2000-2001 Annual Report to the Membership

PROGRAM ACTIVITIES reflected a focus on advocacy, collaboration, media outreach, and research. NNG’s primary strategic goal of increasing the amount of philanthropic dollars dedicated to funding social change formed the basis of institutional planning and implementation. At the same time, with a change in leadership planned for mid-2001, the organization began preparing for a new phase in its evolution.

Staffing and Leadership
A core staff of six dedicated employees worked well together throughout the year. In November 2000, Teresa Odendahl, NNG’s Executive Director since 1993, announced her intention to resign in 2001. Accordingly, the board of directors began planning for the transition associated with identifying new leadership for the organization.

Membership, Fundraising and Finances
NNG’s paid membership is currently 451 individuals, an increase of 28% over the previous year. Throughout 2000, we redesigned our membership database and instituted new internal systems for recruitment and renewal. In 2000, NNG had over 30 supporting institutions with contributions totaling $79,700. In addition, we raised $141,850 in unrestricted and $115,250 in restricted grants.

Conferences and Meetings
In mid-2000, following the success of NNG’s March 2000 conference, “Globalization: Why Should We Care?” work began on identifying a theme for the October 2001 conference in Oakland, California.

Based on the expressed interest of our members, NNG’s board of directors chose a theme that will explore the way technology is restructuring the global economy and the role of cultures as they define and shape different organizing models. A Conference Committee began developing the program, designing a Request for Proposals for conference sessions and exploring opportunities for gathering funders in a region of the country that is known for its grassroots activism and cultural diversity. A website www.CultureConnectsUs.org: Shifting Paradigms, New Opportunities, Ongoing Challenges communicates with NNG members and other grantmakers on the topic.

At the Council on Foundations conference in Philadelphia in May 2001, NNG engaged in a series of collaborative workshops with other affinity groups and foundations. The event provided an opportunity for the launch of the preliminary results from a study undertaken by NNG and its partners, the Joint Affinity Groups, on diversity practices in philanthropy. The findings provide funders with a how-to guide for the recruitment and

Payout for Change is Here!
NNG’s newest publication, Payout for Change, hit the streets in time for our April 26 briefing in Washington, D.C. and the Council on Foundations annual meeting the following weekend. The 62-page booklet profiles six funders of social change and their successful efforts to balance investment returns and increased grantmaking, along with inspiring profiles of how progressive nonprofit groups are putting increased funding to use. As part of NNG’s campaign promoting higher payout in partnership with the National Committee for Responsive Philanthropy, Payout for Change will be widely distributed to philanthropic and non-profit organizations, media, public policy and opinion makers. Payout for Change is a powerful tool to keep foundations focused on their primary purpose—grantmaking. NNG members will be receiving their own copy. For additional copies send $20.00 (includes shipping and handling—bulk rates available) to NNG • 1717 Kettner Boulevard #110, San Diego, CA 92101 • (619) 231-1348 • www.nng.org.
General Support
FACT Services Company for the French American Charitable Trust
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General Service Foundation
Hyams Foundation
Island Foundation
Merck Family Fund
A.J. Muste Memorial Institute
Needmor Fund
Theodore Edson Parker Foundation
Samuel Rubin Foundation
Caroline and Sigmund Schott Foundation
Solidago Foundation

Membership
John D. & Catherine T. MacArthur Foundation

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Boehm Foundation
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FACT Services Company for the French American Charitable Trust
Changemakers Fund
McKay Foundation
Stewart R. Mott Charitable Trust
Needmor Fund
New World Foundation
Jessie Smith Noyes Foundation
Open Society Institute
Stern Family Fund
Unitarian Universalist Veatch Program at Shelter Rock

2000–2001 Grants to NNG

Payout
NNG’s campaign, “1% More for Democracy,” urging private funders to increase their giving above the legally required 5% of assets and to direct these grants to social justice causes, gained momentum. The National Committee for Responsive Philanthropy joined the campaign as NNG’s partner in order to increase the impact of the initiative. The “1% More” Campaign achieved two fundamental goals—educating NNG’s membership on the issue, and initiating an extensive public debate on the need for philanthropy to respond to pressing social problems. Through the collaborative efforts of NNG and NCRP, payout became one of the most debated topics in philanthropy.

The campaign’s usage of the media has been strategic and positive. Extensive interviews, reporter specific educational materials and relationship building with journalists have allowed us to have a greater sphere of influence on how progressive philanthropy is portrayed in the media. Press coverage in the mainstream media included the New York Times, the Washington Post, the Christian Science Monitor, and Business Week as well as in trade journals such as the Chronicle of Philanthropy and Foundation News and Commentary.

Our goal has been to inform, challenge and change the minds of foundation leaders. Education is the key to moving foundations to elevate their spending levels. We have developed the publications and information tools to help grantmakers increase their institutional payout. In 2000, we reached our goal — with 212 NNG members and 54 institutions endorsing the campaign by signing on to its “Statement of Principles.” NNG spokespersons have addressed workshops and the media in the course of the campaign, leading the way to educating the field from a peer-to-peer angle, and making it more responsive to the needs of grantees working for social justice. The Payout Initiative’s major publication in 2001 was Payout for Change (see page 1).

Publications/Web
In the summer of 2000, NNG completed a new edition of its popular Grantmakers Directory. The 2000/2001 edition has been expanded to showcase more than 200 organizations in the Network. Recognizing the multiple roles NNG members play as funders, organizers and grantseekers, the 2000/2001 Grantmakers Directory has been transformed from a membership directory to a more targeted funding guide for both grantseekers and grantmakers. A comprehensive editorial section provides an overview of philanthropic trends as well as articles on funder collaboratives, donor organizing, and partnerships with grantees.

NNG’s web site is key to building the organization. More and more NNG materials are available on line and in 2000, for the first time, participants in the conference registered on the web. Enhancements include downloadable materials, a site map, and a visitor comment section. We now have routine updates with our job listings, meetings and a newsletter section.

NNG produced an updated membership brochure and released quarterly issues of our newsletter, Network News, a rich source of information for funders, practitioners and academics interested in social change philanthropy.

Collaboration
NNG is the home of a research project, “The Meaning and Impact of Board and Staff Diversity on the Philanthropic Field.” This collaborative study with the identity-based Joint Affinity Groups (JAGs), of the Council on Foundations and the Environmental
Take a Stand for Estate Taxes!

Rick Cohen, National Committee for Responsive Philanthropy (NCRP)

NG weighed in against the repeal of the estate tax! That spurred a tremendous stream of foundation trustees and staff signing on to the NCRP/United for a Fair Economy (UFE) letter of grantmakers opposed to the repeal of the estate tax. As of May 3rd, after only two weeks of Internet accessibility, the NCRP/UFE sign-on letter had garnered over 230 signatures.

Why be concerned about the estate tax anyhow? Because its repeal would have lethal impacts on charitable bequests and damaging consequences for charitable giving overall:

- Estate tax filers made charitable bequests of some $14.6 billion in 1999 (overall charitable bequests were $15.6 billion).
- In terms of total dollars, roughly one-third of charitable bequests went to capitalize private, family foundations or contribute to public foundations such as community foundations. Another third went largely to institutions of higher learning, and one-fourth went to human service providers. The largest number of charitable bequests went, however, to religious organizations.
- Increases in charitable bequests due to the estate tax are greater than the tax revenues foregone.
- Unfortunately, less than one out of every five estate tax filers makes any charitable bequests. The very wealthy in this country give well less than 1% of their wealth for charity compared to 13% for the lowest fifth of the U.S. population (with positive net worths).

It is important to keep the estate tax rate up on the superwealthy: Estates valued at $20 million or more gave about 26% of the value of their estates as charitable bequests. Almost half of these estates had charitable bequests, and the average bequest size was $40.2 million.

- If the estate tax is eliminated, estimates of the loss of charitable bequests range from 12% to 80%, with most estimates clustering around 35-60% or around $5-7 billion.

NNG’s action has had an impact. In early May, the Council on Foundations agreed to reconsider its no-opinion stance on the proposed legislation. This follows the turnaround of Independent Sector earlier this year, which last year had been silent on the estate tax repeal. We truly believe that it is possible to get the estate tax modified—by raising the thresholds for estate tax liability—as opposed to repealing it outright.

Charitable bequests are not simply a nice byproduct of the estate tax law. They are a critical component of the meaning of the estate tax, to reduce the inequitable (and inherited) distribution of wealth. But the voices of grantmakers and the voices of nonprofits in general are crucial to the upcoming estate tax votes in the spring and into the summer. And in June, the Council on Foundations board of directors is scheduled to take up the estate tax question. Activism in general, and signing on to the NCRP/UFE estate tax letter, are vitally important to save this crucial progressive tax statute.

Conclusion
Over the past year, NNG’s programs educated, stimulated, and challenged the nonprofit community. The payout controversy, unleashed by NNG in 1999, continues to dominate philanthropic debates in mainstream and trade publications, as well as professional forums. NNG members provided models of organizational practice and standards of operation that exemplify the principles of social change philanthropy in action. All of these activities furthered our goal of increasing the resources dedicated to community-based organizations working to support the disadvantaged.
Working Groups & Caucuses

Working Groups
Donor Organizers’ Network (DON)
Since the DON meeting at the last NNG conference, where we learned of the change in DON’s status in NNG from a staff supported program to a working group, DON has been in search of new leadership and energy. More than Money is open to reclaiming an active leadership role with DON, but needs support — (including financial). DON will meet at the Oakland NNG conference. If anyone would like to give input into the agenda, please contact Christopher Mogil: christopher@morethanmoney.org.

Funders Who Fund in the South (FFS)
The Funders Who Fund in the South Working Group promotes increased engagement and involvement of funding organizations in the Southeastern region of the United States. A listserv has recently been established to promote communication and sharing of information among working group members. FFS is currently organizing a small coordinating committee that will play an important role in developing program ideas and suggestions for consideration by the larger membership. One proposal under exploration is sponsorship of a Southern Funders Tour for Spring, 2002. Persons interested in joining the coordinating committee, working group or listserv should contact any one of the following persons: Joan Garner, Southern Partners Fund; Pamela D. Moore, Oxfam America; Kathy Partridge, Needmor Fund; Alta Starr, New World Foundation; Lee Winkelman, Jewish Fund for Justice; or Gwen Pierce: gwen@nng.org.

Grantmakers Without Borders (Gw/oB)
Grantmakers Without Borders, formerly the International Working Group, works to foster global justice by promoting international giving. We educate on the need for globally minded grantmaking, provide peer-to-peer support to current and new international funders and strive to improve grantmaking practices, focusing on amplifying the voice of poorer countries in international philanthropy. Contact: John Harvey, National Coordinator, GWoB: gwob@att.net.

Indigenous Funders Working Group
The Indigenous Funders Working group formed out of Funders who Fund in Indian Country. More information about this working group will be presented in the near future. Contact: Chris Peters, Executive Director, Seventh Generation Fund: cpeters@7genfund.org.

Working Group on Funding Media (WGFM)
The Working Group on Funding Media is recruiting people to take leadership in revitalizing and giving life to WGFM’s action plan. WGFM members are developing connections between social documentary photographers, funders, and organizers; convening grassroots media organizing trainers; facilitating discussions on the role of progressive media activism and community organizing; developing an analysis of race and gender within the progressive media sector; and crafting an agenda to increase foundation support of media work. Contact Kathy Partridge, Program Officer, The Needmor Fund.
New Board Members

Christine T. Lipat
Christine is Senior Program Officer at Astraea Lesbian Action Foundation, directing Astraea’s grants programs supporting national and international lesbian and lesbian-inclusive organizing and cultural work. She serves on the Board of Directors of Audre Lorde Project, a center for the Lesbian, Gay, Bisexual, Transgender and Two-spirit People of Color communities in New York City. She is a member of Grantmakers Without Borders and Asian Americans and Pacific Islanders in Philanthropy. Prior to Astraea, she worked as acting executive director at Asian American Arts Alliance, coordinating the unprecedented Technical Assistance & Regrant Initiative for grassroots Asian American arts groups. She is a founding member of Kilawin Kolektibo, a NYC Filipina lesbian/bisexual/transgender collective and a former member of Gabriela Network, a US-Philippine women’s solidarity network.

Ray Williams
Ray is a board member of the Seventh Generation Fund. He was recently elected to the position of Swinomish Tribal Senator, and is also deeply involved in developing the One With Creation Retreat and Resource Center. A state, national and international leader working with Indigenous issues, Ray formerly served as director of Native American Affairs at the Catholic Archdiocese of Seattle, WA. Ray has been active in tribal government as a prosecutor, and has designed health programs for the State of Washington. In 1993, the Year of Indigenous People, Ray and his wife Doreen were presented with the Pax Christi Pence award in Rome by Pope John Paul II.

Joe Wilson
Joe has been Program Officer for the Human Rights and Global Security program at Public Welfare Foundation in Washington, DC since 1998, overseeing efforts to support the protection and promotion of economic, social, civil and political rights, and the development of democratic institutions, in the U.S. and other countries. Before joining the Foundation, he worked with the Pacifica Radio Network’s national public affairs program Democracy Now!; and, was director of the international and community organizing grants programs at Share Our Strength. He has been a member NNG since 1991; served on the 1993 and 2000 conference planning committees; and is a member of NNG’s Queer Caucus as well as Grantmakers without Borders. He is also actively involved in the movement to resist the neo-liberal economic model.
Changes in the Network

Asian Americans/Pacific Islanders in Philanthropy (San Francisco, CA) has announced that after three years, Moira Shek is leaving her role as Executive Director to have more free time and enjoy new grandparenthood.

After six years of service, Jean Entine is stepping down as Executive Director of the Boston Women’s Fund (Boston, MA).

Marcia Thomas has left the Changemakers Fund (San Francisco, CA), where Laura Loescher is serving as Acting Director while they search for a new Executive Director.

At the Gill Foundation (Denver, CO), Katherine Pease moved on as Executive Director, and Senior Program Officer Erika Shatz has left to provide consulting services to nonprofits, donors and foundations.

After many years of service, Phillip Hallen has retired from his long standing role as President of the Maurice Falk Medical Fund (Pittsburgh, PA).

The Lambi Fund of Haiti (Washington, DC) has announced that Executive Director Catherine Maternowska will move on after seven years. Julie Meyer will be Acting Executive Director, Neill Elliott will become Associate Director, and Bre Reiber-Martinez joins as Development Director.

The Public Welfare Foundation (Washington, DC) has announced the appointment of Philippa Taylor as Chief Financial and Administrative Officer.

The Caroline and Sigmund Schott Foundation (Cambridge, MA) have appointed Rosa A. Smith to serve as the Foundation’s new president.

Concluding the list of Executive Directors leaving their post, Felicia Lynch has stepped aside as Director for Women and Philanthropy.

Leading By Example

As we encourage NNG members to increase 1% More for Democracy, we would like to recognize those making a significant contribution to help empower and support communities and organizations whose voices have been traditionally unheard in the democratic process. In the philanthropic community we have remarkable institutions that can—and do—pay out to the maximum capacity of their organization.

The Edward W. Hazen Foundation is a private national foundation which seeks to assist young people, particularly people of color and those disadvantaged by poverty, to achieve their full potential as individuals and as active participants in a democratic society. The Foundation’s current grantmaking targets grassroots and community-based organizations working on public education and youth development.

The Hazen Board of trustees decided years ago to tackle the root causes and not simply the symptoms of inequality in our society, by funding organizations that use community organizing strategies to improve public education and assist minority and disadvantaged youth develop leadership skills. Blessed with an increase in its endowment over the past decade—from about $16 million to more than $50 million today—Hazen increased its payout rate to 6.7% in 1999, where it remains today.

“We believe it’s important to invest in young people and the communities where they grow and develop, while allowing our endowment to grow,” says Arlene Adler, Chair of the Hazen Foundation Board of Trustees.
Executive Search

George Walker, Search Committee Chair

When Terry Odendahl announced that she would be leaving NNG as executive director, the board found itself in that place between being really happy about the wonderful gifts Terry will share with others in her future endeavors and feeling the normal trepidations of losing a very effective director. We know we are a great organization that has been fortified and guided by distinguished leadership for almost 10 years. Under her direction, we have grown and seen a tremendous energy around our issues, not just in NNG circles, but also throughout the funding world. For that spirit, we are grateful and together extend warm wishes to Terry for a journey filled with wonderful experiences. So while we are sad to see Terry leave us, we do have the energy to get the ball rolling smoothly toward the next plateau.

I am excited to be heading the search committee to identify the new executive director. Also on the committee are: NNG Board Co-Chairs Ellen Gurzinsky and Idelisse Malave, activist at large Rinku Sen and Nicole Trombley from the NNG staff. We have been working with Susan Himmelfarb of the Himmelfarb Group, located in Chicago, to identify candidates to present to the general board of NNG. Working with this talented crew has been energizing.

If you haven’t seen the job announcement, visit the NNG website, www.nng.org, or www.himmelfarbgroup.com. And please give your feedback for identifying possible candidates and avenues to explore. We know great leadership is among our ranks. We want to find it!

It is a joy to report that the work of the committee is going extremely well. There is great interest in the position and excitement is building about the substantial candidate pool. We are particularly pleased with this news.

We look forward to being able to announce the person who will further our mission and continue the job of promoting social change philanthropy with the help of partners and allies like you!

Today, our brand of activism is more crucial than ever. The work of NNG is necessary to raise the consciousness of people involved in grantmaking, to make sure that fairness, opportunity and progressive values remain at the forefront of our work. We need NNG to continue inspiring those involved in grantmaking towards funding that brings about real creative, social change. These are values we have believed in and worked hard for and will look for our new executive to promote. We won’t be slowing down now.

Thank you all for your part in helping to make NNG a wonderful and inspiring organization. Let’s keep the light on for the folks still arriving at our door.

Working Groups & Caucuses continued

grantmakers attempting to increase their foundation’s support of LGBT organizing. The NNG Queer listserv of the Queer Caucus functions as a place for resource and information exchange on LGBT organizing as well as a tool for supporting the visibility and inclusion of progressive LGBT issues at NNG’s conferences.

Women’s Caucus
The role of the Women’s Caucus is both to bring information about funding women’s issues to the broader NNG membership and to work with other women’s funding networks to bring a greater emphasis to organizations doing progressive work on issues affecting women and girls. The Women’s caucus provides opportunities for networking, sharing stories, educating ourselves on issues of race, class, sexuality and gender and creating support for women working in the progressive philanthropic movement. The caucus seeks to renew energy and promote a proactive agenda. Contact: Karen Ashmore, Chinook Fund.

Youth Caucus
The Youth Caucus, aka the Young Funders Network, currently functions as a loosely knit support and networking group for donors and grantmakers under the age of 35. New folks interested in getting involved are encouraged to sign on to our listserv at nngyc@onelist.com, or contact Cynthia Freeman, Program Associate, UU Veatch Program at Shelter Rock.
THE BUSH ADMINISTRATION has been in power for over a hundred days and I probably have another hundred days as Executive Director of NNG. I realize that such juxtaposition is full of fallacies. But, as I write this missive to you my thoughts are consumed with all the harm that the president and his cronies have already or are likely to inflict, the general state of the world, and the ineffectiveness of philanthropy—even our progressive version—to have made much of a positive difference in the last two decades. I'm sure I'm similar to you in wanting my work to matter.

On the national scene, the potentially biggest bad policy effecting philanthropy coming down the line is the repeal of the estate tax. Let's just let the rich get richer and take away most of the tax incentives for major donors to make bequests or estate plans that benefit nonprofit organizations. Oh yes, the “faith-based initiative.” Let's divide and conquer by giving funds to churches for band-aid charity while subtly limiting the role of activist and advocacy organizations working for systemic change. Furthermore, as Americans, let's hinder women's human rights by reinforcing a “gag rule” around reproductive issues internationally. And, can this be true? Let's break major treaties promoting peace. Thank you President Bush.

Perhaps though, we might learn from his approach. What would happen if foundations could manage to make bolder, quicker decisions, and bigger grants to the groups we know to be doing good work? Think about what you could really do in 100 days. I think our approach has been too incremental, too tentative. Let's believe in what we're doing and use our considerable power and resources more effectively.

My tenure in the grantmaking field has paralleled a shift to the right in this country and elsewhere that appears to be proceeding unabated. Concurrently, the single most significant change in the world is the overwhelming power of corporations. This new power of corporate globalization to control the destinies of poor people and the resources of the planet dwarfs that of State governments and certainly of foundations. An example we've known about, that was brought home by United Nations Secretary General Kofi Annan in his recent speech at the Council on Foundations conference, is that of the 25 million people in South Africa who are HIV positive and have been living under an unnecessary death sentence because of the greed of pharmaceutical companies. We have the means and the money, but instead of redistribution, we allow increasing concentration in the hands of a few.

I leave NNG with a mixture of feelings. I’m happy to be moving on but sad that I’ll have less interaction with allies, colleagues and friends. Together, we have made inroads. We built a membership group into an advocacy organization. NNG's conferences and tours have introduced issues in new or different ways to our constituencies. Yet the first one I co-organized, “Beyond a Hierarchy of Oppressions,” and the last one on “Globalization” still require significant effort that seems to be lacking in our community. We are just too comfortable and fail to take the strategic risks we could.

I am heartened by the breadth of and collaboration within the anti-globalization movement. Yet even with so much promise here—more than I've seen in 30 years—as usual, foundations (even NNG grantmakers) have been slow to fund this work in any significant way.

Our research with the Joint Affinity Groups confirms that foundation culture continues to be alienating for those who are not from white, upper-class backgrounds. Barriers persist in the grantmaking field based on disability, ethnicity and race, as well as gender and sexual orientation. The consequences of this situation are all too apparent. Marginalized groups have less access to the field and our money. On the whole, funding continues to maintain the status quo.

I believe that NNG's program with the National Organizers Alliance in the mid-1990s of bringing grantmakers together with organizers has helped to leverage millions of new dollars to community-based organizing. Our payout campaign, the “1% More for Democracy” initiative has brought national and public visibility to the importance of values-based grantmaking over investment banking. While I'm proud of our many accomplishments at NNG, there is so much more to do in the field and I welcome new leadership.