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When Funding Hurts

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This article focuses on only one aspect of fundraising: obtaining grants from foundations. There are other types of fundraising necessary to provide balanced revenue streams for our organizations such as individual donor solicitation, earned income, and collaborations and partnerships, for example, which are beyond the scope of this brief article.

Seeking funding to support our work is a primary pre-occupation of many social justice activists, and it is no less a problem for SisterSong members. To be honest, we generally engage in foundation fundraising with the same enthusiasm with which we visit a dentist. We know we have to do it, but it does not frost our cookies. As staff, board members and volunteers at women of color reproductive justice organizations, we certainly understand that working without resources is not impossible. "We know that money does not solve every problem, but it certainly eliminates a lot of hassles," says SisterSong ally Sharon Gary Smith. The trick is how to get the money we need.

The following is a brief article on some of the lessons we have learned in our fundraising at SisterSong over the past eight years to help other women of color organizations avoid some of the challenges we encountered. In the past year, we have surveyed our membership and have come to a broader understanding of the shared problems we face as women of color reproductive justice organizations in the United States. We hope to help our members learn some of the perspectives of the foundation world, to understand the conditions under which foundation program staff work, and to successfully navigate the murky waters of hurtful funding strategies.

We enter reproductive justice work with a passion for helping others, not a passion for filling out grant request forms and dealing with the Internal Revenue Service. Why we do the work and how we can get the resources to do it intersect rather unfortunately at the nexus of fundraising, making it hard to remember why we are doing the work in the first place. Our political passion has to be translated into another context – one in which we must raise money in order to sustaining our movement. This is a shift in our orientation and, according to Marlene Fried of Hampshire College, "a major change from earlier political movements" that were less dependent on foundations.

Seeking foundation funding can either help or hurt depending on how well-planned is the fundraising strategy and the strength of the leadership of the organization. We are not used to thinking that funding can hurt our reproductive justice organizations, but it has done so in the past. A prominent women of color health organization received more than \$1 million in annual support from foundations in the 1990s because it wished to pursue two distinct strategies: grassroots mobilization through chapter development and national public policy advocacy in Washington, DC. To some extent, it was their leadership and their choices that skewed the organization. They realized too late that funders often preferred to support the public policy



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strategy. Funds quickly dried up for the grassroots mobilization that provided the foundational base-building work that helped actualize the public policy work. In terms of funding availability, the public policy work became the tail wagging the dog. The organization descended from being the most influential and fastest-growing reproductive health organization in the country into just one of many voices in Washington clamoring for change. It became, in effect, an organization with a point of view but without the constituent power to get its point of view heard.

Staying true to our missions is the hardest part of this work when seeking funding. In a competitive funding world, it is relatively easy to make funders the primary constituency and target of our work. But our organizations will not succeed if our primary focus is on what the funders want. To be effective, women of color reproductive justice organizations have to focus on our missions and the people we are serving. Fundraising should be about supporting our mission, not about building a bigger organization.

In an ideal world, we would all have fabulous boards of directors with dedicated and effective fundraising committees that help lift the burden of generating resources from the overworked and stressed-out staff. In the real world, most boards of directors among women of color reproductive justice organizations are inexperienced at fundraising. They are also over-committed and over-extended with major roles and responsibilities in other organizations. These board members join our boards of directors for the same reasons others become stakeholders in the organization – volunteers with a commitment to justice, not their superior skills at fundraising. For grassroots organizations, most board members are not people of inherited wealth or millionaire entrepreneurs. They are not lining up to write us big checks that can finance our organizations. Nor do they live in a social network of major donors to whom they can write a personal note to obtain a large donation. Let's face it – the poor folks on our boards are just like us working on the staff, but they don't get paid, and often, you get what you pay for in this world.

When we try to add people with fundraising expertise on our boards, we often get *exactly* what we ask for: people with corporate backgrounds and/or financial resources donating their skills to the non-profit sector. They are better at raising funds but less representative of the communities we serve. This elevation of skills at the board of directors' level creates its own challenges in the long run, if it is not mission-driven. This new generation of board members works to increase the financial resources and financial management systems of the organization, but the cutting-edge politics of the organization may become muted and less risk-taking as the organization is re-tooled to appeal to more conservative donors and foundations. This phenomenon is called "mission drift."

Thus, fundraising is largely left to the staff of our organizations. More often, it is left on the shoulders of the Executive Director because our small budgets do not allow us the luxury of hiring dedicated development staff. The majority of women of color reproductive justice organizations are relatively new or emerging organizations. Even our older, more stable women of color organizations have some of the characteristics of emerging organizations (i.e., minimal IT capacity or under-developed boards) because we've rarely had the resources to progress into stable institutions. Very few have full-time development directors, and even fewer have the capacity to successfully tap into the expertise of the fundraising and consulting industry.



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The field of fundraising consultants is filled with landmines, to say the least. There are excellent fundraising consultants who see their primary role as building fundraising capacity. We need help identifying the criteria by which to effectively evaluate and hire such consultants and the resources to invest in the strategic plans they produce. This level of leadership and organizational development is a multi-year process that requires the active engagement of the staff, board of directors and volunteers. Even with the best outcome from hiring a fundraising consultant (if you can afford it and she/he delivers), our organizations in early stages of growth usually cannot afford to invest in the multi-year development of their own capacity with which to continue the work without consultants. Good consultants teach us how to fish, but even they cannot overcome the dry ponds of limited resources to invest into development.

The terrain of fundraising, donor relations, and writing grants is a Byzantine world for the uninitiated. In raising funds from foundations, a few important generalizations need to be kept in mind. These generalizations are just that – they do not apply to all foundations under all circumstances because foundations are not monolithic. There are differences between foundations and their work cultures. Large, national foundations differ significantly from public/private foundations, which in turn differ from smaller regional foundations. There are also differences in their strategies and approaches. Some may be dedicated to funding service delivery to alleviate immediate suffering, while others prefer to fund advocacy for systemic change. We cannot over-stress the importance of research. “Do your homework to tailor your approach to each foundation without straying from your mission,” advises Shira Saperstein of the Moriah Fund. Resources to help you research foundations are available from the Foundation Center, from which you can also obtain quite a bit of free technical assistance if you are new to grant writing. A link to the Foundation Center website is on the SisterSong website at www.SisterSong.net.

The following 10-point analysis is not provided to dissuade you from seeking foundation support, but is intended to do the opposite: to help you better understand some of the factors external to your organization that help determine if your organization gets funded.

1. **Too little money available.** According to a 2003 report of the Funders Network on Population, Reproductive Health and Rights, less than 2% of all foundation funds in the U.S. are available for women’s rights and reproductive justice work. Grants awarded to women of color are predictably a minute portion of the funds going to women’s rights in general. The research department at the Foundation Center reports that it is difficult to determine how much of the funding for reproductive health and sexual rights in the U.S. goes to women of color organizations. The capabilities of existing databases are limited. The data is mostly limited to grants made by the top 1000 private foundations only, leaving out many foundations such as the Ms. Foundation because it is a grant-making public charity, and smaller foundations that don’t rank in the top 1000. Historically, the only grants that have been tracked over time have been those of \$10,000 or more. The information on smaller grants has only recently begun to be tracked by the Foundation Center in 2005. Researching funding by recording grants awarded is not possible at this time because there is no classification such as “women of color organizations” within their research databases. At the time SisterSong asked, there were no more than 40+ grants on record from the largest foundations for reproductive health and rights. A few large foundations provide the vast majority of funding in this field. We were also not able to track

grants awarded through intermediaries or re-granting organizations The Funders Network also reported in their 2003 analysis that “most grants are aimed at the general public, rather than a demographic subgroup,” making the task of tracking grants to women of color organizations even more difficult.

2. **Personal relationships decide grants.** Grants are often awarded in large part based on personal relationships, not simply on the strength of the proposals or worthiness of the work. Relationships with funders may not be immediately available to new people entering the field, as they are developed over time. SisterSong member Dazon Dixon Diallo, founder of Sisterlove, Inc. poses the central questions: a) Who do you know? b) Who knows you? and c) What do they know about you? Creating visibility and credibility takes time – time that many of our reproductive justice organizations do not have.

Increasingly, there is a great deal of porousness between activists and funders, and both draw from the same stream of people. There are also activist funders and it behooves us to do a little bit of homework to understand who these are and how to build on those alliances, recommends Jael Silliman of the Ford Foundation. They can be excellent sources of feedback, advice, and mentoring for many organizational issues beyond funding. We can engage them as allies and partners in our work, not just as funders. This helps them become our advocates within their own foundation and the larger funding world. The lasting impact is the true partnerships and collegiality that develops over time as you begin to know and appreciate each other’s contributions to the movement.

3. **Different expectations and timetables.** We work with a sense of urgency because we know people are suffering and need our help. Funders work on a different timetable based on their structures and level of accountability. Both grantees and funders struggle to be accountable to vastly differing stakeholders. Foundations are accountable to their boards in the same way that grantees are accountable to our boards. Foundation staffers have accountabilities both to their boards and their grantees. “They have to follow guidelines and parameters that their boards set, and this is shaped by the history and culture of the foundation,” according to Adwoa Agyeman of the Moriah Fund. In the reproductive justice world, we not only have to satisfy the people who receive the services we provide, we also have to please the people who fund our organizations, and those are usually two very different groups of people with very different sets of needs and expectations.

Funders rarely can quickly fix problems created by a six-month time lag between the awarding of a grant and the actual receipt of the check. If we express a sense of urgency in getting that check, we are often advised that we have cash flow management issues (telling us what we already know!), not that the funding cycles do not correspond to the delivery of services cycles. This situation simply highlights the fact that every organization cannot afford to engage in foundation fundraising within these types of timetables. You should carefully evaluate your organization’s cash flow situation before you write the grant request. You will need other funding to

sustain your cash flow before applying for foundation funding, but it's a true conundrum because where are you to get that "other funding?"

Another source of differing expectations was revealed in a pre-meeting survey from the Reproductive Health Community Gathering organized by the Funders Network in March 2005: "When asked what keeps funders and grantees from working together, grantees cited funders' tendency to give project rather than core [general] support, donor-driven agendas, and a lack of clarity and honesty about priorities and indicators. When asked the same question, funders cited inherent power differences, restricted funding guidelines, and impediments to honest discussion."

4. **Competition on an uneven playing field.** The field of fundraising is more competitive than collaborative, generating friction among women of color. In our reproductive justice field, the forces of fragmentation are stronger than the forces of collaboration. "We define *competition* as what happens when there are more people chasing resources — things like funding, qualified staff, potential board members, volunteers, and media attention — than there are resources," says David La Piana, co-author, *Play to Win: The Nonprofit Guide to Competitive Strategy*.

There are many foundations that fund only one mainstream reproductive rights group, reports Shira Saperstein. Even mainstream groups can encounter a funder who tells them that they already fund one reproductive rights organization and therefore are not interested in learning about or funding others doing related work. This is not unique to women of color groups, although the impact is greater on us because our overall access to resources is so much more limited. For example, if a funder has one Latina organization in their portfolio, it is difficult for a second Latina organization — even one with different goals and strategies — to be funded. This situation often sets our strategies in competition with each other: grassroots mobilizing vs. public policy advocacy or capacity building vs. program expansion.

To further complicate matters, every foundation has its own definition of capacity building or policy advocacy. We often have to compare our work to other work being done to show the uniqueness of our role, which can lead to unhealthy comparisons between women of color organizations.

5. **Long-term problems with short-term grants.** The problems we work on are long-term and institutionalized, requiring stamina, while the funding we receive is short-term and very rarely multi-year. Funders often set different priorities each year and infrequently make long-term investments in any given strategy or organization, especially for emerging women of color organizations. According to Lucy Bernholz, author of *Creating Philanthropic Capital Markets*, "We [funders] spend far too much time in philanthropy talking about starting or initiating things, and far too little time making sure there are revenue streams to sustain the work of the thing that has been created."

We have to accept the fact that sometimes the funding available simply does not fit or match up well with our needs. In this instance, it may be wiser to not accept short-

term funding if the majority of the project remains under-funded (although we know it is difficult to turn down money!). This may create unrealistic expectations in the minds of the funder and the grantee because under-funded projects can really hurt. For example, one SisterSong member organization received support to purchase a van to transport homeless women with AIDS. It took three more years to obtain the funding to support the staff position in charge of client transportation to bring the program up to full capacity. They asked for the staff position in the original grant, but general support for increasing their staff capacity was harder to secure.

At the same time, pilot projects are high-risk investments for funders. According to Rebecca Adamson of the First Nations Development Institute, 83% of foundation funding goes to projects that don't succeed. This failure rate may be due to a large number of factors beyond the scope of this paper, but the point is to understand that funders know that our projects may be high-risk investments even before they read our proposals.

On the other hand, the emergence of women of color and youth-focused reproductive health organizations over the past years was cited as one of the tremendous recent successes of the pro-choice movement, according to a participant survey in a report from the Reproductive Health Gathering of funders in March 2005. The report also recommended that funders set aside a portion of their funding for risk-taking as a way of "changing what the movement looks like." Funders should also support skills-building among organizations' leaders and staffs to obtain a better and longer-term return on their investment.

6. **Multi-issue work with single-issue grants.** The work we do is multi-issued and intersectional because people's lives are complex, while funders tend to fund in single-issue silos. Our work often does not fit neatly into their slots created by categorical thinking based on donor principles. This will be especially true for those of us who use the multi-issue reproductive justice/human rights framework in our work because most funders do not programmatically connect issues of poverty, immigration, and racism to reproductive rights work. They do so in their thinking when focused on the "Big Picture" but they operate in fragmented and competitive structures not of their own making. The mantra goes something like this: HIV/AIDS is in the health portfolio, while immigration and racism are in the civil rights portfolio, and reproductive rights is in the women's rights portfolio. What if your proposal represents a woman of color organization that provides reproductive health and HIV/AIDS services for an immigrant population that is negatively affected by the Patriot Act? While you could theoretically apply to each portfolio, such a strategy would probably lessen, not increase, your chances of obtaining support because of competition among portfolios. Program officers often lack the power to pull together resources across program areas to fund multi-layered work like reproductive justice.
7. **Power imbalances and different accountabilities.** A power imbalance compromises the partnership relationship that should exist between grantors and grantees – after all, both parties are supposedly working towards the same goals which cannot be solved by philanthropy alone. A good funding partnership allows

each party to work with integrity and transparency. Grantees should be able to share the bad news as well as the good news, without jeopardizing their chances of future funding. Funders should be able to provide honest feedback to grantees about the decision making processes of their foundations, so that this feedback may be used to help the grantee improve their chances of obtaining support. Funders, though, have had really bad things happen when they are too honest with some grantees, and they tend to err on the side of caution in providing this feedback. For example, foundations may be called racist if they don't fund a given women of color organization, even though their portfolio may be relatively fair and balanced. Grantees fear disclosing their failures to the funders and engage in self-promotion rather than critical reflection about their work. But we cannot improve the outcomes of our mutual work if we cannot share both our successes, challenges and failures.

8. **Whose ideas matter?** Foundations used to count on our organizations to analyze the problems in our communities and provide potential solutions to these problems. They then funded our organizations to do the work we believed necessary and proved we could do. In recent years, this paradigm has shifted as more foundations believe they have the ideas necessary to create social change, and they fund the organizations willing to implement their ideas. These ideas are often obtained from "incubator" sessions in which a group of grantees is brought together in a meeting (or series of meetings) to discuss pertinent issues. The foundation staff documents and synthesizes these ideas and report back to the foundations. Foundation staffers (sometimes they are former grantees) use this information to determine their funding priorities and strategies. They also get ideas from the needs identified in grantee reports. This can lead to funder-driven strategies and foundation-imposed collaborations by those funders that value collaborations. Some collaborations of this nature work while others don't, depending on their degree of unity.

SisterSong emerged in 1997 as a result of a foundation-driven effort. The original mix of organizations included some agencies chosen by the Ford Foundation that openly stated they did not believe in collectives, largely because of the intense competition among women of color organizations. Although they honestly joined to simply to obtain funding and were explicit about their motivations, at times their presence was counter-productive to the project of building the Collective. It took us four years and extensive re-tooling for us to evolve from a funder-driven collaboration into an autonomous Collective asserting the right to define and solve our own problems. To survive, we had to re-center ourselves on our values, develop our principles of unity, honor the niche each organization occupies to eliminate competition, survive funder indifference, and decide on a strategic collective agenda that benefits each member organization in order to build a national movement of women of color for reproductive justice. In the process, we grew from 16 organizations to more than 70, firmly focused on our mission and values, and only seeking funding that supports our mission, values, and strategies.

Some foundations recognize the problems inherent in this paradigm shift and have increased the diversity of their staff by attracting program officers with the same values and backgrounds of their grantees. These foundations appreciate the organic

expertise in communities of color and do not deny the activists the right to solve their own problems and evaluate their own successes.

9. **Funding becoming more conservative.** Because of the attacks on foundations and non-profits led by opponents to women's rights and facilitated by a hostile Bush Administration which has politicized the IRS, many foundations and non-profits are becoming more timid in engaging in work that may be construed as criticizing the government and its policies. New disclaimers are attached to grant agreements, especially after 9/11 and the 2001 World Conference Against Racism, which particularly affected the Ford Foundation. Some organizations, such as the NAACP and Advocates for Youth, have been singled out for politically-motivated audits by the IRS, HHS, or CDC because of their advocacy activities. A *Panel on the Nonprofit Sector* was developed by Independent Sector (IS), a coalition of corporations, foundations, and private voluntary organizations organized to strengthen America's nonprofit organizations. IS formed the *Panel on the Nonprofit Sector* on October 12, 2004, at the encouragement of Finance Committee Chair Charles Grassley (R-IA) and Ranking Member Senator Max Baucus (D-MT) to establish guidelines for fiscal responsibility among non-profits. Critics charge that the IS panel has mainly responded to unfounded criticisms by Congress and conservative foundations through the Alliance for Charity Reform, who are actually moving the agenda to the right as a way of repressing progressive activism. Various Congressmen also attack groups that receive U.S. and international HIV/AIDS funding. Even CARE is now being attacked for "undermining American foreign policy" because it is not sufficiently deferential to right wing religious ideologues. According to James Wagoner, president of Advocates for Youth, quoted in the *Chronicle of Philanthropy*, "The message has been delivered loud and clear: If you receive government money, you had better not dispute government policy, or you'll end up on an 'enemies list.'" This politicization of government audits and Congressional attacks affect foundation funding because foundations are understandably reluctant to face government audits simply because they fund groups that criticize the government or disagree with a government policy. This truly complicates the task of securing funding for reproductive justice organizations. Many but not all of us are on the opposite side of the current Administration when it comes to judicial appointments, abstinence education, abortion rights, AIDS prevention, immigration policies, and a host of other issues important to saving women's lives. If foundations are intimidated by our government that censors or pressures organizations to support views antithetical to our work, then the funding picture becomes even bleaker.

10. **Competition with our advisors.** Over the past three decades, an entire industry has developed in the reproductive justice world based on consultants and intermediary organizations that provide capacity building and organizational development services to our organizations. While we are in urgent need of these valuable services, they are often seeking funding from the same foundations we approach, and we end up competing with our own consultants or intermediaries for grants. For example, one agency offering us technical assistance had received more than \$1 million in funding for capacity building work from the same foundations SisterSong approached for capacity building funding. Since many of these firms are non-profits in their own



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right, they are competitors for scarce funds, and we simply do not know if the fact that many of our consultants are our competitors affects the quality and extent of the services they provide. To be fair, most of these consultants and intermediaries provide excellent services and we heavily depend on their expertise to develop our capacity. But this dilemma creates a situational conflict of interest: are they trying to work themselves out of a job by building our capacity and lessening our dependence on them, or are they trying to prove to a foundation how vital they are to our sustainability by maintaining our dependence? Can they realistically serve both parties – their clients and their funders -- at the same time? We don't know the answers to these questions, but in a world of funding scarcity, U.S.-based women of color already face competition from international groups, mainstream organizations, and now our own advisors, complicating the landscape.

SisterSong has five recommendations for foundations so that funding doesn't hurt and we develop good partnerships with our allies in the foundation world. First, we encourage foundations to work more collaboratively and strategically with each other just as we are doing with our reproductive justice organizations. Foundations are now exploring the concept of "basket funding" in order to pool their resources to address the many facets of a particular problem to provide support to entire sectors, such as health. This strategy is cautiously welcomed by some grantees, according to the report from the Reproductive Health Community Gathering of March 2005: "Because it's not clear how the money is spent, it's difficult to determine the implications for family planning and reproductive health." This strategy does have the potential to attract increased resources and create real partnerships amongst diverse entities in the same field.

Second, we hope that foundations will consider providing funding in a way that attracts other foundation partners to our organizations by providing referrals. A strategy promoted by only one foundation has a lesser possibility of success than one promoted by several different foundations at the same time. If a grant is made by one foundation, recommending that grantee to another foundation with a similar portfolio helps the grantee organization, but it also helps foundations collaborate to increase the effectiveness of their strategies.

Third, instead of funding intermediaries directly to provide technical assistance, it may be more effective to provide the funds for technical assistance directly to grantees so that the grantees can hire from a group of qualified consultants possibly recommended by the foundation. In that way, the grantees have more power in the technical assistance/grantee relationship in which the intermediaries have to meet the grantee needs and be more accountable to them.

Fourth, we need more frank conversations between funders and grantees on how to be good allies for each other and to develop coherent, unified strategies. The March 2005 Funders Network meeting was the first of its kind to bring together funders and grantees, according to their report. Although there were discussions among grantees and funders in separate groups about whether to continue the process of bringing both groups together in future joint analysis and strategy sessions, resistance to the idea was expressed on both sides for a variety of reasons. Some funders believe that the Funders Network should limit itself to only bringing funders together and not stray from their mission. Some grantees believe that the funders have their own method for privileging some voices while discounting others, and are wary of meetings that remind them of incubators. SisterSong believes that even more serious and extended dialogue



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must take place between women of color and white women, between grantees and funders, and across strategies and issues if we are to successfully build a movement together that saves women's lives. The power imbalances will never be effectively addressed without such cross-pollination of our movement. There were excellent recommendations in the Funders Network Report available at www.fundersnet.org. To implement these recommendations, "We have to be brave together" as one funder said to create a shared vision of how to end reproductive oppression and achieve reproductive justice.

Fifth, we urge foundations to study and understand the life cycles of our organizations more carefully and tailor their expectations to our actual rhythms or developmental stages (in their language). Organizations in the start-up or creative entrepreneurial stage have different needs than those in the efficiency and infrastructural stage. Sometimes our organizations exist in several stages of development at the same time. Although SisterSong is eight years old as of this writing, we just opened our national office in January 2005, while some of our member women of color organizations are 20 years old. Thus while we have considerable history and experiences collectively, in some respects we are putting in place the new systems and structures more commonly associated with brand new organizations. This is our own unique growth cycle, birthed from the hundreds of years of collective experiences we bring to the table.

SisterSong is so named because "we are women of color from many cultures and orientations who may sing different songs yet we all sing the women's song in harmony, from the same score, on the same sheet of music," said SisterSong member Juanita Williams when we first organized. Neither grantees nor foundations can go it alone. In the immortal words of Rev. Martin Luther King, Jr. when speaking about family planning in 1966: "We are natural allies of those who seek to inject any form of planning in our society that enriches life and guarantees the right to exist in freedom and dignity." SisterSong is building a movement of women of color for reproductive justice in a world where funding does not hurt.