



Community and Community Foundations in the Next Century

(Excerpted from *An Agile Servant: Community Leadership
by Community Foundations*, edited by Richard Magat)¹

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Community is a word of elastic meaning; its capacity to stretch has been challenged over the last century and will be tested even more dramatically during the next. The changing dimensions are not only geographical but include forces of diversity, social fragmentation, values, and shared interests.

The Geographic Dimension

The attraction of the local is so powerful that grassroots philanthropy will never lose its appeal, even as the territorial concept of community constantly expands.

The geographic stretching of community is actually a constant process, simultaneously moving in opposite directions: downward, to the individual neighborhood, and outward, to embrace the entire world and eventually (certainly with environmental concern) all of space. These polarities are magnetic in their attractions. One can draw from them almost a general rule: the more global the foundation, the more it is attracted to the local; the more local the grantmaker, the stronger the urge to reach outward.

¹ Washington, D.C.: The Council on Foundations and The Foundation Center, 1989.

What are the driving forces? There seem to be at least four. First is the expanding reality of what we call community. The stable environment we once knew as our neighborhood has dissolved into a fluid urban environment that melds imperceptibly at its edges into a region, a nation, and the world. Physical definitions are almost totally elusive, except as we mark them by imposed feelings of belongingness: Minneapolis-St. Paul are most clearly identified by who roots for the Twins and the Vikings; Boston, by the viewing area of the Celtics, the Red Sox, and the Patriots; New York and Los Angeles, by their televised and otherwise stereotyped images and lifestyles.

In this flowing world of indistinct boundaries, and with modern philanthropy assigned the task of finding generic solutions to root causes mostly lying beyond any local jurisdiction, it is hard to resist the drive toward enlarging territories.

The second and equally powerful force for expansion is financial: the greater potential of a larger territory for fundraising and asset building. This has undoubtedly prompted much of the recent movement toward regional and statewide community foundations, now accounting for [more than] 10 percent of the total number and rising. The outward movement of the Spokane Inland Northwest Community Foundation is but one example.

A third generating force [is] the vacuum that usually exists in the coverage of community foundations in adjacent, more rural, areas and regions beyond metropolitan boundaries. Nature abhors vacuums, and so do many human-made institutions. It is almost inevitable that existing community foundations would reach out to supply the missing philanthropic service.

It is a short step from such a lack to the fourth motivation for geographical expansion: the social necessity represented by community foundations, a bonding and leavening influence in modern society that only a private agency with flexible resources and public credibility can provide. Modern philanthropy has evolved as America's contribution to the theory and practice of constitutional democracy in an age when complexity and the demand for shared power have outstripped the capacity for governments to handle social problems on their own. Gradually, foundations have emerged from their purely charitable preserve to become an essential and recognized

social process—in effect, a set of private legislatures allowing an autonomous determination and implementation of public needs and agendas.

Community foundations are the localized expression of what modern philanthropy has become and has to offer; and as such, they are coming to be everywhere in demand.

The Dimension of Diversity

Two great social movements have vastly expanded modern concepts of community, both in the United States and worldwide: migration and liberation.

World War II marked the explosive release of these two forces. Self-determination became the rallying cry of colonies everywhere; within a decade, it was echoed within industrialized nations as well, dramatically evidenced by the civil rights and women's liberations movements in the United States.

The war had also released another genie: the power to see a global world, over which there could be human movement on a massive scale. The result is the modern "community," an incredible potpourri of human beings from all kinds of cultures and places—as in London and Los Angeles [whose citizens speak] 100 or more languages—everywhere motivated by an intense desire for self-direction and survival. It is that kind of community, diverse and individualistic, to which community foundations are now trying to adapt.

But a cultural lag is evident. Boards and staff only minimally reflect their community's burgeoning diversity. And the distance remains (in some cases is growing) between a *status quo* perception of a homogeneous citizenry that once may have been, and the heterogeneous, self-determining mixture that has fast become the community of present and future reality.

The Dimensions of Fragmentation

Two other forces are tugging at the very notion of community: individualization and polarization. The rugged individualism that flourished on the frontier and gave the private sector the enviable

strength and autonomy it now has, has inexorably extended itself into a ruling maxim: "Get government off my back and let me be."

That elaborating syndrome has become, as de Tocqueville put it, "a habit of the heart"; and while it has extended the range of human freedom, it has also created a pervasive climate of individual isolation and aloneness, poignantly documented by Robert Bellah and his associates in *Habits of the Heart*.² Elemental social institutions—family, church, neighborhood—have all been eroded by this atomizing force; the "community" has become more of an ideal to be arduously fabricated than a reality to be assumed and counted upon. Simultaneously, the social cohesion that the concept of community calls up is further jeopardized by the recurrent tendency toward stratification. America's middle class, long the bulwark of its stable communities and its politics of equilibrium, is being magnetized in two opposing directions, the richer and the poorer, while at the same time it is being atomized.

The Dimension of Values

Some jagged fangs of adverse change and reaction are gnawing at that sense of a community of values, the noble truths of the Declaration of Independence and the Constitution, the common aspirations of successive waves of immigrants, the dominance of Judeo-Christian heritage, and the accumulating bonds of an achieving economy and national pride. One scarring bite has come with the rise of religious fundamentalism both here and abroad—an unyielding insistence on value uniformity, an unwillingness to tolerate diversity, a readiness to impose rather than arbitrate social solutions. Another has come from an ominous source wholly alien to accepted values—one to which there is no apparent bridge. Generically, it is known as "the criminal element," a counterculture built on a combination of violence and greed. The international drug cartels with their own treasuries and armed forces are one variant;

² *Habits of the Heart: Individualism and Commitment in American Life*, Robert N. Bellah, Richard Madsen, William M. Sullivan, Ann Swindler, Steven M. Tipton. University of California Press, Berkeley, 1985.

the emerging "corporate" street gangs of central cities like Detroit, with bulging bank accounts and armament of their own, are domestic equivalents. So are those now known as white-collar criminals, as well as those who take from the community without giving in return. All challenge the presumptions of community and if not contained could lead to an era of global hegemony of warlords.

The Dimension of Shared Interests

If neighbor no longer knows or interacts with neighbor, bonds are increasingly being formed with kindred, if distant, spirits. We reach out and touch them, by telephone, rapid travel, satellite, computer, fax, and every other medium of modern technology. In so many ways, the more distant, the closer; the closer, the more distant.

As one travels outward along this dimension, homogeneity displaces heterogeneity; we select our "neighbors," and it becomes easier to live in this community than in that of our actual residence.

Community foundations live with this depersonalized residue; the question is, to what extent have they, or will they, or can they, adapt to it or make something more of it? And will another form of community foundation emerge that fits and flows along this elusive dimension—community foundations of common interest rather than common place?

The Essential Role and Challenge of Community Foundations

Whatever territory they select, and whichever dimensions they move along, the essential role that community foundations play is that of making a community more of a community: to strengthen its sense of itself as a community, to help forge ties that bind, to assist in overcoming divisiveness while tempering the excesses of self-centeredness and escapism into isolating worlds beyond the humanizing discipline of personal interaction.

Community foundations have the distinguishing responsibility of supplying what philanthropy has to offer within a defined territory, however much that territory may enlarge and one's conception of

community may expand. Their distinguishing structure—sometimes more, sometimes less—adds the burden and discipline of accountability.

What About That Future and [Community Foundations'] Likely Adaptation to It?

Community foundations will continue to be the fastest-growing sector of the foundation world.

The reasons are several. The most important is the role that philanthropy plays in an evolving and complicating society—a role now coming to be recognized even in the controlled economies and politics of the socialist world. Philanthropy symbolizes and releases the social energies that are only available when expressed spontaneously and autonomously.

Furthermore, the potential represented by community foundations is available to only a selected number of localities. They are not evenly spread, nor do they cover all the metropolitan areas and cities of a size that could benefit from such philanthropic resources. Greater proliferation and coverage can be expected. This will occur as the notion catches on that the generic concept of community foundations is relevant at different scales, from neighborhoods to regions and states, and for diversifying purposes and constituencies.

Another reason for continued, and probably accelerating, growth is the greater compatibility of community foundations with the democratic tradition of this and other modernized and modernizing nations. Congress, in the historic Tax Reform Act of 1969, recognized this distinctiveness by giving preferred status to these and other nonprofit institutions precisely because of their "publicness." They were separated out from private foundations, reflecting congressional respect for their greater accountability to the general public, their heavier reliance on public contributions and the discipline involved, and the assurance they give (with few exceptions) of governance less insulated from public influence than the closed and self-perpetuating boards of private foundations. For all these reasons, one can safely predict the continued and accelerating growth of community foundations well into the next century.

There will also be a proliferation of kinds of community foundations in the foreseeable future.

One can expect not only differing scales of operation, from neighborhood to region and state, but also different adaptations in form and style to diversifying constituencies, needs, and cultures.

This trend is already evident. In Washington, D.C., Cleveland, and Boston, secondary-school students have been organized to become "philanthropists" in their neighboring communities, first analyzing and ranking in priority the needs of those communities and then raising monies to dispense, along with the obligation to monitor and evaluate.

In that mode, neighborhoods—set in motion by what seems to be a new round of combating poverty, and imbued with the growing tradition of assertiveness and self-reliance—are likely to preempt the generic concept of community foundations, raising funds they will independently disburse. Not only neighborhoods but also communities of like-minded citizens of similar origin are operating independently. Prototypes can be found in the Haymarket Fund and similar funds being organized as public charities, systematically raising funds for distribution, and having an attachment to defined localities. Ethnic equivalents are also likely to appear and multiply, converting their historic analogues—the mutual aid societies—into modern counterparts of community foundations.

Similarly, those intent on solving such particular problems as drug addiction and crime in their locales may well develop focused grantmaking agencies, borrowing the community foundation format.

Community foundations, along with their kindred variants, will become more explicit and assertive about their generic philanthropic function.

In the social context of the next century, either community foundations will live up to their philanthropic responsibilities or they will wither and be discarded. It will not be an easy century. Globally, the pressures of exploding and impoverishing populations, together with a depleting and deteriorating environment, will demand a level of human creativity and a readiness for social change beyond anything yet exhibited by this or any other nation. The signs and beginnings are already in place. The nonprofits, already squeezed

by government cutbacks, are besieged by accumulating social needs, as are their counterparts in the governmental sector. Mayors, long diffident toward the world of private giving, are now explicit in their rhetoric and in their planning about the essential role of private donations if city halls are to achieve any progress and partnership in their efforts at civic improvement and unity. So are their colleagues at the state and national levels—governors calling for public-private alliances in educational reform, President Bush evoking the helping spirit of “a thousand points of light.”

Community foundations will find this demanding environment their world of everyday reality, the more so as formal institutions, dealing uncertainly with the restive tradition of shared power, will experience more and more roadblocks in their attempts to proceed multilaterally through consensus or unilaterally through authority.

A promising segment of local philanthropy gives evidence of being ready; one can see it conspicuously in the creative talent and programming of the very large community foundations, but also in the more diminutive ones that have discovered the many nonmonetary ways in which “small can be effective.”

But all will not be sweetness, growth, and enlightenment. Undoubtedly some community foundations will fall by the wayside. One type of casualty will be those that fail to reach critical mass of funding and growth potential in the communities they serve.

There will also be casualties of competition. There are already somnolent community foundations that have not responded to developing trends and urgencies—yielding the initiative, and sometimes turf and survival, to more farsighted and assertive private foundations and other funders. Another source of competition stems from the large versus the small, usually the case in major urban and metropolitan areas where a centralized community foundation enjoys a territorial and fundraising advantage over smaller nearby colleges.

Competition also exists in the relationship between some community foundations and the United Way. Both are in the fundraising business, with similar interests in community betterment. The boundary marker of current funding, as against endowment funding, does indeed differentiate the two, but [it] tends in the heat of practice to crumble under obliterating traffic from both directions.

The prospect of philanthropy stepping out front and acting more assertively is a likely reason for other local friction. This might occur as conventional charities lose some of their advantage in funding patterns of some community foundations that favor less traditional or more grassroots organizations, and equally with new agencies and programs vying aggressively for a bigger share of the funding pie.

Lastly, community foundations will face the probability of a plethora of new grantmakers adopting the same format and even the label. There are, after all, no restrictions on how many community foundations can operate in the same geographic area. Boston, for instance, has three community foundations within the metropolitan area and another two within hailing distance. Each bears the name of a different municipality, but there is definite overlap in the areas they serve. Another variant is the ethnic community fund.

Philanthropy in general, community foundations included, will be inviting targets for public attention and increased regulation.

Foundations—fortunately and unfortunately—have been surprisingly insulated from informed and consistent public scrutiny. But with philanthropy entering a period of increasing social significance, one can expect a more intense focusing of public attention on what foundations are doing and how they are doing it. The notoriety of the Buck Trust case in Marin County, California, may exaggerate what philanthropic life in the future may be like, but it foreshadows some of the turbulence that lies ahead.³ Certainly the awakening interest of the press, of scholars and educators, and of state attorneys general and legislatures are omens of an environment to come.

Community foundations, because of their “publicness,” are in a better position than private foundations to endure in this environment and to retain their cherished attributes of independence and flexibility. Their increasing exposure to the public eye, however, will

³ In a 1986 settlement, a judge removed from the San Francisco Foundation the \$400-million-plus Buck Trust. The deceased donor had earmarked the funds for use in Marin County; the San Francisco Foundation tried unsuccessfully to modify the restriction.

make certain of their characteristics (such as slowness to respond and initiate, and insulation from the social diversity of their communities) more vulnerable to criticism and to appeals for more public control.

Giving in the United States is likely to rise. If indeed it does, community foundations will be among the principal beneficiaries.

While there are conflicting trends, the greater probability is that private giving in this country will grow significantly. The mood favors what is voluntary rather than compulsory, and as social needs expand, giving of time and money is likely to follow.

Individual giving is also becoming more cautious, more pragmatic, more favorable to what is known and close at hand. That is much to the advantage of community enterprises and foundations. Their further edge is that they afford larger givers favored tax status, smaller givers the efficiencies of combining lesser gifts into larger endeavors.

Giving clearly will never match the rising level of public need. Nonetheless, predictable gains will substantially assist community foundations in fulfilling the role the coming century will assign them.

The community foundations model is adaptable in other countries as well, and is likely to spread internationally.

Interest in community foundations has been expressed by a number of non-Americans; it seems compatible with a variety of cultures. The naturalness [of the idea] and its affinity with the long tradition of mutual aid societies are congruent with experience everywhere, not least the emerging formation of private foundations within the Soviet Union. That the notion of community foundations is already taking hold in Japan, Britain, Canada, and elsewhere is further confirmation of the adaptability of the format.

Futures are hard to predict, and likely scenarios can diverge widely, depending upon a bewildering variety of forces and the volatility of their interplay. What has been written here flows from a relatively optimistic reading of social tea leaves. It does not take much of a Pollyanna, however, to conclude from the record of

community foundations over the past seventy-five years that, as a class, they have performed effectively and have become an increasingly vital force on the American scene. Nor is it a flight from reality to see their flowering, along with [that of] philanthropy in general, as a fundamental process needed for the flexibility, independence, and creativity they represent.

Whether they are as strategically positioned as this essay suggests, or as prepared as they might be to realize their potential, may be arguable. What is beyond question, one might reasonably conclude, is the logic that has brought them into being and embedded them as habits of the American heart.