific.

FACT strives to be strategic in its grantmaking while remaining flexible, innovative, analytical, and risk-taking. Our grantmaking program allocates our resources in three ways:

- General support grants
- Discretionary grants
- Special projects

General Support Grants

Within our narrow areas of focus, a crucial criterion we apply in selecting groups to fund is that they approach their work in a proactive way. We look for organizations with long-term strategies that go beyond reactive, tactical responses to problems and instead work to develop practical, systemic solutions that have a real impact on people’s daily lives. Further, we are most interested in organizations that have the following characteristics:

- achieve their stated goals
- improve conditions for individuals and communities
- are action-oriented
- are strategic
- develop leadership
- develop capacity
- build public involvement and support
- are innovative
- create effective, replicable models

The majority of our grants are for general support and go to groups that meet the above criteria and that fall within our designated cluster areas.

Discretionary Grants

In order to be highly responsive to the needs of our grantees, we created a substantial discretionary grants fund. This fund provides resources in a timely manner when groups have special needs between grant cycles. Groups can apply for discretionary grants of up to \$10,000, and we endeavor to make decisions quickly.

Most of our discretionary grants are made to groups already receiving general support and are for unanticipated costs, such as travel expenses for meetings, publications, special opportunities, conferences, or unexpected, urgent needs. Initially, we considered the discretionary grants pool an experiment because we knew quick turn-around funding was hard to come by. We have been convinced of the value of this approach because, at critical times, we have seen the difference a small amount of money can make in offsetting crises, taking advantages of “windows of opportunity,” or helping groups build relationships.

We also like the discretionary grants fund because it offers a mechanism through which we can support groups that are not core grantees, but whose work is consistent with our funding strategies. In 2000 we are increasing the size of our discretionary grants pool from \$100,000 to \$125,000 because we think it is such an effective part of our overall approach. We discuss two examples of the impacts of our discretionary grants in the Profiles section.

Special Projects

One of the manifestations of our activist philosophy is that we occasionally identify and try to fill critical vacuums in the infrastructure of the social change community we support. Identification of these vacuums occurs through a highly collaborative process involving extensive discussion and analysis with our grantees and, frequently, with other funders.

Funders in general are in an unusual and powerful position with respect to the social change world. We receive a tremendous volume of information, both written and experiential, that provides us with insights into the social change community and a “bird’s-eye view” that few others have. This unique vantage point has sometimes put us in a position to recognize, along with social change leaders, capacity needs in the social change community that these leaders cannot meet on their own. When we encounter a widespread need that fits our funding strategy, we occasionally step in and work with others to find a way to meet it.

The rule we adhere to when taking on a special project is that it must have buy-in from groups in the field. In other words, FACT does not undertake a new initiative solely because *we* think it is a good idea. These projects develop through lengthy discussions with organizations we fund and typically take many months to evolve. Sometimes we work with other funders during the process of development; other times we take on projects independently. Most importantly, we strive to be collaborative, not directive – to achieve the delicate balance that allows us to be responsive to opportunities for innovation without determining the outcome.

Some examples of special projects are:

THE SPIN PROJECT, which provides media training and assistance to social change organizations. This project evolved through discussions with groups in the field, with Robert Bray, (the founder and director of SPIN), and with four other foundations: the Unitarian Universalist Veatch Program at Shelter Rock, the New World Foundation, the McKay Foundation, and the Jessie Smith Noyes Foundation.

THE STRATEGIC TRAINING AND EDUCATION FOR POWER PROJECT (STEPP), which is an intensive training program that helps base-building organizations increase their internal capacity for leadership and strategic program development. This project developed out of lengthy discussions with the Environmental and Economic Justice Project and the Grassroots Policy Project. We discuss this project in more detail in the Profiles section.

THE PROGRESSIVE TECHNOLOGY PROJECT (PTP), which is a regranting program to further the strategic uses of technology in base-building organizations. This project began with a broad survey of the technology needs of the social change community undertaken by the Albert A. List Foundation. The Unitarian Universalist Veatch Program at Shelter Rock and FACT then joined List in providing seed money that allowed leaders of social change organizations to come together to design and implement the program.

THE NATIONAL ALLIANCE FOR FAIR EMPLOYMENT (NAFFE), which is a network of organizations throughout the U.S. representing widely varying constituencies, all of whom are part of the contingent labor force. NAFFE originated at a conference held at Rutgers University in 1997 organized with support from FACT. See the Profiles section for more on this effort.

Proposal Process

For funders and grantees alike, one of the most controversial decisions we have made is to accept only solicited proposals. This decision grew out of our desire to be both practical and honest. We had decided from the start to keep our staff small, which meant we had limited staff capacity to read and process proposals thoroughly. We also planned to fund most of our grantees over an extended period of time, meaning our core group of grantees would change little from year to year. With an open proposal process we knew we could expect to receive hundreds, if not thousands, of proposals each year. Given this combination of factors, we felt the only straightforward thing to do was to ask that groups only send us proposals upon our request.

The challenge for us was how to interact with groups if we were not receiving their proposals. We knew from discussions with groups in the field that they are often far more interested in having an actual *conversation* with funders than in spending time developing and submitting proposals, particularly ones with little chance of being funded. Groups often complain about how difficult it is to get funders to meet with them or even to return their phone calls. We decided, therefore, that rather than accept unsolicited proposals, we would endeavor to return every phone call and be available for requested meetings. While we do not always achieve these rather ambitious goals, we have a good track record for being accessible. We enjoy interacting with groups, even when we cannot fund them, and try to be helpful by sharing information as well as funding tips.

FACT makes it a policy to be honest about our internal processes. We tell potential grantee groups well in advance what we want and why we want it, and we work with them if they would like help in preparing materials. Proposal preparation is a time-consuming process under any circumstances, so our goal is to minimize the amount of time that groups have to spend on paperwork for FACT. We happily accept generic proposals, although we do ask for a cover sheet in the style preferred by our board members.

“The unusually large general support grants that we have consistently received from FACT for the last six years have been critically important in increasing our capacity, communicating respect for our approach, and supporting strategic and ongoing organizational development. Thanks to FACT and other core funders, KFTC has been able to expand and deepen our membership base, build more effective and integrated programs and campaigns, and develop strategic alliances both within the state and throughout the Southern region.”

Burt Lauderdale

Kentuckians for the Commonwealth

Key Aspects of FACT's Grantmaking

Almost everything FACT undertakes involves discussions with others – grantees, other funders, or both. We are keen believers in the strength of collaboration, and while obvious power inequalities make it difficult to truly act in partnership with our grantees, we believe we can be responsible allies. Our commitment to ongoing dialogue means that more and more we are bringing grantees into our decision-making processes on issues of strategic direction, special projects, and as advisors to the Board.

The highlights of our funding style are:

Strategies

- Funding base-building organizations
- Funding clusters of organizations that have relationships with each other
- Funding in a vertically integrated way; i.e. supporting many different kinds of organizations — base-building, training, research, and technical assistance groups — that are connected to and work with each other

Practices

- Making fewer and larger grants
- Providing long-term support
- Providing general support grants

Operations

- Building relationships with people in the field and other funders and as much as possible acting collaboratively with them
- Relying heavily on site visits and face-to-face meetings for our information about organizations
- Watching groups in action with their memberships, rather than interacting solely with staff
- Being somewhat eclectic, experimental, and risk-taking in our grantmaking

The following are some examples of our funding in action. We hope that these working examples of our funding strategies and practices will make the descriptions in the earlier sections come alive and give a sense of what our grantmaking actually looks like when it all comes together.

General Support Grants

The stories demonstrating the results of general support grants are snapshots of victories that are often the culmination of many years of organizing. They serve to illustrate why continuous support is so important. In each of the cases, the results are significant both in their immediate effects on large numbers of people and in creating models that are useful to other groups. However, in most cases, the work that led to the victories took years to come to fruition and required significant human and financial resources.

Environmental Health Coalition

“Es Un Nuevo Día,” (It’s a New Day) declared signs carried by jubilant members of San Diego’s Barrio Logan community as they marched through their neighborhood one afternoon in July 1997. After a five-year battle with the San Diego Port District, residents of the primarily Latino neighborhood were celebrating their victory in the fight to end the Port’s use of methyl bromide, a toxic pesticide. (Methyl bromide, which had been used to fumigate imported produce unloaded at the Port, is toxic on an individual and global level: it can harm a developing fetus as well as deplete the Earth’s ozone layer.) When they arrived at the 10th Avenue Marine Terminal, which abuts Barrio Logan and is only three blocks from an elementary school, the marchers tied flowers—symbolic of clean air—to the chain-link fence surrounding the facility.

Barrio Logan is one of the city’s poorest communities. It is a “mixed-use” neighborhood in which chemical companies sit among homes and schools. There are more than 100 toxic facilities within the Barrio. For years, residents have experienced high rates of asthma, headaches, sore throats, rashes, and vision problems. A recent survey found more of these problems in Barrio Logan than in other, nearby neighborhoods. While clearly not the end of the neighborhood’s fight for a clean environment, the victory at the Port was a watershed, proving that community people have the power to change things for the better. However, the implications of the victory go well beyond Barrio Logan.

This unprecedented local victory resulted in the first policy in the world to prohibit the common practice of using methyl bromide as a port fumigant. The Environmental Health Coalition (EHC), a community-based organization in San Diego, spearheaded the intense organizing in support of the Barrio residents’ demands. Dedicated to the prevention and cleanup of toxic pollution throughout its 20-year history, EHC is one of the few progressive voices advocating for environmental and social justice in the politically and socially conservative city of San Diego. EHC combines organizing, advocacy, technical assistance, research, education and policy development in its work, helping community members develop solutions to environmental health problems. This approach not only brings about institutional change, it also empowers individuals and communities—many of whom are poor people of color and immigrants—to demand better working and living conditions.

“The work we did on methyl bromide not only helped the local community, but brought the environmental justice issue to an international scale,” said Diane Takvorian, EHC’s executive director. She explained that EHC was the only local group to participate with national and international non-governmental organizations (NGOs) in 1997 during discussions on the Montreal Protocol, an international treaty regarding the phasing out of ozone-depleting chemicals.

EHC published and distributed widely a report documenting its port campaign. According to Takvorian, “We were able to take what was a significant local victory and turn it into something that really shook the import industry. They knew if this passed in San Diego, other ports might be next.” While the use of methyl bromide has yet to be eliminated in other ports, many organizations are using the EHC model to pressure ports to reduce the use of the pesticide.

On the local level, the methyl bromide victory demonstrated what the combination of community solidarity, organizing, and strategy can accomplish. The relationship between the Port District and the community has changed dramatically. Since this win, the Port District has committed \$20 million for a wildlife refuge in the economically depressed South Bay, adopted a plan to reduce pesticide use at all of their facilities, and agreed to provide funding for comprehensive community planning and expansion of the redevelopment area in Barrio Logan.

Los Angeles Alliance for a New Economy

Travelers passing through the Los Angeles airport (LAX) probably do not give much thought to the workers there, provided the restrooms are clean and their luggage arrives at the right destination. The same could be said for guests paying \$400 a night to stay at one of Santa Monica’s beachfront hotels, as long as the rooms are made up and the room service prompt. Employing more than 400,000 workers, tourism is big business in the L.A. area. As important as their contribution to the city’s booming economy is, however, thousands of workers in the tourism industry are hard-pressed to eke out a living. A security guard at LAX, for example—someone the public relies on to avert a potential terrorist attack on a plane full of passengers—can make as little as \$12,000 a year working a 40-hour week at the California minimum wage of \$5.75 per hour. Further, like most minimum-wage earners, the guard most likely receives no health or retirement benefits, paid vacation, or sick leave.

One strategy to address the growing number of full-time workers living in poverty is advocating for living wage laws. As the leader of L.A.’s Living Wage Coalition, the Los Angeles Alliance for a New Economy (LAANE) was instrumental in winning the passage of a living wage ordinance in 1997. Based on the premise that a full-time job should provide at least enough money to keep a family above the poverty line, the ordinance—one of the first passed in a major city—required employers who lease or receive subsidies from, or contract with, the city to pay their workers at least \$7.25 per hour (\$15,080 per year) with health benefits, or \$8.50 per hour (\$17,680 per year) without health benefits, with annual adjustments based on cost-of-living increases. By 2000, living wage laws in 40 cities and counties in 17 states benefited more than 50,000 workers. The L.A. ordinance, which will cover 15,000 workers by 2002, is the most far-reaching.

Since its creation in 1993, LAANE (formerly the Tourism Industry Development Council) has galvanized more than 100 labor and community organizations, churches, synagogues, and unions to create a powerful multiracial, cross-class coalition representing 50,000 citizens in Los Angeles. Combining low-wage worker organizing, advocacy, education, technical assistance, training, research, and media outreach, LAANE is on the cutting edge of the fight for social change. “Our mission is to create a whole movement to address problems and come up with creative solutions,” says LAANE’s executive director, Madeline Janis-Aparicio. “LAANE wants to change the debate and improve the standard of living for the working poor. The living wage campaign is one way to raise standards in our communities by linking corporate subsidies to the creation of real jobs with decent wages.”

Realizing that the Living Wage victory would be of little benefit if not implemented, LAANE developed a Living Wage Education Project to monitor employer compliance in L.A. The project tracks the implementation of the ordinance in all 40 city departments, audits corporate payrolls, and monitors all new contracts and subsidies. LAANE also conducts extensive training to teach low-wage workers how to document compliance in their workplaces. In addition, LAANE runs a worker hotline and retains volunteer attorneys to help workers report problems and file grievances. LAANE is the only community group serving on the city task force to clarify rules and regulations regarding implementation of the ordinance in order to ensure that employers do not evade the law. "Policy is just a tool and must be part of a bigger, long-term program, including monitoring and implementation," says Janis-Aparicio. "This is easy to say, but harder to do."

Throughout its history, LAANE has worked with unions seeking to ensure a living wage and the right to organize as part of its strategy to maintain living wage standards for the long term. "Union organizing is the one way to make these gains permanent," says Janis-Aparicio. "Legislation can be there one day and taken away another day."

While numerous groups around the country are working on living wage campaigns, LAANE has developed a particularly effective approach that emphasizes implementation of the living wage ordinance. LAANE also focuses on expanding the rights and benefits workers deserve beyond wages. LAANE collaborates with other groups, sharing information and providing on-site training and technical assistance. In addition, LAANE is developing a training manual documenting its innovative and successful living-wage campaign model in order to assist groups to replicate these efforts in other parts of the country.

Southern Echo

In 1997, due in large part to intense grassroots pressure, the Mississippi legislature passed the Mississippi Adequate Education Program (MAEP) bill. The bill called for the appropriation of \$650 million over five years to improve the quality of public education in the state. The size of the allocation was unprecedented in the realm of education funding and no state had a greater need for it than Mississippi. The state's per pupil expenditures and teacher salaries are among the lowest in the country and, not surprisingly, its students score at or near the bottom of national rankings on standardized tests. Many white students enroll in private academies, leaving African-American students disproportionately represented in the public schools and, as a result, unequally affected by the dismal state of public education.

Southern Echo, a statewide base-building organization in Mississippi, helped lay the foundation for the passage of this landmark legislation. Echo provides comprehensive training, education and technical assistance to community-based organizations in African-American communities in Mississippi and throughout the South. Using an inter-generational model that stresses the active participation of young people, Echo helps local groups gain the information and tools necessary to influence political, economic, educational and environmental policy, and to hold decision-makers accountable to the interests of the African-American community.

People had worked on education reform in Mississippi prior to 1997 with little success. By 1997, however, there were a significant number of African Americans in the state legislature who were working together in the Black Caucus and wielding a great deal of influence. Their presence was due in large part to Southern Echo, which ten years previously had spearheaded a redistricting effort designed to increase the number of African-American candidates elected to office. Those efforts had paid off.

By 1997, when the education bill was introduced, Echo had been organizing and conducting training workshops on education issues throughout the state for several years and had played a catalytic role in the development of the Mississippi Education Working Group (MEWG). The Working Group helps communities to pool their resources across geographic and political barriers to affect policy at the state level. "Since Reconstruction the black community has not been involved in education policy at the state level," says Mike Sayer, Echo's program director. "We realized we had to go beyond the individual school districts and work in coalition to demonstrate the abuses and discrimination in the school system." The pressure brought to bear by MEWG on the state government was a driving force behind the legislature's passage of the Adequate Education Program bill.

Mississippi's conservative governor vetoed the bill, saying that \$650 million was too much to spend on education; the governor's office put strong pressure on legislators to compromise on the level of the appropriation. The Black Caucus held its ground, however, and put together a coalition that was strong enough to override the veto. "The actions of the Black Caucus proved to citizens that, even when you are not in the majority, it's possible to provide leadership, to build power, and to impact policy at any level of government," says Sayer.

As a result of the passage of the Mississippi Adequate Education Program law, local school districts are building new schools, science labs and gyms, acquiring computer equipment, and conducting much-needed training programs for teachers. Echo is working with community groups, parents and students to monitor the school districts to see that they spend the funds on the facilities and programs each community feels are most necessary.

Another outcome of this stunning victory by the African-American grassroots community is that organizations around the country are using Echo's model to develop their own strategies for improving education. As education reform surfaces as one of the most important issues in the nation, the model that Echo has developed in Mississippi shows that communities can win major victories that greatly improve the quality of education in their school systems.

Discretionary Grants

The profiles of discretionary grants illustrate two very different results from small amounts of discretionary money. In the first case, a modest initial grant for meetings turned out to be the first step in a two-year process that led to the formation of a new network of organizations. In the second case, a discretionary grant we made one year supported a strategy that resulted in a major victory the next.

Enlace

In 1995 Peter Cervantes-Gautschi, director of the Workers Organizing Committee of Portland, Oregon (a FACT grantee), approached FACT to discuss an idea for exploring different models of low-wage worker organizing around the U.S. and Mexico. He wanted to meet face-to-face with organizers to learn about their work and to find out what they needed in order to be more effective. He also wanted to measure interest in potential collaboration among these groups.

Because a fact-finding trip of this kind did not fall within FACT's general support program, we provided discretionary funding, along with the New World Foundation and the Unitarian Universalist Veatch Program at Shelter Rock, to help defray Cervantes-Gautschi's travel expenses. Cervantes-Gautschi spent the better part of a year meeting with representatives of dozens of worker organizations around the country and in Mexico. A racially and culturally diverse mix of 80 groups participated in the initial survey, including the Workplace Project on Long Island, L.A.'s Korean Immigrant Workers Association, the Hotel Worker Organizing Project in San Francisco, the Carolina Alliance for Fair Employment, the Justice for Janitors project of the Service Employees International Union, and Asian Immigrant Worker Advocates in Oakland.

The insights Cervantes-Gautschi gained from these discussions, along with additional interviews, formed the basis for a concept paper that he produced in English and Spanish and circulated to key leaders in the field. Response to the paper was uniformly enthusiastic, encouraging him to bring a small group of strategic thinkers together to explore further their interest in developing a bi-national mutual support mechanism to serve worker organizations. Nine representatives met at the gathering, held in Mexico in the fall of 1997, adopted operating principles and objectives for the proposed collaborative, and made a commitment to recruit additional organizations to participate in a larger founding meeting. FACT was impressed by the thoughtful and methodical development of the project, and we continued to support each phase of the process through additional discretionary grants.

After more than two years spent laying the foundation, in the spring of 1998, leaders of two dozen groups met to undertake a three-day collaborative consensus process that created Enlace, a multiracial, multicultural collaborative serving low-wage worker organizations throughout the U.S. and Mexico. Today Enlace, which has grown to 35 member organizations, is one of FACT's 11 Anchor Groups. Enlace's objectives include conducting worker/organizer exchanges to share support and experiences, developing resources to support efforts to organize low-wage workers and to ensure the longevity of worker organizations, creating links among groups with similar constituencies, and providing joint training and education among member organizations.

The successful development of Enlace exemplifies the importance of providing funding for start-up efforts and for staying with them through each stage of their evolution. "Without FACT's early support of our development, Enlace would not exist today," says Cervantes-Gautschi, now director of the collaborative. "None of our member organizations had the resources to provide the staff, travel, lodging, and phone and paper communication to conduct this process. Each organization of low-wage

workers is overwhelmed, underfunded, and geographically isolated. It took assistance from a small core of foundations to make it possible for us to do the work necessary to bring Enlace into being.”

Mass Voters for Clean Elections

FACT’s discretionary grants fund allows us the flexibility to support worthwhile projects that fall outside our regular guidelines. The Massachusetts Money and Politics Project (MMPP), which we funded in 1997, is an example of such a project. Its purpose was to build sufficient public support to pass a cutting-edge initiative on campaign finance reform. The legislation calls for public financing of campaigns for candidates who agree to caps on contribution amounts and on campaign spending. It also prohibits the use of “soft” money from national parties in state campaigns. The goal of the legislation is to free elected officials from the need to raise money continuously and to reduce the influence of special interest groups on election outcomes.

We felt the project deserved our support for a number of reasons: 1) there was already a huge statewide coalition on the ground, working in a strategic and coordinated fashion; 2) coming on the heels of a successful campaign finance reform effort in Maine, the project had great potential for success, which would help to build momentum for campaign finance work in other states; and 3) the effort would serve as an important and replicable model for similar campaigns around the nation.

MMPP’s tactics included holding public workshops on the role of money in state politics and elections, doing media outreach, conducting leadership trainings, and running radio and television advertisements on the initiative. The campaign finance reform issue resonated strongly with the people of Massachusetts, galvanizing thousands—many of whom had never before participated in a political battle—to take action.

The solid base of support behind the Money in Politics Project led to the formation of Mass Voters for Clean Elections. Driven by the desire to take back the electoral process from monied special interests and make it again part of the democratic process, Mass Voters organizers and volunteers wrote letters to the editor, made 250,000 phone calls to voters, and conducted an informational bus tour that covered 2,300 miles bringing the issue to public attention. On Election Day in November 1998, 1,200 project volunteers were stationed at polling places to encourage voters to support campaign finance reform. By the end of the day, 67% of voters had said “yes” to the measure, providing the highest margin of victory on a binding ballot initiative in the state’s history.

Despite the demonstration of strong public support for clean elections at the polls, the fight for campaign finance reform was not over. The state legislature passed amendments to the law, one of which, unbelievably, called for sending the issue back to the voters for another vote. In addition, the governor, who opposed public financing of campaigns, threatened to veto the legislation and cut the funding for the new system.

Thanks to Mass Voters’ solid organizing work, many supporters of campaign finance reform remained actively involved in the effort, holding more than 100 meetings with legislators and making thousands of phone calls to the governor. Citing public support for the measure, the governor finally upheld the legislation—minus the legislature’s amendments—and OK’d the \$10-million appropriation in the state budget.

Mass Voters for Clean Elections is working to ensure that the law, which is scheduled to go into effect in 2002, is implemented and that sufficient appropriations to guarantee public funding of campaigns are included in the state’s future budgets. The success of Mass Voters shows how a small amount of funding at a critical time can help groups achieve remarkable successes, which can serve as models for other efforts around the country.

Special Projects

The profiles of our special projects demonstrate the power of collaboration between funders and social change organizations. In each of the cases discussed below, the projects evolved slowly through a series of discussions between FACT and groups in the field exploring ways to increase the impact of our collective work. Our first experience with this type of problem-solving led to the development of an intensive training program for individual organizations to increase their strategic capacity. In another case, initial discussions were followed by a formal survey and then a series of meetings resulting in the formation of a national alliance of groups working together on issues of contingent labor. This collaborative way of working with groups has impressed us as being so effective that we now use it as a model for developing new program areas. In the examples given below FACT provided all of the start-up support; however, we often work closely with a group of funders in the development of a special project.

Strategic Training and Education for Power Project: The Evolution of a Special Project

“STEPP has been instrumental in APEN’s evolution from being reflective, analytical, and visionary to also being strategic. Now, we add ‘strategic’ to everything we do.”

Grace Kong

Asian Pacific Environmental Network

We got our feet wet in Special Projects funding with the Strategic Training and Education for Power Project (STEPP). STEPP developed slowly, starting with individual conversations with Anthony Thigpenn of Action for Grassroots Empowerment & Neighborhood Development Alternatives (AGENDA) and the Environmental and Economic Justice Project (EEJP), and with Richard Healey of the Grassroots Policy Project (GPP) on a wide range of topics as we were finding our way around the social change community. At that point, FACT was still quite a new foundation and we were busy soaking up everything we could learn about the social change world.

Both EEJP and GPP were grappling with similar issues in their work with base-building organizations. These were the difficulties associated with building and sustaining a base over time, building the leadership capacities of organizational members, moving from reactive to proactive strategies, and creating strategic links among their programs. FACT and the two organizations began to explore the possibility of developing a formal program designed to address these issues through rigorous training curricula for social change organizations that would increase their internal capacity for leadership and strategy development. The result is the Strategic Training and Education for Power Project.

Our goals in creating STEPP were to design an intensive training program that would be applicable to a broad range of community-based organizations and that would concentrate on three objectives: 1) deepening the analysis, sense of social change history and commitment of individuals involved in organizations at every level – staff, board and members; 2) helping groups develop a long-term vision that is well understood and collectively held by everyone in the organization; and, 3) helping groups better integrate all their programs and campaigns into a strategic approach that has internal consistency and that furthers their long-term goals for social change.

As STEPP developed, the collaboration extended beyond FACT, EEJP and GPP, to the four base-building organizations participating in the trainings. Each of the participating organizations had decided independently that it needed outside assistance to develop a more rigorous approach to leadership and strategic development. Because we wanted to see if we could design a set of training sessions that was widely transferable, we chose as participants a racially and geographically diverse mix of groups representing very different internal organizational cultures and organizing styles.

Other criteria were:

- groups had to be membership-based with a democratic structure that reflected a commitment to leadership development and power-sharing
- groups had to be committed to a serious reevaluation of their work, with every level of the organization (staff, board, and membership) participating
- groups had to commit to a year-long program that included four on-site weekend trainings and a five-day summer institute that brought all of the groups together
- training participants from each group had to agree to attend all four sessions

AGENDA (Los Angeles, CA), Asian Pacific Environmental Network (Oakland, CA), Connecticut Citizens Action Group, and Kentuckians for the Commonwealth participated in the pilot program. We felt broad organizational participation, both in terms of numbers and levels of the organization, was vital to meeting the goals of STEPP, so we asked that each group bring 20-25 people to the sessions.

The weekend sessions were conducted on the home turf of each participating group. Staff from each of the groups worked with the STEPP training team in advance of each session to tailor the training to the needs of each organization. The four on-site sessions focused on: 1) Power Analysis, 2) Worldview and Ideology, 3) Strategy, and 4) Incorporating STEPP into Organizational Life. The five-day summer institute brought 12 people from each organization together to discuss the history of social movements and theories of social change, and to learn about each other's groups.

The STEPP experience was a powerful one for all of the participating organizations, including FACT. When the pilot year was over, all of the participating groups requested that the STEPP training team continue to work with them on what we now call Advanced STEPP. The framework and concepts introduced in the STEPP training sessions have been incorporated into organizer training, leadership development and strategic planning in each of the four participating organizations. As word of the effectiveness of the curriculum has spread, GPP and EEJP have been asked to give abbreviated sessions to many other organizations.

The STEPP collaboration proved to FACT that there is great value in working with our grantees to develop programs that break the mold. Our willingness to experiment made the evolution of STEPP possible. The certainty that FACT could provide the necessary resources allowed everyone involved in STEPP to think creatively. The result was an exciting, challenging, and effective first phase. In the next phase STEPP will experiment with holding sessions for regional clusters of groups attending the trainings together. We will pilot the cluster approach to the STEPP training with 5 to 7 groups participating in a southern California cluster and the same number involved in northern California.

National Alliance for Fair Employment: The Birth of an Alliance

“Many still question claims that the patterns of working life are changing. But in the United States the anecdotal signs are increasing: more frequent job changes, more freelancing, more working at home, more opportunity but also more uncertainty. The old social contract between employers and workers is being shredded. It is still unclear what will replace it.”

The Economist, January 29, 2000

The National Alliance for Fair Employment (NAFFE or the Alliance) probably combines more of the component parts of our grantmaking approach than any other example we could give. NAFFE includes base-building organizations and infrastructure groups and is a prime example of what we hope to achieve by vertical integration. The Alliance can be traced back to one of FACT’s special projects and it now operates as an organic cluster of groups.

The evolution of the Alliance is linked to FACT’s developing interest in the issue of contingent work. Currently, more than 30% of U.S. workers are contingent workers: hired part-time, on a temporary basis, or on contract. Our interest in the contingent work issue arose from conditions we saw in widely varying parts of the country. Whether our meetings were in Silicon Valley, South Carolina, Boston, or the peach groves of Central California, the stories were similar: workers were feeling insecure and economically squeezed because fewer and fewer full-time jobs with benefits were available.

Community-based organizations all over the country spoke with us about the steady rise in contingent work and the need to examine this issue. We hired a consultant to interview groups around the country working on issues related to contingent labor and discovered a common desire to get together with others working on this issue.

FACT agreed to pay for a conference with our special projects funds. Groups in the field developed a demanding agenda and brought leaders from 25 organizations to Rutgers University in July 1997. Each group provided stories about the piece of the contingent work issue they knew best. When all the pieces were revealed, the full picture was startling, even to the people who thought they knew it all.

The Rutgers meeting generated tremendous energy and enthusiasm, and the groups decided they wanted to continue to talk with each other. FACT’s special projects fund paid for monthly conference calls and two more meetings over the course of the next two years. The second meeting, held near Washington, D.C., included more than 30 participating organizations. They decided to formalize their relationships with each other in a new structure, the National Alliance for Fair Employment.

NAFFE members represent a wide array of organizational styles, as well as varying constituency bases in almost every part of the country, including local base-building groups and national legal/policy organizations; union and non-union organizations; groups organizing low-wage workers and groups organizing well-paid high-tech workers; organizations representing New York City taxi drivers and others representing Hollywood screenwriters. FACT is funding the Alliance and nine of its member groups, including both base-building and infrastructure organizations. As a further example of our vertical integration strategy at work, NAFPE is receiving technical assistance from two other FACT grantees – the SPIN Project for media training, and the Progressive Technology Project for help with advanced uses of computer technology.

We are excited about this cluster because NAFPE is creating a “big tent” under which participants can learn from each other and gain a broader perspective on the scope of the contingent work issue. The Alliance’s primary role is to coordinate the activities of its members in order to achieve maximum national impact. Member groups are working together and individually to create issue campaigns intended to change policy and practice regarding workers on the local, state and national levels.

NAFFE is also significant because it is building cross-class organizational relationships. Because the contingent work issue is not unique to low-wage workers, it provides an unusual opportunity to build bridges across class lines and to develop collective action. Contingent employment is growing dramatically among white collar workers, including academics, office workers, writers, computer programmers and even corporate managers, and a new word has been added to our lexicon – permatemps (workers assigned to the same job at the same worksite over an extended period of time, while officially being paid by a temporary agency). By uniting low-wage and middle-class workers in a common struggle for more equitable treatment, NAFPE hopes to improve conditions for all workers.

Where does the *French* in French American Charitable Trust (FACT) come from, you may be wondering? What's the connection with France? The family behind this foundation has dual French/American citizenship, and FACT Board members live in both countries. To honor and sustain these bicultural roots, FACT began making grants in France in 1996. Though our grantmaking program in France is quite small – we give a total of \$350,000 there annually—it is an important component of our overall grantmaking because it gives us the space, the experience and the perspective to think about how to further our social change goals more broadly.

“As a community activist, I see how government services fail the majority of constituents. But I’ve never had the conceptual framework for thinking about poverty in any broad sense. My trip to France, however, with its meetings with countless non-profits and government officials, exposed me to a new way of thinking about ingrained problems. Poverty is recognized as a social problem in France, not a personal problem. Attempts are made there to truly build and strengthen society and community, not to shunt off the poor like dust under the rug.”

Sam Mistrano

Human Services Alliance of Los Angeles

In addition to grantmaking, we support an exchange program bringing together U.S. and French activists. That program is explained briefly later in this section.

Context

Several factors make foundation giving in France different from giving in the U.S.

- France has a strong central state — central decision-making comes from Paris and goes outward to the regions
- France has a strong welfare state — there is a tradition of public assistance from the central government; private philanthropy is not part of the French tradition
- The French government puts a high priority on the integration of immigrants into the French population — once on French soil, immigrants are entitled to the same rights as other citizens
- France has a long tradition of protest through political parties and labor unions — the parties and unions are very powerful and can mobilize many people around various social issues: unemployment, education, the multilateral agreement on investments, and, most recently, food safety

Lessons

When we started working in France, we were surprised to find that most of the non-profit activity is funded by the government, the political parties and labor unions. We figured that our independent foundation money with “no strings attached” would be welcome. We were right. Funding in France has enabled us to identify the differences and similarities between non-profit work in the U.S. and abroad. For example, we discovered that our French grantees were much more aware than organizations in the U.S. of the problems associated with globalization and have been organizing to demand greater accountability from international institutions and corporations. We also learned that, though the French state is quite generous in the amount of money it sets aside for non-profit and social programs, it is very heavy-handed in its approach, and non-profits lack freedom of action.

In France, citizen activism is a much more integral and accepted part of the culture than in the U.S. As in the U.S., there is a split in the non-profit world between social service and activist organizations. In France, service delivery is the domain of the local, regional and central governments, while labor unions and political parties are the vehicles for much of the organized activism. The French are involved in many causes, but because there is no tradition of private giving, it is difficult to raise funds for non-profit activism. As a result, activist organizations that are independent of political or labor institutions often are staffed by volunteers.

Funding Strategy

When we began funding in France, we decided to seek out only independent organizations, and we are very careful to support only those organizations with a commitment to autonomy from labor unions and political parties. Though one of the aims of social change is the transformation of institutions, in France the non-profit sector has too often been used for political aims and been weakened or silenced as a result. This has meant that it has been difficult for us to find organizations that meet all of our funding criteria.

Our objective in France is to support organizations fighting for social and economic justice. Our strategy is similar to the one we use in the U.S., but on a much smaller scale. The groups we fund in France are diverse. They include community-based organizations, training organizations and policy groups. All of these groups take a multi-issue approach to their work. They are linked by the common belief that, in order to achieve lasting change, individuals must become active players in their communities and in society at large. These groups seek to create a strong and independent non-profit sector that can challenge government policies and promote public recommendations on social and economic issues.

Our current grantees are of two types: 1) organizations that come out of a social service tradition, but have a sophisticated political analysis and social change approach to their work; and 2) organizations that are independent of political institutions and use a variety of activist tactics to promote an independent voice and mobilize around the need for a more inclusive society.

Proposal Process

Our proposal process is similar to the one we use for our grantmaking in the U.S. We do not accept unsolicited proposals and we seek out organizations that fit our strategy. We are always available to meet with groups looking for funding and have contact with many different kinds of organizations. Groups usually receive general support and we fund them over a long period of time. We have a discretionary fund available for emergency needs and projects that don't fit into our larger general support program. We also convene our grantees twice a year so they can exchange ideas and strategies.

Profiles

Espace Projets Interassociatifs (EPI) (Space for Inter-Organizational Projects)

EPI was created in 1991. Its mission is to fight against racism and all other forms of exclusion; develop greater awareness, exchanges and dialogue among different cultures within French society; and promote thinking and practices around civic participation.

Vaulx-en-Velin, a suburb of Lyon, in Southwest France is known for the tragic death of a young man of Algerian descent at the hands of police in 1990. This incident led to week-long riots that left the community bitterly divided. EPI, which provides training and technical assistance to more than two dozen neighborhood groups in Vaulx-en-Velin, played a critical role in bringing different groups together within the community, including police, local elected officials and community residents, in order to resolve the tension. EPI has organized its members into a powerful grassroots network of groups that now, after five years of organizing and hard work, have broad access to local elected officials to discuss community issues and needs.

Association de Recherche de Financements pour les Initiatives de Lutte contre les Exclusions (ARFILE) (Association for the Financing of Initiatives Against Exclusion)

ARFILE's mission is to support organizations that create solidarity among diverse members of French society (one example is the sponsoring of undocumented people by well-known figures from the French entertainment industry); organize those who are excluded from society (the homeless, unemployed or undocumented) so they can speak up for their rights; and provide resources for social movement activism to fight against exclusion.

ARFILE provides technical assistance to groups such as Droits Devants!! (Rights Ahead!!), an autonomous, activist grassroots organization in central Paris. Droits Devants!!'s work as part of a coalition of more than 60 organizations in France helped defeat negotiations on the Multilateral Agreement on Investments (MAI) within the World Trade Organization (WTO) in 1999. Droits Devants!! has published and widely distributed several handbooks on the MAI and the WTO.

Activists' Exchange

In 1997, FACT initiated a small exchange program between our French and U.S. grantees to link our two grantmaking programs. The activists' exchange program brings small groups of activists to both countries and places them in organizations of their choice for a three-day immersion experience. An upcoming report on this program will be available upon request.

The exchange program has three goals:

- to facilitate the sharing of organizational and program practices among U.S. and French grantees
- to allow grantees to step away from their day-to-day work and gain new perspectives on social change work
- to build relationships among activists from the U.S. and France/Europe that could evolve into joint work on issues and strategies

Our Evaluation

In late 1998, we hired a consultant to help us evaluate our funding approach and programs for the five-year period from 1994 to 1999. The consultant developed surveys for the different groups of people we wanted to question about our work. Over the course of the evaluation, we surveyed the members of our Board of Trustees, a number of our colleagues in the foundation community and our grantees. We were glad to find that respondents nearly unanimously felt that our practices and strategies were sound and effective. We were regarded as colleagues in the foundation world and allies in the grantee community.

There were, of course, suggestions of what we could do better. We were told we should be more open and communicative about our approach and how we make our funding decisions. Our Board requested that we come up with ways to document the work and the impact of our grantees. And, at a special meeting of a dozen of our grantee allies, we were told we should redouble our efforts to leverage new money from other foundations to help base-building organizations achieve the organizational capacity they need to have a real impact. We were also persuaded by our grantees and our Board to develop a funding strategy around issues of globalization.

As a result of the evaluation, we undertook some new activities and developed some new approaches. The first was to publish this five-year report in order to communicate what we do and how we do it. The second was to designate Anchor groups within our funding clusters (see page 9). The third was to initiate a collaborative Special Project with our Anchor groups to develop evaluation methodologies for base-building organizations. And, the fourth was to begin the development of a funding strategy that ensures that community-based organizations are a part of the movement addressing issues of globalization.

Five years later we are more committed than ever to our funding approach. We believe that citizen participation and organized people-power are essential to the creation of a truly just, equitable, and democratic society.



The French American Charitable Trust (“FACT” or the Foundation) was created in 1989 as a family foundation. Endowed by a French-American family over a six-year period, the Foundation has given away an increasing amount of its net assets each year. Since its creation, FACT has given away over \$17 million.

F A C T



As of December 31, 1999, the Foundation’s endowment stood at just under \$41.5 million. Its current giving program will distribute \$3.5 million in grants each year to community-based non-profit organizations in the United States and France.

THE FRENCH AMERICAN CHARITABLE TRUST

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TREATED JUSTLY AND
INDIVIDUALS DESERVE A
AFFECT THEM AND THEIR
WE BELIEVE INDIVIDUAL
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WE ARE CREATED EQUAL
WE ENTITLED TO BASIC
EQUAL OPPORTUNITY; WE
ALL HAVE THE RIGHT TO BE
TREATED FAIRLY; WE BELIEVE ALL

THE FRENCH AMERICAN CHARITABLE TRUST

five year report 1995-1999

VOICES IN DECISIONS THAT
AFFECT OUR COMMUNITIES; AND,
GOVERNMENTALS AND INSTITUTIONS,
PUBLIC OR PRIVATE, SHOULD BE
HELD ACCOUNTABLE FOR THEIR ACTIONS.



