

Responsive Philanthropy

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Shown (l-r): Cedric Brown, Mitch Kapor, Freada Kapor Klein, Carmen Rojas, and Tiffany Price of the Mitchell Kapor Foundation. Photo by Sean Aquino, courtesy of the Mitchell Kapor Foundation.



Small Foundation, Big Impact

The Mitchell Kapor (KAY-por) Foundation, though relatively small and young, has drawn attention recently in the philanthropic community for its fresh and innovative work. The foundation's executive director, Cedric Brown, received the 2010 Emerging Leader in Philanthropy award from the Association of Black Foundation Executives, for example. NCRP's Aaron Dorfman interviewed the foundation's

founders, Mitchell and Freada Kapor, to shed some light on their approach to philanthropy.

Aaron: *Why did you decide to start the foundation?*

Mitchell: I would say I was fortunate to have made a lot of money early in my career in the 1980s because of starting the software company Lotus, so the habit and practice of philanthropy was already very well established. When Freada and I got together, both in a joint personal relationship and working relationship in the mid-1990s, it just made a lot of sense to create a philanthropic vehicle that would represent our interests, and that would bring together the kinds of lifelong commit-

ments she had with my interest in having a fairer society.

Freada: I've been sort of a social justice person my whole life, but I think what's also important is that there are precursors, if you will, of all of this. Mitch and I met at Lotus, although we weren't an office romance. I was the first employee relations person at Lotus, and the only reason I took the job is that Lotus had an explicit goal to be the most progressive employer in the U.S., which is what I was interested in. At a point in time, I also ran Lotus philanthropy, and so Lotus, as a company, did a bunch of things that are completely consistent with what we do now. For instance, Lotus was the first company in its industry to sign onto *(continued on page 13)*



challenging grantmakers
to strengthen communities

Small Foundation, Big Impact *(continued from page 1)*

the Sullivan Principles to not do business with South Africa under apartheid, and Lotus was a major funder of the documentary *Eyes on the Prize*. We were the first corporate sponsor of any AIDS walk anywhere in the U.S. We're talking '85, and everybody told me I was nuts, and then everybody else followed.

Aaron: *Let me explore a little bit this explicit commitment that you have to particularly helping low income communities of color. Your web site states that the foundation works to ensure fairness and equity, particularly for those communities. Why are those things important to you?*

Mitchell: I mean, why is it important to breathe oxygen? It's a very good question, and I'll try to answer it sincerely. But in some sense the fact that it's asked, not by you, but that it needs to be asked is a testament to how askew we are in this country. The fundamental premise of a democracy has to be that there is equal opportunity for all and manifestly this is not the case (despite widespread, stubborn ignorance and denial). Otherwise government of, by and for the people actually can't live up to its promise because it won't be of the people and it won't be by the people and it won't be for the people. It'll be for *some* people.

Aaron: *Some foundations, even if they are committed to these values of equity and fairness, use more of an expert-driven, top-down approach to social change. This is especially true, in my observation, of foundations where the wealth source is from the tech industry. But my read of the Mitchell Kapor Foundation is that it favors much more of a bottom-up approach that intimately involves the affected communities in improving their own lives and in making the change. Do you think my read on that is accurate, and why are you committed to this bottom-up approach?*

Freada: It's a really profound and astute question, so thank you. I would say that your perception is completely accurate, and that the difference in our approach reflects a pretty subtle, maybe implicit rather than explicit kind of bias on everybody's part, the other foundations as well as ours. For those tech companies that have an expert-driven approach, there's an implicit belief that they're the best and brightest, and that they got where they are because they're really smarter than everybody else. I take the view that they are winners in a rigged game and that talent is evenly distributed across the population, but bias and barriers are not equally distributed across the population. So if you actually believe that you're smarter than everybody else and that's why you made a bunch of money, then you go hire a bunch of experts 'cause you think that smarter people can solve more problems.

If you think you were in the right place at the right time, and in the right skin color and the right gender and other demographics, then you say,

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"What's my obligation here to make sure that those who were excluded from getting to where I got aren't excluded from saying how things ought to work in their own communities?" So, I think that's the real challenge here, which is to understand – not to minimize the efforts, accomplishments, or intentions of anybody who has "made it" – but to ask all of us to be a little bit more self-reflective of what would have been if we had been born under different circumstances. Would we be here?

Several initiatives the Kapor Foundation funds reflect a theme of identifying and removing biases and barriers at all levels. We provide core support for the Level Playing Field Institute,¹ which I founded and we both serve as board members. LPFI's mission is to remove barriers to advancement from the classroom to the boardroom. Jointly, the Kapor Foundation and LPFI are sponsoring a prize for innovative research in hidden bias, both in education and workplace settings.

Mitchell: Part of this myth of meritocracy that Freada started talking about is that people believe that if they're really successful it was by dint of their own efforts because our society sorts the best people to the top. But we know that's not true. It's a self-serving kind of myth. But if you're operating inside that myth, I think you believe that expertise is the answer. The point is that if we think experts have the answer about how to make a difference, without having a felt connection and empathy and intuitions, to us that's a bad strategy. It's a strategy with limitations – particularly because there's a general recognition that large scale philanthropy has underperformed. I'm being charitable here. When you look at results and change and you have a very accountability-oriented framework, it has underperformed. This suggests we need more risk taking, more entrepreneurial approaches and more vision.

Aaron: *You brought up the issue of risk. I would love it if you could tell me how you think about risk.*

Freda: We don't think of failure as something to hide or, "Oh, no. We made a terrible mistake and whom do we fire?" We think of risk-taking as, "Many things aren't going to work, and yet it's going to identify a whole new, maybe innovative and disrupting, approach."

Aaron: *What about the concept of leverage? Are you consciously trying to leverage your foundation's investments into greater social change, and how do you go about doing that?*

Freda: Well, one answer is: we often hear that despite being small, we have big impact. We like to fund risky things. We like to fund new approaches. We're not afraid of things not working. So often, what happens is a small grant from us allows a program officer at a much larger foundation to go to his or her decision-makers and say, "We won't be the first in." So, being the first in is something we do a lot, understanding that we pave the way for much bigger dollars to follow.

Aaron: *One other notable thing when looking at the Kapor Foundation is that it appears you're paying out 10 percent or more of your assets annually. Tell me how you think about payout and perpetuity.*

Mitchell: Unlike foundations in which the donor or founder is no longer on the planet or no longer professionally active, I'm still actively involved in investing in startups. And if you look at the history of the foundation, you'll see that we periodically contributed to the principal. Part of our long-term planning involves the likelihood that we will make additional contributions to principal.

When we do our pro formas about what we're spending, we're taking into account a variety of scenarios where there are future contributions to the

principal. So it's a different type of logic.

In addition to that, I would say that for ourselves, as is the case with other people now who made money in information technology or entrepreneurship, there is more openness to thinking about the lifetime of the foundation as opposed to just in perpetuity. Now you'll see some foundations have a plan for the lives of the founders plus 50 years or plus 30 years. But there's an intended end date. While we have not reached any final conclusions about that, we think about that, which also influences how we think about what we spend. We've chosen to have more spending than if we were in a traditional model that centers on perpetuity.

Aaron: *So what do you wish I had asked you about that I didn't yet?*

Mitchell: We've touched on, but have not dwelt on, the fact that the staff of the foundation are substantially people of color.

Aaron: *And why is that important? I assume that is intentional.*

Mitchell: Well, we recognize the importance of having many types of diversity. Who you have around the table is very important. We have a terrific staff led by Cedric Brown, the director of the Kapor Foundation. He and the rest of the staff are empowered to make strategic and philanthropic recommendations. We believe that having congruence with those who are receiving the grants matters a lot. Our staff have deep experience in relevant domains and most have advanced degrees from top institutions. If a foundation has "ability to work effectively with diverse communities" and "history of successfully leading diverse teams" as job requirements, the candidate pool changes dramatically. Other foundations and corporations could learn from our experience.

Again, it's one of those things that is simply a reflection of how skewed the current situation is that that's even remarkable. But philanthropy that is serving the underserved and low income communities and communities of color in general still feels to me to be pretty white when I look around rooms of funders. It just doesn't make sense.

Freda: If you have the perspective that we have, that there are unfair obstacles in the paths of many and that part of the mission of the foundation is to identify and remove those, it gives you a different perspective on who should be making decisions. So, it's not just the winners in the race game; it's precisely those who were unfairly stopped, who have a different, and in many ways, a much better, insight into what the barriers are and how to work around them.

Many people in big philanthropy don't seem to be all that aware that very soon we're going to be a majority-minority country. It's also worth pointing out that until there was threatened legislation in California to do something about diversity in foundations, that foundations weren't at all serious. And now their seriousness about addressing these issues is to forestall regulations. And, gee, doesn't that sound just like Wall Street?

Mitchell: Well, and the regulation was just transparency. It wasn't actually mandating people do anything, God forbid.

Aaron: *Did you guys have a position on that when the debate was going on?*

Mitchell: Well, we – I don't think we took a position. I think our position is – my position is – at the point at which there's no change and change has to be mandated, you have a pretty broken system. ■

Notes

1. <http://www.LPFI.org>.