

NEFG REPORTS

THE NEWSLETTER OF THE NEIGHBORHOOD FUNDERS GROUP

The Neighborhood Excellence Initiative: A Corporate Foundation's Unique Approach to Community Building

By Jennifer L. Blake

When the Bank of America Charitable Foundation asked the Development Training Institute to help it launch the Neighborhood Excellence Initiative in 2004, it broke new ground in combining flexible core funding support with leadership programs to build stronger, more sustainable community organizations. An interview with Andrew Plepler, president of the Bank of America Charitable Foundation, and Jeff Nugent, executive vice president of the Development Training Institute, captures the significance of their approach for others in the funding community.

Q: What is the Bank of America Charitable Foundation's funding strategy?

Andrew Plepler: Our philanthropic mission is neighborhood excellence; we seek to improve neighborhoods and increase neighborhood vitality. Recognizing that the people best equipped to determine how to make that happen are found at the local level, we provide national guidance and rely on the bank's local business leadership teams, in collaboration with the community, to establish local priorities and deliver philanthropy locally. This gives us the flexibility to address issues such as workforce development and health care in one community, and affordable housing, education or other needs in another.

Q: How does this connect with the Neighborhood Excellence Initiative?

Andrew Plepler: In the past, the Foundation was a major donor in communities across the nation, but lacked both an overall message to its giving and much recognition for its work. We have now created a signature initiative that captures our central theme of neighborhood excellence. Because community organizations, local heroes and student leaders are critical to creating and sustaining healthy neighborhoods, we set out to attract and build the next generation of community leaders by recognizing and rewarding excellence in each of these areas.

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After the Election: What Did We Learn and What Do We Do?

By Spence Limbocker

The November 2004 election was not so much about economic and social justice issues as it was about values and culture. While economic security, health, education and income were always a part of the political debate, family and faith were the strong motivators for many across the country. Over the past 20 years, the Republicans organized a very strong base in middle America around a set of values that speak to their constituency. This has been a long, deliberate effort, funded and organized by conservative foundations and others.

Democrats have organized their constituency around a loose set of issues and have failed to understand that what motivates many people are their values. This is not to say that Democrats don't have strong values. Liberals and progressives share a strong concern for economic and social justice, and for many these values are rooted in their faith.

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Report to Members

By Bob Jaquay and Maria Mottola, Co-Chairs

Dear Colleagues,

On the heels of our annual board retreat, we are excited about the coming year. Board members gathered in Durham, N.C., to finalize the programs and activities NFG will offer during 2005. Together with NFG staff, we have developed a plan that includes exciting new projects and enhancements to existing programs that you already expect and enjoy.

The PRI Makers, NFG 25th Anniversary program and celebration, and the Community Giving Resource project—all described below—are examples of new activities we are working on. As always, we will be calling on you to help us increase our membership, raise grant dollars, increase our use of technology and develop new and better ways to communicate with

grantmakers and community-based organizations. We look forward to working with you to make it all happen.

NFG 25th Anniversary Celebration

This year NFG will be celebrating 25 years of empowering and supporting low- and moderate-income communities. We plan to kick off this yearlong celebration at our annual conference in Phoenix. Former board, committee and organizational members will be asked to join us in Phoenix as we showcase the growth of the organization over the last quarter-century and the impact we have had on the communities we care about and serve. We will keep you informed as plans for this event are finalized.

JOIN NFG TODAY!

If you are a grantmaker and not yet a member of NFG, we invite you to join us.

Benefits of membership include:

- ♦ Reduced rate on NFG conference registration
- ♦ Information and tools that help grantmakers accomplish tangible outcomes
- ♦ Networking with the most creative minds in philanthropy
- ♦ Access to model programs and accomplished practitioners through site visits and educational forums, including NFG's annual conference
- ♦ Cutting-edge, in-depth, ongoing program and policy discussions through the Rural Funders Working Group, Working Group on Labor and Community, Workforce Development Working Group, and other activities initiated and led by NFG's membership.

Our members include community, family, private and corporate foundations as well as religious funders. All are committed to providing support to improve the economic and social conditions in urban and rural communities. For more information, visit www.nfg.org, call (202) 833-4690, or email nfg@nfg.org.

Membership Directory

By now you should have received your new NFG membership directory. We began this project in March 2004 to provide our members with a comprehensive and useful tool to keep you connected. Thank you for responding to our requests and providing us with updated information on your organization. Remember, you can access this information online and we can update it quickly to reflect changes as they occur. If you have any changes, please let our staff know and they will be happy to update the information on our Web site. Thank you again for your cooperation with this huge project. We hope you find the directory useful.

NFG Annual Conference

Plans are well underway for the 2005 NFG annual conference, to be held in Phoenix, September 11–13, at Pointe South Mountain. Our theme, “Diverse Voices, Values and Traditions: Philanthropy in the 21st Century,” will examine the population shifts occurring in this country and explore how we as funders can adjust to meet the changing needs of our diverse and ever-growing communities.

While focusing on the impact of demographic shifts, the conference will also offer sessions on a variety of

critical issues and topics of interest to our members.

We want to thank all of our members who submitted call-for-sessions proposals. The committee will meet in March to make the final selection.

PRI Makers

Program-related investments (PRIs) are becoming an increasingly useful tool in philanthropy. Last year a small group of NFG members began discussions about the work they were doing through PRIs and how to educate and encourage others to learn about this grantmaking strategy. These people have formally organized and are now working to develop professional development opportunities for grantmakers involving PRIs. If you are interested in learning more about PRIs or becoming a part of this group, please contact Spence Limbocker at 202/833-4690 or spence@nfg.org for additional information.

Community Giving Resource

The Community Giving Resource (CGR) Web site continues to be a useful tool for family foundations and individual donors interested in supporting programs that help struggling neighborhoods and communities. This year the CGR project will launch

a mentoring program that connects individual donors with veteran community-development grantmakers to share ideas, information and issue expertise. For more information about the CGR project, visit the Web site at www.communitygivingresource.org or contact Elizabeth Myrick at 202/833-4690 ext. 3.

Family Foundations Conference

We want to thank our members and staff who participated in workshops and program planning at the Council on Foundations Family Foundations Conference in Miami. They include: Shari Berenbach, Calvert Social Investment Foundation; Mary Mountcastle, trustee, Mary Reynolds Babcock Foundation; and Eve Wildrick, trustee, Butler Family Fund.

Our plans are ambitious, but with your continued support we believe they are doable. We look forward to working with each of you and hope to see you at the events and programs scheduled throughout the year. ○

Corrections

"Current Practices in Program-Related Investing: Should You Consider a PRI?" appeared in the Fall 2004 issue of *NFG Reports*.

The authors prepared this article for clients and colleagues of the consulting firm Brody • Weiser • Burns, which assists foundations and other institutional investors as they plan and make PRIs and other mission-related investments. For more information about PRIs or Brody • Weiser • Burns' consulting services, visit the Web site at www.brodyweiser.com.

We also want to thank and credit The Foundation Center as the contributing source for research data contained in the article. *The PRI Directory: Charitable Loans and Other Program-Related Investments by Foundations*, 2003 edition, can be purchased from The Foundation Center. An excerpt summarizing the major PRI trends detailed in the directory is available online at http://fdncenter.org/research/trends_analysis.

Q: How did the partnership with the Development Training Institute (DTI) come about?

Andrew Plepler: Over many years, a highly successful partnership with DTI evolved from our funding the Bank of America Leadership Academy for the senior staff of community development organizations. Building upon that relationship, we have expanded the population of leaders who can benefit from DTI's state-of-the-art leadership programs, including those from such fields as workforce development, youth and family services, K-12 education and arts and culture. DTI has broad knowledge of communities throughout the country, and a refined sense of community-building strategies for successful neighborhood revitalization. DTI has also created a number of cutting-edge funding programs over the past decade. Its strong track record and these capabilities made DTI a logical partner for the Initiative.

Jeff Nugent: A huge intergenerational transfer of leadership is about to take place throughout America, including the nonprofit sector. DTI's primary strategic priority is to develop this next generation of leaders. The Initiative's compatibility with DTI's philosophy and strategy helps us to move beyond a limited focus on the community development field to a broader community-building approach that includes a much wider diversity of nonprofit organizations and their leaders. It also helps us to expand on the innovative programs that DTI has created and managed, to provide flexible funding to community groups.

Q: What are the elements of the Initiative?

Andrew Plepler: There are three components: Neighborhood Builders, Local Heroes and Student Leaders. In each

of 30 markets, two nonprofit organizations that we refer to as Neighborhood Builders are receiving \$100,000 in core funding annually, for two years. In 2004, the Foundation made 60 Neighborhood Builders awards of \$200,000 per organization for a total of \$12 million. The executive director and an emerging

Too often, by overly restricting their grants, funders create a funder-supPLICANT relationship with communities, discouraging long-term thinking. Through the Initiative, we provide unrestricted core support to empower organizations to address long-term strategic needs.

leader from each organization will participate in new leadership programs designed and conducted by DTI. Also in each market, five Local Heroes are publicly recognized and asked to designate a local nonprofit to receive a \$5,000 grant from the Foundation; and five Student Leaders receive a paid summer internship at a community organization and are assigned a mentor from Bank of America who helps them grow as a leader and focus on topics such as career planning. In 2004, the Foundation made awards to 150 Local Heroes and 150 Student Leaders.

Q: While nearly everything that is written about core support notes that community organizations want it and funders agree that it is the right thing to do, it seldom happens. Why did you decide to provide core funding support?

Andrew Plepler: We listened to our customers. Local nonprofits identified general operating support as key to strengthening their organizations. Too

often, by overly restricting their grants, funders create a funder-supPLICANT relationship with communities, discouraging long-term thinking. Through the Initiative, we provide unrestricted core support to empower organizations to address long-term strategic needs.

As a corporate foundation, our mission is to let people know that we care about the places where we do business by helping to improve those communities. To achieve our mission, organizations must be empowered to do what they do best. This program creates partnerships for investing in communities in ways that are most relevant to their needs. It's a win-win model. The organizations are enormously grateful to receive general operating support and the

Foundation is creating better, healthier partnerships with the nonprofits.

Jeff Nugent: Key decisions in the design of the program focused on the award criteria, selection process and expected results. We are selecting some of the very best organizations in each market, as judged by a selection committee comprised of local leaders invited by the Bank of America president in each market, and we are relying on the awardees to define the projected results of this funding. Each Neighborhood Builder organization will define outcomes during their participation in the DTI leadership program and, as we challenge these leaders to take their organizations and work to the next level, we will encourage them to connect these outcomes to their strategic thinking.

Q: What led you to include leadership development in the program design?

Andrew Plepler: Research into the effectiveness and sustainability of community organizations shows that the funding they attract, the innova-

tive approaches they create, and the quality of their achievements are directly related to the excellence of their leaders. We decided that a program intently focused on supporting organizational excellence should invest in both the capitalization and the leadership of those organizations.

Q: What did you learn from the first year's competition?

Andrew Plepler: Clearly, it was enormously well-received in the communities. Even those not selected for awards have thanked us for delivering a program that was so responsive to community needs—the best validation that we are on the right track. Our Neighborhood Builders and Local Heroes expect that the recognition they receive from this program will be leveraged to gain even greater support for their efforts. For young awardees, the pride in being named a Student Leader is as highly valued as the tangible benefits of their award.

Jeff Nugent: This is a very complex endeavor with many moving parts. I am fortunate to have a terrific team at DTI led by senior vice president Irene Packer-Halsey and program manager Kristina Samson. Steve Fitzgerald at the Foundation has been great at helping us to work effectively with all of the people inside Bank of America who are essential to the success of the Initiative.

Q: Are there other outcomes you hope to achieve?

Andrew Plepler: We also hope that our Neighborhood Builders' achievements will inspire other foundations to adopt similar flexible funding approaches and new measurement priorities. A traditional emphasis on metrics in program evaluation has driven some funders and their grantees to be very confining regarding the establishment of desired outcomes. A shift to measuring orga-

nizational results and sustainability might encourage more flexible funding. Recognizing the merits of investing in building strong organizations that undertake holistic and collaborative approaches, funders may decide to evaluate organizational goals and community-building strategies rather than focusing only on specific program plans.

Q: What benefits might corporate foundations see in this approach?

Andrew Plepler: From a brand standpoint, corporate foundations should recognize that a program like this is considered a major contribution. When they see that organizational support and program support have comparable brand value, they may be attracted to this funding strategy.

Jeff Nugent: In this case, the Bank of America's theme of "higher standards" fits perfectly with the Neighborhood Excellence Initiative, where community organizations, local leaders and student leaders are recognized and rewarded for their achievements.

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Q: How long do you envision offering this program, and what do you hope to achieve over the next three years?

Andrew Plepler: The Neighborhood Excellence Initiative promises to be a long-term platform for Bank of America's philanthropy—a strong anchor program for many years. The Foundation will of course continue

other funding programs as well. I hope that the Initiative sparks a philanthropic trend toward supporting organizational health and capacity and produces a growing national network of local leaders from great organizations that challenge and strengthen each other to better serve their communities. Longer term, I envision that this program will encourage young people to become engaged in community service and to view the leadership of community organizations as a potential career path.

Q: What are the next steps for the Neighborhood Excellence Initiative?

Andrew Plepler: In 2005, we will expand from 30 to 37 markets, making 74 Neighborhood Builder awards and recognizing 185 Local Heroes and 185 Student Leaders, with a total financial commitment of over \$17 million.

Jeff Nugent: In February, we will begin the Neighborhood Excellence Leadership Programs for 60 executive directors and 60 emerging leaders from this remarkable set of high-performing and diverse community organizations—some of the very best in the nation. At our first workshop in San Francisco, we will engage executive directors in strategic thinking regarding how to take their organizations to the next level. They will be challenged to reinvent their individual and disparate fields to incorporate a more collaborative and comprehensive approach to improving the quality of life in low-income communities. Next, we are eager to engage the emerging leaders in which these organizations have chosen to invest, preparing them to move into positions of greater authority and responsibility in the future. We are also looking forward to sharing our experience of this program with funding communities nationwide. ○

Jennifer L. Blake is a community development consultant located in Columbia, Maryland.

The problem is that they don't feel comfortable talking about them and don't clearly understand what a strong motivator they are to the American public.

A real danger is for liberals and progressives to simply write off everyone in the "red states." We need to understand that a 51-to-48 percent victory is not a mandate and that this margin can be easily moved in the other direction.

We need to look to the successes in the election. The Democrats, through the efforts of organized labor, community organizing and progressive groups, did a great job of registering voters and moving them to the polls in those areas where they had strong constituencies. For the first time, community organizing groups developed strategies to register voters and worked to turn them out in a national election. ACORN, PICO, the Center for Community Change and others organized major efforts. They used the election to involve leaders and members in strategic discussions around national issues that were tied to their local work. In many cases they won important local efforts.

The faith-based community organizing groups have been particularly successful in bringing people together around their values. They have been able to

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build very strong and effective organizations through churches by listening to the values that motivate people and using them to organize. They have focused on social and economic justice and family. They train leaders to translate these shared values into issues that affect people's everyday lives—housing, jobs, crime, health, schools, etc.

Another positive lesson that came out of the election is that 72 percent of the voters in Florida and 68 percent in Nevada voted to pass ballot initiatives to raise the minimum wage. Both of these states went to the Republicans and voted for Bush while at the same time voting for progressive ballot measures.

Yet another encouraging outcome is that many foundations increased their support of voter engagement activities and were much more inclined to fund these efforts through their current grantees. We have also seen an increased interest over the past

several years of foundation support for community organizing as an effective way to bring about change and affect public policy.

Now we must learn from the successes, take a long-term view and continue the work of building strong grassroots organizations that speak to the values and aspirations of people in urban and rural communities. Funders must continue to support efforts that bring diverse groups together to learn from each other and build effective coalitions. Funders need to clearly communicate to the groups they support that voter engagement is important and should be an ongoing part of their organizing work.

Taking back the country will require strong leadership from community-based organizations and a willingness on their part to take risks. It will also require foundations to continue to take risks in supporting this work. If foundations retrench into more conservative modes of action and community organizing groups fail to build coalitions around national strategies, we will continue to lose the electoral fights for social and economic justice. ○

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Working Group on Labor and Community: National Survey

This spring, NFG's Working Group on Labor and Community will release the much-anticipated results of its first-ever national survey of immigrant worker centers, *Immigrant Worker Centers: Organizing New Communities at the Edge of the Dream*. The study was conducted by Dr. Janice Fine under the auspices of the Economic Policy Institute. Guided by an advisory board of funders, worker center leaders and other experts, Dr. Fine identified and mapped 133 worker centers nationwide, interviewed 40 groups and developed in-depth case

studies of nine worker centers.

The goals of the study were to identify different worker center models, evaluate their effectiveness in improving the lives of immigrant workers and highlight key lessons, strengths and weaknesses, and current challenges these groups face. The Working Group expects that the study will help funders better understand how worker centers can address a variety of foundation goals and be more strategic as they evaluate proposals from immigrant worker centers.

The Working Group will publish an executive summary of the study written specifically for funders. This summary draws on interviews with a number of funders to describe strategies funders can use to support these groups and their work. The full document will be published in book form by EPI and Cornell University Press, and is expected to appear in the fall of 2005.

As part of its follow-up to the study, the Working Group is planning to hold five regional briefings, bringing together Dr. Fine and local worker center repre-

People and Resources

Resources

A new publication by the Alliance for Justice, *Investing in Change: A Funder's Guide to Supporting Advocacy*, is an indispensable guide for foundations in explaining the various roles they can play in the advocacy process. *Investing in Change* can serve as an in-depth guide to navigating the tax code regulations regarding support of public charities, or as a quick reference guide to answer a specific question. The Alliance for Justice provides step-by-step explanations, simplified language and great examples of successful initiatives. The cost of the guide is \$40 per copy. Discounts are available for quantities of five or more. If you would like to order it, please contact the Alliance for Justice at 1-866-675-6229 or online at www.allianceforjustice.org/guide.

Changing Workforce, Changing Economy: State Unemployment Insurance Models for the 21st Century has been published by the National Employment Law Project. It provides a roadmap for states interested in reforming their unemployment benefits to match the needs and realities of today's workers. The book provides policy models, evidence in support of

reform, model legislation and state comparisons. To order a copy, e-mail Bukola Ashaolu at bashaolu@nelp.org or visit www.nelp.org to download the book.

Reinventing Workforce Development: Lessons from Boston's Community Approach is part of a series of reports on advancement for low-wage workers, authored by Geri Scott and Jerry Rubin and published by Jobs for the Future. This report describes the start-up of an unprecedented initiative that is demonstrating the feasibility of comprehensive reform and challenging other cities to bring their workforce systems to higher levels of performance. Skillworks, originally known as the Boston Workforce Development Initiative, is an ambitious effort by philanthropic organizations, government, workforce service providers, unions and employers to change how workforce development is done in Boston. To get a copy of the report visit the Web site at www.jff.org.

People

Kim Burnett, former executive director at the Community Development Partnerships' Network (CDPN), has accepted the position of program

officer with the Surdna Foundation in New York.

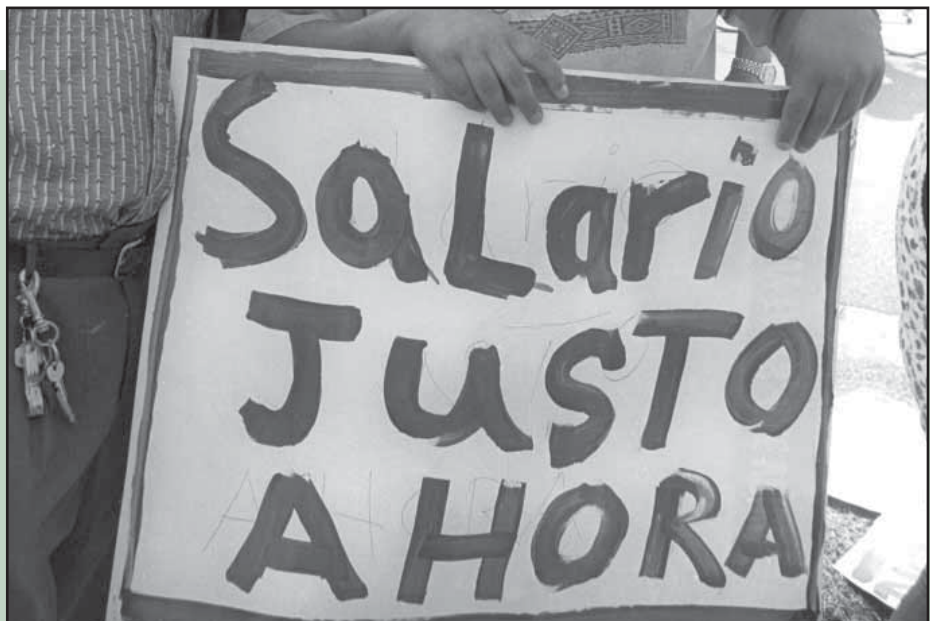
Anna Wadia is leaving the Ms. Foundation. After 10 years as a program officer there, she has elected to pursue independent consulting. She has not left the field and will continue to work with the Ms. Foundation along with other foundations and nonprofits.

The trustees of the Miami-based **John S. and James L. Knight Foundation** have elected publishing executive **Alberto Ibarguen** to succeed Hodding Carter III as president and CEO in July. Ibarguen, publisher and chairman of the Miami Herald, has been a newspaper executive since 1984. He held positions at the Hartford Courant and at Newsday before joining Knight Ridder in 1995.

Lizabeth Sklaroff has accepted the position of the president's special assistant for evaluation at the John S. and James L. Knight Foundation. In the new position she will design and maintain evaluation and assessment systems used to measure and help enhance the quality of programs and initiatives. ○

representatives to put the study results into a more local context. The first regional meeting will be held in downtown Boston on March 24 from noon to 2 p.m. at Associated Grant Makers, 55 Court St. Subsequent meetings are planned for New York, Chicago, Los Angeles and San Francisco.

For more information, contact Spence Limbocker by phone at 202-833-4690 x4 or by e-mail at spence@nfg.org, or Debby Goldberg at debbygoldberg@juno.com.



Mark Your Calendar

NFG Activities at Council on Foundations Annual Conference

Sunday, April 10, 6:00pm – 8:00pm
NFG Program and Reception

Monday, April 11, 2:00pm – 3:30pm
Mission Possible: Evaluating the Impact of Public Policy Advocacy (Concurrent Session)

NFG Annual Conference and 25th Anniversary Celebration Diverse Voices, Values and Traditions: Philanthropy in the 21st Century

September 11–13, Pointe South Mountain, Phoenix, Arizona

During the past 10 years, a major demographic shift has occurred in the United States, transforming neighborhoods in the process. In light of global security concerns, changing policy priorities and federal budget cuts, it is more important than ever to understand current demographics. The economic, social and policy changes that accompany population shifts have created serious tensions and potential conflicts over jobs, housing and public funding for low- and moderate-income communities.

The 2005 NFG conference will focus on the effect population shifts have had and will continue to have on the communities we serve, as well as their public policy implications and impact on our grantmaking. We also will explore some of the other critical issues and topics our members wrestle with each day.

Visit www.nfg.org for details.

Conference site information available at www.pointesouthmtn.com
(Family-focused activities will be available on site.)

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Editorial assistance provided by Sharon McGowan. The editorial committee invites your comments, criticism, or suggestions.

Please call NFG Executive Director Spence Limbocker and Newsletter Editor Bettye Brentley at 202.833.4690, or email nfg@nfg.org.



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