

SOCIAL JUSTICE GRANTMAKING

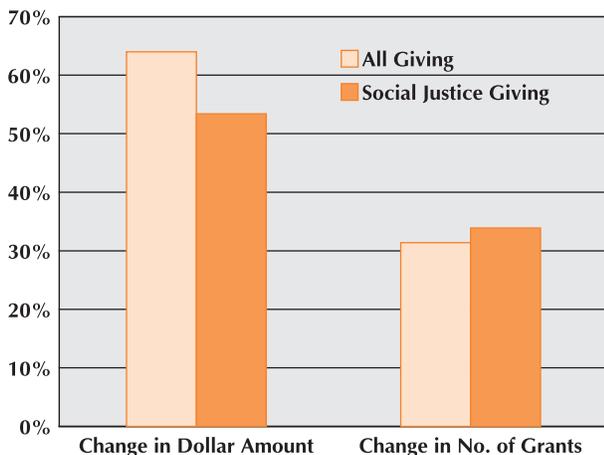
A Report on Foundation Trends

INDEPENDENT SECTOR
and
THE FOUNDATION CENTER

U.S. private and community foundation support for social justice spans all major areas of foundation activity, from economic development, to health care, to the arts. Based on a definition of social justice grantmaking developed by INDEPENDENT SECTOR and applied by the Foundation Center to its grants database, social justice funding represents 11 percent of overall foundation support. Grantmaking for social justice-related purposes has also grown since the late 1990s, although at a slower pace than overall foundation giving.

Social Justice Grantmaking: A Report on Foundation Trends provides the first comprehensive study of social justice funding among U.S. grantmakers designed to further both the understanding and practice of social justice philanthropy. Prepared by the Foundation Center and INDEPENDENT SECTOR, this groundbreaking report offers quantitative benchmarks of social justice funding ranging from principal grantmaking priorities to the geographic distribution of funding; perspective on the challenges facing social justice funders based on interviews with key grantmakers; and profiles of leading social justice funders.

Social justice grant dollars grew more slowly than overall foundation giving between 1998 and 2002



Source: The Foundation Center, *Social Justice Grantmaking*, 2005. Based on grants awarded by a sample of 1,009 larger foundations for 1998 and 1,005 for 2002.

Social Justice Grantmaking Trends, 1998 to 2002

The following analysis examines social justice funding trends based on the Foundation Center's grants sample database. The sample includes all of the grants of \$10,000 or more reported by a sample of just over 1,000 of the largest U.S. private and community foundations in 1998 and 2002. These foundations accounted for more than half of overall foundation giving in each year.

Social Justice-Related Grantmaking by Sampled Foundations Totaled Almost \$1.8 Billion. Support for social justice-related activities by foundations included in the Foundation Center's grants sample totaled \$1.76 billion in 2002. This support, which funded both

Defining and Tracking "Social Justice Grantmaking"

For the purpose of this report, INDEPENDENT SECTOR and the *Social Justice Grantmaking* advisory committee have defined social justice philanthropy as "the granting of philanthropic contributions to nonprofit organizations based in the United States and other countries that work for structural change in order to increase the opportunity of those who are the least well off politically, economically, and socially." (For the full version of the social justice philanthropy working definition and background on its development, see Chapter 2 of *Social Justice Grantmaking*.) To track grantmaking trends, the Foundation Center mapped this definition to its subject-based grants coding system. Because the system is objective, grants that met the social justice coding criteria were included regardless of whether funders may have considered them to be related to social justice. While this mapping process has limitations, it represents the first national effort to establish clear criteria for benchmarking social justice grants.

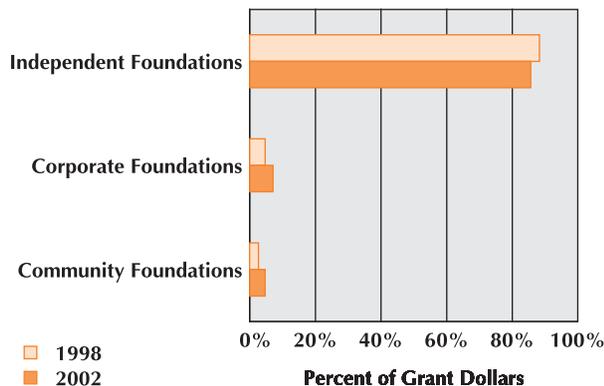
domestic and international activities, represented 11 percent of the \$15.9 billion awarded by sampled U.S. foundations overall. The 13,355 social justice grants tracked in 2002 accounted for a similar 10.5 percent share of the total number of grants.

Despite Growth, Social Justice Funding Accounted for a Slightly Smaller Share of Overall Grant Dollars. Between 1998 and 2002—a period marked by the end of an unprecedented economic boom and the beginning of an economic downturn—foundation giving for social justice grew more slowly than overall giving (53.4 percent versus 64 percent). As a result, the share of grant dollars targeting social justice dipped slightly from 11.8 percent to 11 percent. By comparison, the number of social justice grants grew at a slightly faster pace than giving overall during this period (33.9 percent versus 31.4 percent), and their share of total grants rose marginally from 10.3 percent to 10.5 percent.

More Foundations Awarded Social Justice Grants. While the number of foundations included in the sample remained nearly unchanged between 1998 and 2002, the number that made at least one social justice grant grew from 686 to 749. This more than 9 percent increase suggests a possible broadening of support for social justice activities. Nevertheless, an examination of the consistency of funding by these grantmakers would be required to determine the extent of their commitment to social justice grantmaking.

Social Justice Funders Distributed Their Support Among a Broader Array of Recipients. Overall, the number of organizations receiving social justice grants from sampled foundations grew by almost 31 percent between 1998 and 2002. In the latter year, 6,625 organizations benefited from social justice-related support, an increase of over 1,550 organizations from 1998. This

While independent foundations dominate, corporate and community foundations increased their shares of overall social justice funding between 1998 and 2002

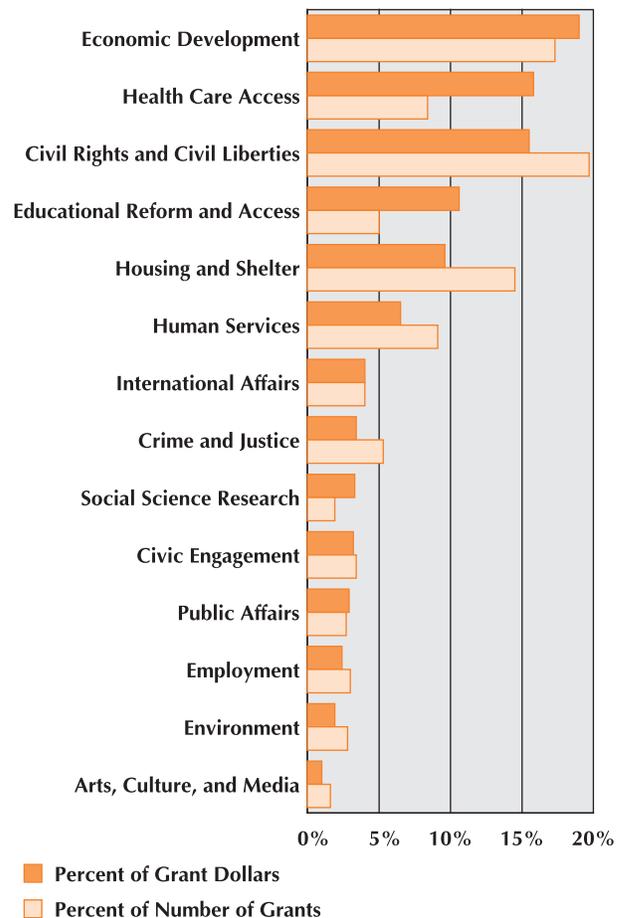


Source: The Foundation Center, *Social Justice Grantmaking*, 2005. Based on grants awarded by a sample of 686 larger foundations for 1998 and 749 for 2002.

gain also slightly surpassed the 28 percent overall rate of growth in the number of recipient organizations in the sample. The larger number of social justice funders tracked in the 2002 sample may account for part of this growth. It may also reflect a rise in the number of organizations engaged in social justice-related activities or the strategy of some foundations to seed their social justice support among a greater number of organizations.

Top 25 Social Justice Funders Provided Vast Majority of Support. The 25 largest social justice funders have a significant impact on grantmaking trends in the field. While representing roughly 3 percent of social justice funders tracked in the 2002 sample, these foundations provided more than two-thirds (67.7 percent) of grant dollars and one-third (35.8 percent) of grants. The two largest funders—the Ford Foundation and the Robert Wood Johnson Foundation—together accounted for nearly one-quarter (24.3 percent) of social justice support. Yet this concentration of grantmaking resources among the largest funders in a particular field is not

Economic Development accounted for the largest share of social justice grant dollars in 2002



Source: The Foundation Center, *Social Justice Grantmaking*, 2005. Based on a sample of 749 larger foundations.

unusual. Moreover, the share of social justice giving represented by top funders in the latest year was down from 74 percent in 1998.

Majority of Social Justice Grants Were Relatively Small, Although Large Awards Represented an Increased Share of Support. In 2002, over half (51.7 percent) of social justice grants totaled between \$10,000 and \$49,999. The median grant amount was \$43,500, up from \$40,000 in 1998. In contrast, just 19 of the 13,355 social justice grants awarded in the latest year totaled \$5 million or more. However, these awards accounted for just over 14 percent of social justice giving in 2002—close to double the share reported in 1998.

Northeastern Foundations Accounted for Largest Share of Social Justice Grant Dollars Awarded. Foundations based in the Northeast provided by far the largest shares of social justice grant dollars (44.3 percent) and grants (41.7 percent) in 2002. Following the Northeast by share of dollars awarded were grantmakers located in the Midwest (24 percent), West (19.7 percent), and South (9.6 percent). Based on the location of organizations receiving social justice support, the Northeast and West benefited from larger shares of 2002 grant dollars (24.1 percent and 22.5 percent, respectively). By comparison, organizations in the South and Midwest each accounted for between 13 and 14 percent of social justice giving. In addition, the District of Columbia benefited from 14.7 percent of social justice grant dollars, reflecting the concentration of national and international organizations involved in social justice issues located in the nation’s capital.

Social Justice Grantmakers Were Far More Likely to Provide International Support. A substantial majority of foundation support for social justice-related activities targets domestically focused programs. Nonetheless,

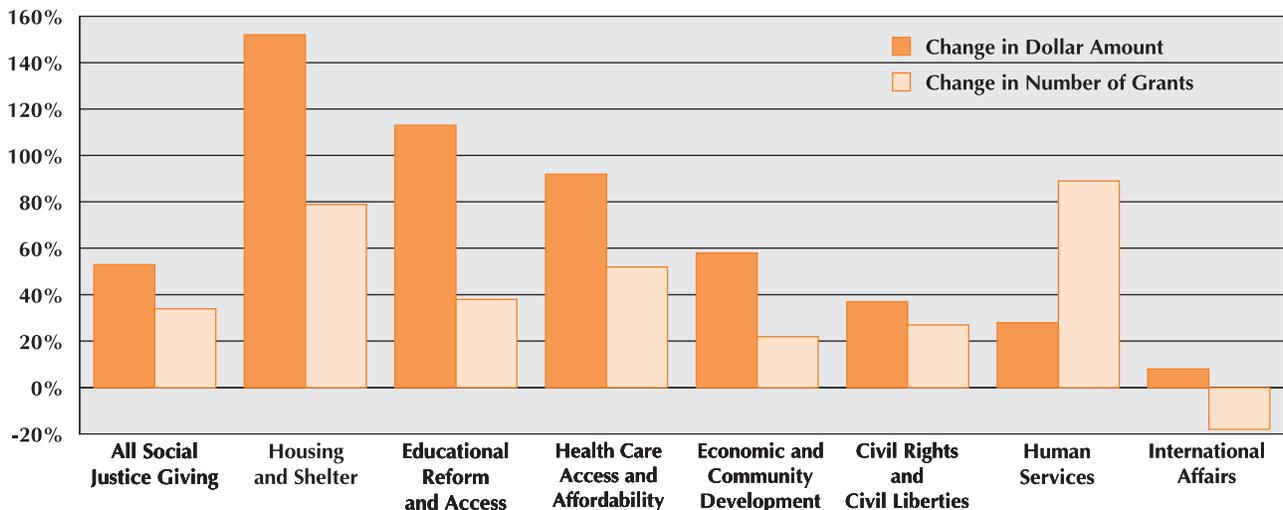
fully one-fourth of social justice grant dollars (25 percent) and close to one-fourth of grants (22.4 percent) supported international programs based in the United States or overseas recipients in 2002. By comparison, less than 14 percent of overall grant dollars in the latest sample and roughly 9 percent of grants provided international support.

Trends by Social Justice Field

Economic and Community Development Captured Biggest Share of Social Justice Grant Dollars; Civil Rights and Civil Liberties Led by Number of Grants. Social justice grantmaking encompasses a broad range of fields. In 2002, economic and community development captured the largest share of social justice grant dollars (19 percent), followed by Health Care Access and Affordability (15.8 percent) and Civil Rights and Civil Liberties (15.5 percent). By comparison, Civil Rights and Civil Liberties led by share of number of grants (19.7 percent), followed by Economic and Community Development (17.3 percent) and Housing and Shelter (14.5 percent). Variation in ranking by grant dollars and grants generally reflects differences in the size of grants awarded in a field. For example, grants for Health Care Access and Affordability were far larger on average than in most other fields.

Funding Grew for All Social Justice Fields, Except Public Affairs and Civic Engagement. Foundations increased their support for nearly all social justice fields between 1998 and 2002, although rates of growth differed substantially. Housing and Shelter posted by far the fastest growth, with grant dollars up just over two and one-half times (151.9 percent). By comparison, overall social justice support increased by half (53.4 percent) during this period. Other areas benefiting from a more

Housing and Shelter posted the fastest growth in social justice grant dollars between 1998 and 2002



Source: The Foundation Center, *Social Justice Grantmaking*, 2005. Based on a sample of 686 larger foundations for 1998 and 749 for 2002. Includes subject areas accounting for at least 4 percent of grant dollars in 2002.

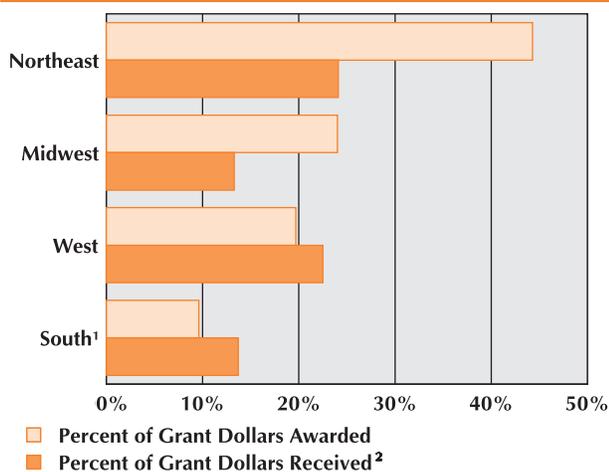
than doubling in social justice grant dollars included Crime and Justice (up 113.6 percent) and Educational Reform and Access (up 113 percent). In contrast, two social justice fields experienced reductions in actual grant dollars, including Civic Engagement (down 3.1 percent) and Public Affairs (down 15.8 percent).

Most Social Justice Grants Targeted Specific Population Groups. Given the central focus of social justice grantmaking on addressing social inequities, it comes as no surprise that nearly 85 percent of 2002 social justice grants specified one or more beneficiary groups. By comparison, less than half of foundation grants overall specified any population groups. Among specified beneficiaries, the economically disadvantaged benefited from by far the largest share of social justice support—56.8 percent of grant dollars and 54.8 percent of grants. Ethnic or racial minorities followed with close to one-third of grant dollars and grants. Only two other groups were targeted with at least 10 percent of social justice grant dollars in 2002—children and youth (17.7 percent) and women and girls (12 percent).

2005 Grantmaker Perspectives on Social Justice Funding

To gain a more nuanced understanding of funders' perspectives on recent issues and developments in social justice funding, Social Justice Grantmaking includes findings from qualitative interviews with 20 social justice philanthropy leaders conducted in February and March 2005.

Northeastern foundations provided by far the largest share of social justice grant dollars in 2002, while recipients in the Northeast and West benefited from nearly equal shares of support



Source: The Foundation Center, *Social Justice Grantmaking*, 2005. Based on grants awarded by a sample of 749 larger foundations.

¹Figures for the South exclude the District of Columbia. DC-based foundations provided 2.4 percent of grant dollars in the sample and DC-based organizations received 14.7 percent of grant dollars.

²A total of 11.7 percent of grant dollars was provided to overseas recipients.

Traditional Language and Strategies of “Social Justice” Are No Longer Seen as Useful by Many Leading Grantmakers. Grantmakers’ relationship to the nomenclature of “social justice” took three basic forms: adherence to the traditional conception of social justice—including its underlying implication of advocacy—as the fundamental organizing principle behind their grantmaking; ambivalence about both the terminology and continuing efficacy of social justice philanthropy, despite continued belief in its importance; and, among a small cadre of interviewees, a move away from the language and concepts of social justice philanthropy in favor of a “pragmatic” ideology of choice, opportunity, and individual agency.

Grantmakers Cite Numerous Barriers that Impede Social Justice Funding. According to respondents, three principal barriers make social justice funding difficult: the current political climate, the sheer weight of the problems relative to available capacity and philanthropic dollars, and the lack of field coherence and new ideas. At the same time, divergent grantmaker objectives and strategies, short-term focus in funding, a lack of measures of effectiveness, and exclusivity among social justice funders were among the barriers cited as impeding the efficacy of social justice philanthropy.

Social Justice Grantmakers Must Adopt Multiple Strategies to Strengthen the Field Going Forward. Despite deep concerns about the current challenges facing social justice work, surveyed grantmakers expressed an abiding commitment to the fundamental aims of this work and a strong hope that the future would see more creative and effective social investment to promote equality and opportunity. Several key strategies identified by grantmakers to support the field going forward included: expanding constituencies through broader dialogue, consultation, and audience-appropriate terminology; coordinating strategic investments and working more closely with leaders of social justice organizations; expanding long-term core operating support and investments in communication strategies among organizations in the field; demonstrating the value of their efforts more effectively; and supporting field development by involving leaders, experts, and critics from other important fields.

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