



Giving More. Making Change.

A Journey in Progressive Grant Making

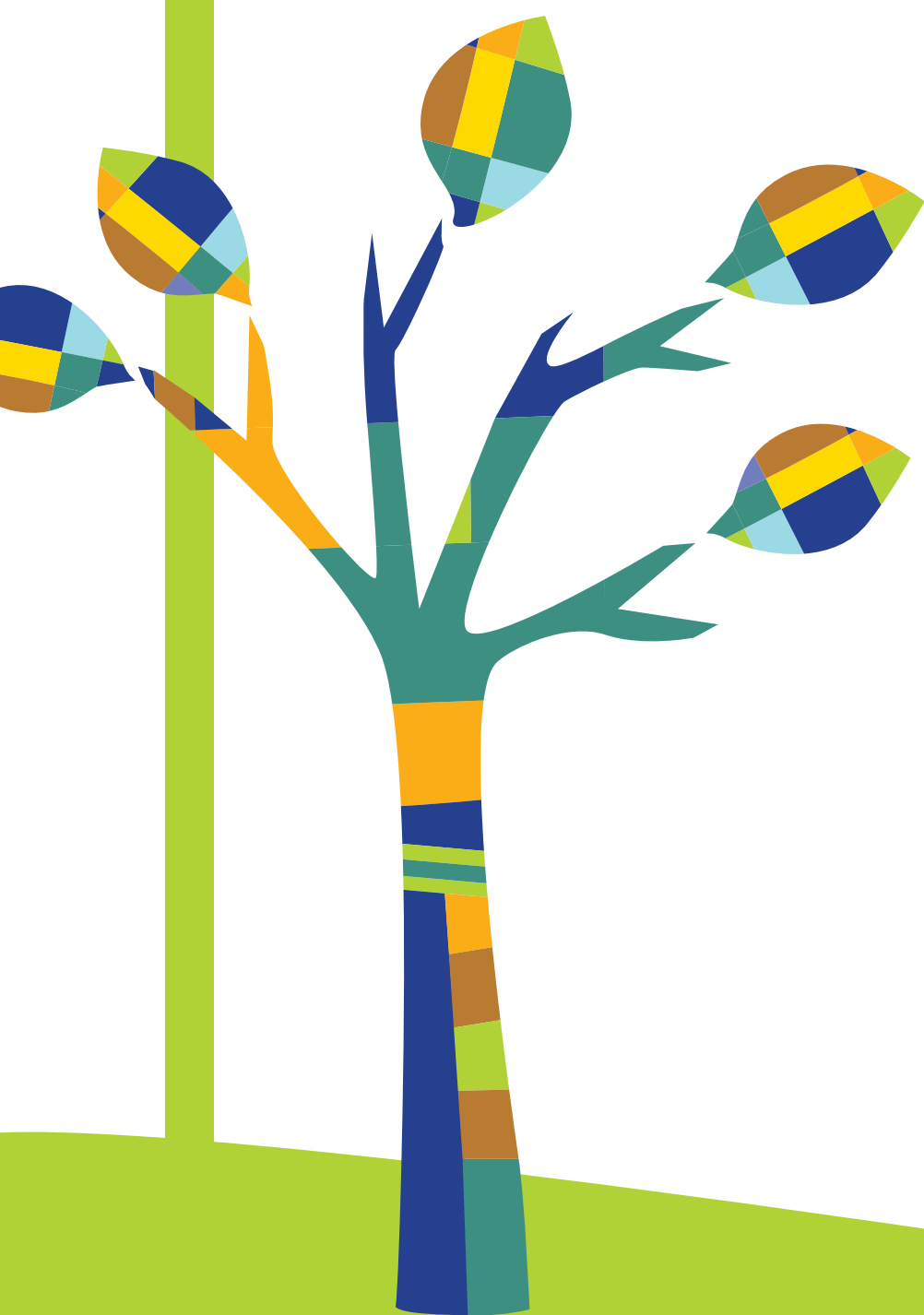
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french american charitable trust

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A Letter from Diane



A LETTER FROM DIANE FEENEY

Almost 20 years ago, I began a journey in philanthropy. I wanted to figure out how my family could best give away the \$40 million in our family foundation. What would be most meaningful to us? What could have an impact? What was the best way to go about doing it? I spent several months investigating. I talked to experts and friends. I read and learned by looking at the experiences of others. All of this was enormously valuable in creating our grant making program in two countries.

As FACT prepares for its final months before closing its U.S. program, I offer this report in the hope that our experience will provide the same kind of help and inspiration to others. I urge the new donors, colleagues, and others reading this report to think about the principles that became central to our grant making, principles that enabled our small foundation to have a big impact in a short time. Our key approach: Giving More.

We chose community organizing as our niche, because empowering the people directly affected by social, economic and environmental injustice to speak for themselves and make change seemed like the most strategic way to use the funds we had to address poverty and injustice. We selected a small number of organizations that had strong leadership, skills and vision, and we gave them long-term general operating support. Strengthening these organizations was our top priority, so we devised an innovative and effective combination of capacity building programs for them. We wanted to put more money into our groups, and decided to spend out the foundation in a short time frame in order to do so.

These four basic tenets of FACT's strategy are at the core of our foundation's impact.

Here is an example of how one of our grantees had an impact on a very current issue. The Tennessee Immigrant and Refugee Rights Coalition helped defeat Nashville's "English-only" ordinance when its members - refugees from Somalia, Kurdistan and Sudan - testified before the city council, helping elected officials understand the negative effect such a policy would have on all immigrants in Nashville and on its image as a welcoming and world-class city. This wouldn't have been possible if TIRRC had not been a strong presence in the community, giving its members a voice and a platform to be heard. This is just one success among the many that our grantees have had over the years.

We leave behind a group of organizations that are stronger and better equipped to bring the voice and power of their members to tackling ongoing challenges - local, regional, and national - like toxic neighborhoods, racial and other forms of discrimination, and economic inequality.

In this report, you'll find details of what we did and how we did it. We describe our strategies and show how our funds directly enabled our grantees to make change. We profile four of our grantees, two in writing and two on video. We share what worked and what didn't, and offer suggestions for those who are embarking on their own journey into philanthropy.

To us, Giving More means giving more strategically, giving more money, and giving more leadership. This approach helped FACT make a difference even with a relatively small endowment. We found that community organizing, a severely underfunded field, was an enormously powerful way to help people become strong leaders in their communities and in society, and eminently worthy of support. Whatever niche you choose, I hope our example will demonstrate how this kind of focused approach creates meaningful change.

We sincerely hope that this report will be useful to donors new and old alike. It has been a tremendously rewarding journey. Our giving as a family ends when FACT closes its doors, but not our commitment to working for a more just society.

Sincerely,



Diane Feeney
President, FACT Services for the French American Charitable Trust

A stylized graphic on the left side of the page depicts a person from the waist up, holding a large map of the state of Kentucky. The person's body is composed of several geometric shapes in shades of blue, green, and yellow. The map they are holding is a solid green color. The background is split horizontally into a light blue top half and a white bottom half. A vertical yellow stripe runs down the left side of the page, partially overlapping the person's figure.

Empowering Individuals to Make Change

“We believe in the power of ordinary people to take control of their own destiny and to influence the great events of the day.”

- K.A. Owens, Executive Committee, Kentuckians for the Commonwealth

EMPOWERING INDIVIDUALS TO MAKE CHANGE: ONE FOUNDATION'S STORY

In 1996, the Los Angeles Alliance for a New Economy (LAANE) was a fledgling organization with a new vision. Just three years old, with a budget of \$250,000, the group was tackling the challenges of low-wage work and other job issues affecting poor and disadvantaged communities by combining community organizing, research, economic analysis and policy advocacy under one roof. That year, the French American Charitable Trust (FACT), one of LAANE's first funders, gave the group a \$30,000 general support grant.

Supporting Visionaries

By 1999, FACT's annual grant to LAANE was up to \$100,000, and the young organization was on its way to a string of major victories, including legally binding living wage ordinances and community benefits agreements with developers.

Today, LAANE has a budget of \$4 million and a staff of 44. In 2010, in the depths of the recession, the Port of Los Angeles adopted an agency-wide Construction Careers Program, which guarantees access to port construction jobs to local people through union apprenticeship programs. LAANE worked for years to shape and win acceptance of this program, a centerpiece of its wide-ranging jobs creation and improvement efforts. "Campaigns like this take significant resources: a minimum of four full-time staff each, sometimes more, for multiple years," said Madeline Janis, LAANE's co-founder and executive director. "We publish well-researched reports. We have five full-time communicators. We have grassroots organizers in the neighborhoods, and we build broad-based coalitions. We find policy solutions to restructure industry. We take to the streets and go into the boardroom."

FACT's Mission

FACT's mission is empowering individuals to act together to improve their lives. Its method is building the organizational strength that enables LAANE and groups like it to do that work effectively. From its inception, FACT has strategically targeted its resources by choosing a small group of promising grantees, giving them



general operating support over the long term, responding to specific needs with appropriate funding, and engaging other funders to support this work.

This report is the story of how FACT, a small family foundation, took on an underfunded sector – community-led organizing and advocacy – and made a difference in a short period of time. FACT leaves behind a group of strong, effective organizations that will continue to thrive. It has also launched RoadMAP, an ongoing version of its carefully crafted capacity building program, so that more groups can benefit from its wealth of expertise, and keep FACT's mission alive.

Sharing our Lessons

Reflecting on 18 years of grant making, the report seeks to make the case for more investment in community organizing and advocacy as a strategy to revitalize democracy. Furthermore, it seeks to show that investing in strengthening organizations is good grant making, because strong groups are more effective groups. Finally, this report tells the story of a foundation that decided to have the greatest impact it could by putting its resources into the field quickly and strategically even if it meant terminating its operations in a relatively short time-frame.

FACT hopes that by sharing its lessons, it will be helpful to others in the field – donors, foundation staff, and consultants to donors. For those just starting out or thinking about how to be more strategic, this is the story of one family's journey.



A decorative vertical bar on the left side of the page, composed of a green stem and a series of colorful, overlapping geometric shapes (yellow, orange, blue, green) that form a stylized plant or leaf structure. The background is a light blue sky and a green field.

How FACT Began

“At its heart, this is about the personal transformation of people taking control of their lives. As the old saying goes, ‘Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime.’”

- Diane Feeney, President, FACT Services for the French American Charitable Trust

HOW FACT BEGAN

FACT was established in 1990 by Chuck Feeney, the co-founder of Duty Free Shoppers, and Danielle Feeney, his then wife, with a \$40 million endowment to enable their five children to learn about philanthropy. Feeney had already made a mark for himself as a philanthropist when, in 1984 at the age of 53, he made an irrevocable transfer of his business interests into a foundation. Feeney's intent was to give his wealth away during his lifetime, and that foundation, Atlantic Philanthropies, will spend out its multi-billion dollar endowment by 2016. Atlantic and FACT were deliberately established as different types of entities: Atlantic is professionally administered, with minimal family involvement, although Feeney sits on its board; FACT is a small family foundation, with its direction determined by family members. Still, Feeney's example of "giving while living" was one that his children would take to heart.

Getting Started

The five siblings and their mother began by giving money piecemeal to favorite causes. Then, in 1993, the second youngest, Diane, decided, with the support of her family, to take on the foundation as a project. She hired a staff person and determined a direction for the foundation's work. "At that time, my siblings didn't have the space in their lives to think about how to give away a lot of money," Diane Feeney recalled. "So, I was fortunate enough to be able to take on this project. My family was very supportive."

With the help of FACT's first managing director, Christina Roessler, and Diane as president, FACT became immersed in the field of community organizing. Diane had worked at Greenpeace, and was interested in environmental and social justice issues. "I had very progressive politics, and wanted to focus on systems-wide efforts to combat poverty instead of direct service programs. I believed in holding government and others accountable if nothing changed," Diane said.

Funding People to Make Change

She was soon persuaded that one way to bring change was to help people who were directly affected by environmental toxins, low wages, and lack of opportunity develop the skills to speak up for themselves in an organized way. Once energized and empowered, those people could come together to curb the noxious power plants spewing fumes into their houses, fight for living wages, and persuade legislators to enact



Personal Transformation

Martha Cortes of San Diego began working with the Environmental Health Coalition, a FACT grantee since 1995, 13 years ago. "My children were getting sick because of the contaminating industries in our neighborhood," Cortes said. She is now a key member of the group's Community Action Teams, going into homes to help families make them lead-safe, and she was active in the campaign that resulted in a law to protect children from lead in candy. Cortes considers it a mission. "EHC taught me to fight for my rights, for my children's rights, to protect ourselves," she said. "Now I know that if we want change in our community, we can do it. Little by little we can do it."

policies that would enable them to take sick days without fear of losing their jobs. As active community leaders and voters, they could also hold elected officials accountable. They could apply their skills and their community network to any issue, small or large, and join with other groups to work on a regional, state, and even national level. FACT's staff developed a theory of how to bring about change that involved "funding strong and effective community-led organizations with a global perspective that

prioritize leadership development, organizing and advocacy at the state, regional and national levels with the objective of developing public policies that address their needs.”

“At its heart, this is about the personal transformation of people taking control of their lives,” Diane said. “I came to believe very strongly that funding community-led activism and leadership development was the most strategic thing we could do. We weren’t going to end injustice, disenfranchisement and poverty with \$40 million, but if we could help educate and develop citizens and support the goals of democracy by and for the people, then that would make a difference. As the old saying goes, ‘Give a man a fish and you feed him for a day; teach a man to fish and you feed him for a lifetime.’ It was not so much about what laws got passed, or what victories were won, although the end goal is about policy change from the bottom up.”

Diane presented the concept to her family members, who were supportive of her ideas about funding community-led organizations. She took her mother, who was normally more interested in traditional philanthropy such as support for charities, archaeology and the alleviation of global suffering, on a site visit to “Cancer Alley,” an area outside of Baton Rouge that has a very high concentration of industrial facilities. They met community leaders living in poverty with serious health problems in a highly polluted area who were getting involved in solutions. “She was blown away by their energy and determination,” Diane recalled. “She was inspired, just as I was.”

Adopting Best Practices and Finding a Niche

Diane wanted to follow the best possible practices in structuring the foundation’s giving, so she read widely, and visited a number of philanthropists and experienced family foundation staff members to get ideas. Key principles that emerged from those discussions included carefully choosing a limited number of groups, supporting those groups for the long term with general operating funds, and being respectful of their time, their mission, and their expertise. FACT also decided not to accept unsolicited proposals, thereby freeing staff time for more targeted work with the grantees.

Refining Grant Making

Initially, FACT funded organizations all over the United States. But soon after Diane moved the foundation from Washington DC to California in 1997, she realized that it would be more strategic to concentrate on three geographical areas. California, which had a number of interesting groups with a long-term vision related to turning around entire cities, became a priority. A cluster of groups in New Mexico was promising. FACT also felt that the South was particularly underfunded, and groups in Kentucky (Kentuckians for the Commonwealth) and Mississippi (Southern Echo) were among the foundation’s first, and most solid, grantees. California, the Southwest, and the South thus became the focus of FACT’s grant making.

In 1997, a small grant making program was also initiated in France since Diane’s mother, Danielle, is French. With the help of a part-time staff person, FACT developed a program to help a dozen locally-based organizations in two regions of France that believed in the power of individuals acting together to make change for themselves and their communities.

With the move to California, FACT had found its niche. It also found an important new role: being an advocate for its grantees and the issues they worked on. With a small number of groups and no unsolicited proposals to read, Diane and FACT’s staff had time to get to know the grantees well, make site visits, listen to them and understand what they needed. With this information, FACT staff came to be known as a resource for other funders interested in the work of these groups. They sought to connect grantees to other funding sources by highlighting their work and opening doors with foundation program officers. They also became active in the philanthropic sector, helping to show other funders the impact of community-led social justice work, which receives only a tiny percentage of philanthropic dollars as compared to the funds that go to bigger policy-driven groups. “Community organizing has an impact on people, and, in the long term on policies, because if grassroots people are behind the laws that are passed, they can make sure they are implemented and never get overturned,” Diane said.

What Is Community Organizing?

“Community organizing is about creating hope, giving people a sense that if they come together and they have the information and knowledge about how the system works and understand how to develop a strategy, they can actually begin to change and improve their community. It provides people with the knowledge and skills so they can fight for their own interests.”

-Bill Gallegos, Executive Director,
Communities for a Better Environment



WHAT IS COMMUNITY ORGANIZING?

Community organizing empowers ordinary people to work together to make change. Organizing involves training local leaders, educating them about issues that affect their lives, and helping them understand the relevant power relationships. It means going door to door to share that information with one's neighbors. It means bringing people together to demonstrate their power to government officials, corporations, and the media.

How Community Organizing Groups Work

Community organizing groups tend to be local and state-based, though some are national. They start with a handful of staff members, most of them community organizers themselves. They are funded by member dues – which, because the members are not wealthy, are low – and by private foundations. They focus on leadership development and political education (understanding the political context of the issues they work on), expanding their base, and organizing members in campaigns. Their members testify in the state capitol, bring large groups to talk to legislators and corporate executives, organize community events, write letters to the editors of newspapers and are interviewed in the media. They vote, and get others to vote. Many of these groups also lobby their members of Congress.

A Few of Our Grantees

Kentuckians for the Commonwealth (KFTC), founded by a handful of citizens in 1981 to force coal companies to pay property taxes on the land they owned in Kentucky, now has over 7,000 members from all over the state. Members representing different counties and regions make up the group's steering committee and determine its policies and direction. In addition to its continuing fight for tax equity, KFTC's current campaigns cover the spectrum, from ending mountaintop removal, an environmentally devastating method of coal mining, to bringing new sources of energy and jobs to Kentucky, to restoring the voting rights of former felons. A video about KFTC, a FACT grantee since 1994, is available on FACT's website at www.factservices.org.

Communities for a Better Environment (CBE), a California-based environmental health and justice organization, which promotes clean air and water and advocates for toxic-free communities, became a FACT grantee in 2003. It deploys its legal, research and organizing forces to tackle such causes as stopping the expansion of the Chevron refinery in Richmond, California. A video about CBE is available on FACT's website at www.factservices.org.

Funding Advocacy

Foundations don't always understand what they are allowed to support under the IRS guidelines that govern charitable activities. Private foundations can fund 501(c)(3) public charities engaged in advocacy, voter outreach and education and lobbying.

Private foundations may not earmark (designate or direct) grants for lobbying purposes, but they may make general support grants to charities, even those that lobby. Also, they can give specific project grants to fund projects that include lobbying, as long as the foundation's grant for the project does not exceed the amount the grantee budgeted for the non-lobbying portion of the project. (Source: Alliance for Justice, www.afj.org)

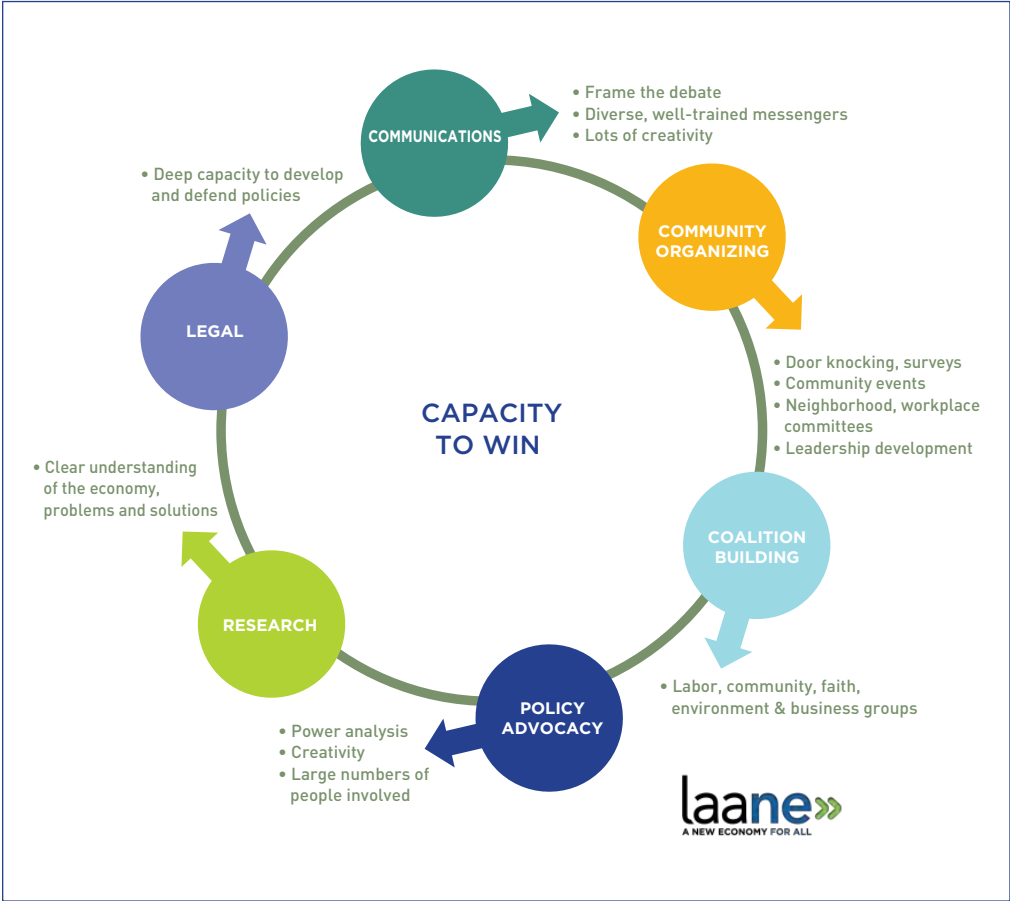
The Los Angeles Alliance for a New Economy

(LAANE) creates advocacy coalitions of community, labor, faith, environmental and other groups. LAANE's executive director, Madeline Janis, identifies six key elements that contribute to her organization's ability to win its campaigns: legal skills, research, policy advocacy, communications, and coalition building as well as organizing. While it's not necessary for every organization to have all these components, community organizing groups must be able to partner with others that have the necessary skills.

Large-scale efforts, like creating a green jobs policy in Los Angeles, stopping the expansion of a Chevron refinery in Richmond, or passing a local Family Medical Leave ordinance in Milwaukee, take staff, time, resources, and sophistication. For groups to expand from small local victories to efforts on a regional,



state and national level, they must achieve organizational scale while still remaining rooted in the member-centered culture that gave birth to them.



Working as a Family Foundation

“It is FACT’s belief that when people have a vehicle to engage in political life, everyone in society gains, especially those who have been left out.”

– Leslie Feeney-Baily, Director,
French American Charitable Trust




WORKING AS A FAMILY FOUNDATION

Although Diane took the lead on FACT's strategy and operations, the other Feeney siblings, their mother, and the three other board members were a strong and supportive team. The family members lived at considerable distance from each other, but they all met at twice-yearly board meetings to discuss grants, strategy and other foundation matters. While not everyone was in agreement all the time, they found that this shared work was of great value to them as a family unit. Some of the spouses got interested and involved, but the core work of the strategy remained a family unit project.

The grant program in France was designed to recognize the family's French heritage – their mother is French, the children had grown up partly in France, and several of them live there. The program is small – about \$400,000 a year. As with the U.S. program, in France FACT funds organizations working for social and economic justice that take a multi-issue approach and believe in the power of the individual to make change. FACT's grant making operates in the same way, with long-term funding commitments, organizational strengthening, and coalition-building. However, France's centralized decision-making structure, and the strong tradition of protest through political parties and unions, make the environment quite different. FACT has sponsored several exchanges between French and American grantees to enable individuals from both societies to gain new perspectives on their work.

As the family members became more engaged in philanthropy, they became interested in funding personal projects that were outside the scope of the foundation's mission. Each family member was able to give \$25,000 per year for his or her own projects, an amount that was later increased to \$200,000. Several of the siblings also developed interests related to FACT's overall mission of economic justice – one focused on education, and others supported new media and communications – and additional funds were allocated for those projects. The core mission giving and the family giving remained separate.

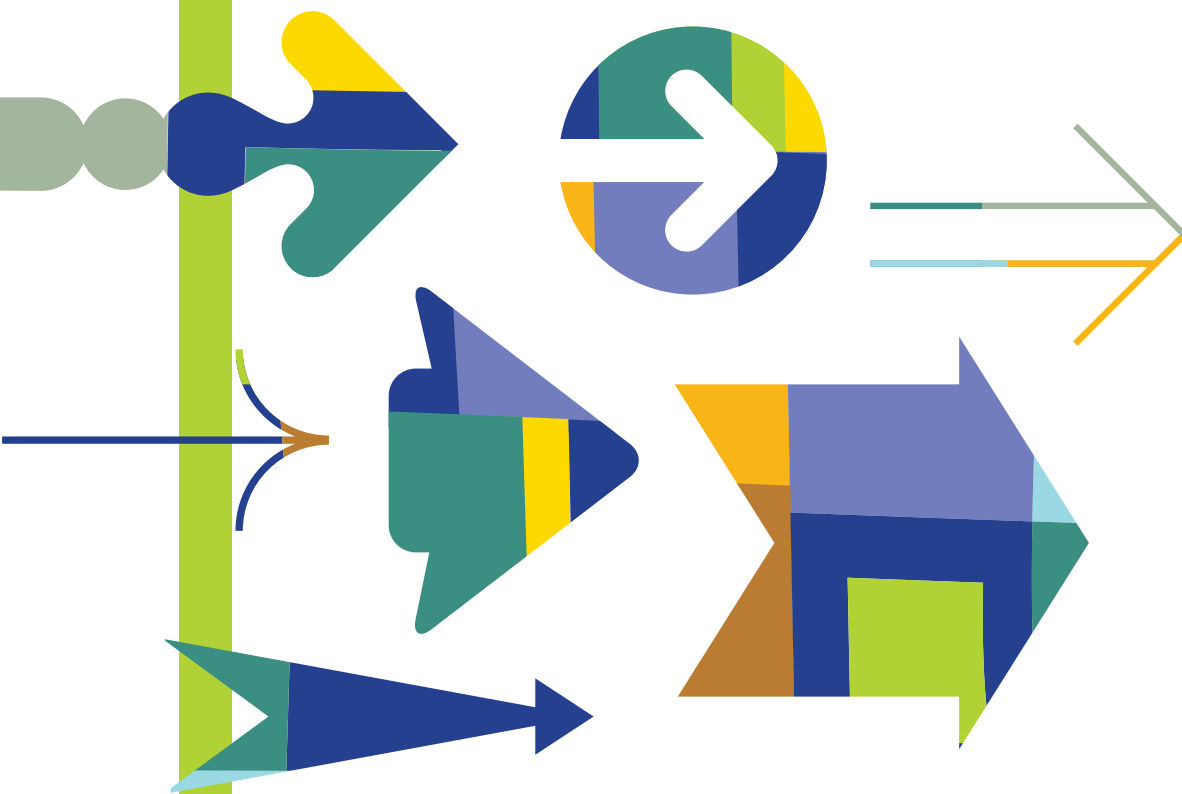


“Through my involvement in FACT, I have been able to identify the issues that I am passionate about both in the U.S. and in France where I live. Our program in France has been an important component of our grant making because it has given us the perspective to think about how to further social change in an entirely different political context.

“A family foundation is a great vehicle for developing one's personal charitable goals as well as working on more long-term grant making. Currently, I am particularly interested in further cultivating transatlantic relationships within the philanthropic sector and helping promote family philanthropy in France. When FACT closes its doors, I will definitely continue the giving that I began as part of our family's philanthropy.”

- Juliette Feeney-Timsit, Director,
French American Charitable Trust

Grant Making Strategy



FACT's strategy was to choose a small number of grantees, give them general operating support, commit to funding them for the long term, and help them build their strength through innovative and comprehensive capacity building programs.

FACT'S GRANT MAKING STRATEGY

FACT's mission is empowering individuals to act together to improve their lives and revitalize democracy. Its central strategy is building the organizational strength that enables its grantees to do that work effectively over time, because change takes time. To build that strength, it chose a small number of groups and gave them annual general operating support grants, ranging from \$30,000 to \$175,000, with the amount based on the group's budget size, for a total grants budget of approximately \$2.8 million per year (not including family giving or overhead).

Refining Strategy

The foundation looked for strong, visionary leaders. It was also important that the group tackled multiple issues and employed a variety of strategies. "We looked for groups with a community organizing and advocacy strategy, but that also had larger goals in the state, regional and national arena," Diane said. "These were groups that had short-term results as well as long-term strategies."

In 2000, five years into its grant making, FACT used an external evaluator to anonymously survey its grantees regarding FACT's funding. Based on some of the feedback, FACT determined that its basic strategy of ongoing general operating support was correct. The foundation decided to reduce the overall number of its grantees in order to focus on about 40 groups for the long term. The majority of FACT's grantees have thus been supported for 12, 15, or even 18 years.

For a number of years, FACT brought its core grantees together twice a year so that they could learn from each other and to inform FACT's grant making. FACT ended the meetings when they became redundant, but only after having helped the grantees build valuable relationships. In 2007, FACT brought together all of its grantees to announce the spend-out decision and ask for feedback on what the foundation should do before exiting the field. FACT tried hard not to overburden the grantees with meetings, but it gained valuable information from these convenings about how its funding could have more impact. Early on FACT instituted a policy of manageable reporting requirements, clear deadlines (the board met twice a year to review the docket), and prompt notifications to respect the time of the organizations' small staffs.



Evaluation


FACT followed the work of grantees through site visits, frequent conversations to assess progress and discuss challenges, and detailed reports that each organization submitted at the end of the year. In addition, each year two groups were chosen for in-depth reviews of their strengths, weaknesses and accomplishments. FACT staff spoke with the executive director, board members, allies and several funders who were familiar with the work of the organization. After the review, the staff member scheduled a one-on-one conversation with the executive director to report what she heard and to offer assistance if needed. This process provided helpful feedback to grantees and allowed FACT to gain an in-depth knowledge of the organizations and assess their progress and impact.

Measuring Success

Social change work tends to be long-term, nonlinear and with many actors, ups and downs, and trends that are beyond any one organization's control. Short and long-term benchmarks to guide FACT's internal progress included:

- Was FACT strengthening grantees through its capacity building program so they met the foundation's criteria for effective organizations?
- Was FACT helping to build strong geographical or multi-issue groups capable of having an impact on policy decisions and the balance of power at the state, local or national level?
- Were grantees working within effective coalitions and having policy gains?
- Were grantees making voter engagement work part of their strategies for lifting up the voices of low income people, building power and holding elected officials accountable?
- Was FACT helping to increase funding and diversification of funding of the grantees?
- Was FACT helping connect groups that didn't know or work with each other?
- Was FACT helping to strengthen the relationship between labor and community groups and environmental and labor groups?
- Was FACT helping to strengthen the voice of community-led groups in local, state regional and national debates?
- Were grantees contextualizing their local work in a global framework?

It took new groups one to five years to start to demonstrate some of the elements that FACT looked for as indicators of success; hence, the long-term funding. For already established groups, FACT expected to see some short-term goals achieved within two to three years. If no progress was made within that time, FACT began to investigate whether to help the group or stop funding it. The foundation did stop funding groups if they no longer were in line with its mission, but FACT was transparent about its reasons and tried to give a year of



"FACT was the first stable funder we had. When they made us an anchor grantee and increased our annual grant to \$100,000, it allowed us to start thinking long term about how to build a stronger organization. I always felt support from Diane on the organizational development aspect of the work. She likes to see victories, but she is most interested in building capacity and best practices."

- Madeline Janis, Executive Director, LAANE

notice. For example, one technical assistance provider no longer worked with FACT grantees, which made it ineligible to receive continued support.

Engaging with Other Funders

As FACT became more established, its deep knowledge of its grantees made it a resource for information about the groups for other funders, and its support came to be viewed as an imprimatur for other foundations supporting community organizing. FACT also introduced its grantees directly to other funders. Linda Meric, executive director of 9to5, National Association of Working Women, described this experience: "In 2009, FACT hosted a funder briefing for us in San Francisco to help us identify some potential funders in California. They heard from me, our California organizer, and some of our activists from San Jose. It was a great opportunity for 9to5 to showcase our work, and make the link for them with our California work." FACT also brought grantees to funder conferences to make presentations. By showcasing the impact of its own grantees, FACT always made the case for giving more to community-led organizations. In several cases, the foundation was able to generate some new funding for its grantees.

Forging Alliances

FACT also developed a cluster approach to its funding. Since the groups were local and sometimes small, they had more potential for impact if they worked in coalitions. Grantees would often introduce FACT to fellow coalition members, who would then become grantees as well. The foundation would sometimes fund the coalition itself, particularly when grantees formed statewide or regional alliances. These included Partnership for Working Families, which was launched by LAANE and other FACT grantees; the California Alliance, spearheaded by SCOPE; Oakland Rising, which included other FACT grantees; and Alliance for Appalachia, a regional alliance that included KFTC and Statewide Organizing for Community Empowerment. "We love it when grantees say they want to take a step up and work together regionally, and we're glad to be instrumental in helping them get off the ground," Diane said.

While FACT encouraged its grantees to work in partnership with others, it did not dictate how or with whom these coalitions should be formed. FACT's policy was to take cues from the grantees, a strategy that would inform its grant making overall, and play an important role in how it developed its signature capacity building program.

Taking Grassroots Organizing to the National and International Stage

FACT was also instrumental in promoting the connection of U.S. funders to the international social justice network. In the wake of the protests at the 1999 Seattle Ministerial Meeting of the World Trade Organization, FACT joined with several other like-minded funders to launch a group that explored the relationship between local and global issues, and to support civil society engagement in economic advocacy and movement-building within and outside the United States. FACT played a key role in helping this network bring a delegation of funders and grantees to the World Social Forum in Porto Alegre, Brazil in early 2002. This experience led to the founding of the Grassroots Global Justice Alliance, a coalition of community

organizing groups and networks, many of them FACT grantees. Delegations went to subsequent World Social Forum gatherings, forging connections between community-based organizations and networks in the U.S. and similar groups and movements in other countries.

Grassroots Global Justice Alliance helped spearhead the development of the first U.S. Social Forum, held in Atlanta in 2007. This forum, which brought together 12,000 activists across sectors, geographies and historical divides, allowed grassroots groups from around the country to deepen their understanding of the issues they address, form national alliances, and see their efforts within the broader context of community struggles around the world. The second U.S. Social Forum, held in Detroit in 2010, drew 18,000 people and further strengthened this movement-building process.



"Over the years, FACT has consistently fostered this larger sense of identity, linking local organizing efforts to global justice movements," said Mark Randazzo, coordinator of Funders Network on Transforming the Global Economy. "FACT's support has helped elevate grassroots organizing as a crucial part of the broader international social justice 'ecosystem,' and promote the notion that without strong grassroots movements, progress in such key areas as climate change, global finance reform and immigration will remain out of reach."



SWOP (SouthWest Organizing Project) was part of the first FACT-supported delegation to Porto Alegre. "It made us realize that we needed to get involved in this work," said SWOP executive director Robby Rodriguez. "One of the things we appreciate about FACT is that it recognizes the value of movement building. They realize that no one of its grantees alone will make the kind of change that FACT exists to support. So they support those groups coming together when it results in new work."

FACT also made sure that the grassroots members of its grantee organizations were able to participate in these larger movements. "Through a discretionary grant from FACT, we were able to take a caravan of our members and some from other groups to the first U.S. Social Forum in 2007 in Atlanta," Rodriguez said, calling it "an amazing experience. A number of our members had never traveled through that part of the country, and it helped them recognize that some of the same struggles we are facing here in New Mexico are being faced by others elsewhere in the country. So it's important to invest resources in building national movements for change — a hard sell if people haven't been there. We were also able to lend support to efforts in those places; they would plan rallies and events while we were coming through. Having an extra 200 people at your protest makes a big impact!"

Spending Out

“Because family foundations have, by definition, limited resources, a sunset date can allow these few resources to be used in a more focused – and possibly more forceful – manner.”

- Mark Neithercut, Neithercut Philanthropy Advisors



SPENDING OUT: THE WORK OF A SINGLE GENERATION

From early on, Diane and some of her siblings believed strongly that FACT should have a limited life. “We did not want our foundation to exist in perpetuity, though that is a very personal decision for each family to make,” she said. “I just don’t see a need for tens of thousands of family foundations giving away small amounts of money to exist in perpetuity. New foundations emerge every day and those in existence today have a responsibility to be as strategic and impactful as possible. Closing your foundation in five or ten years really forces you to be strategic about your grant making and look at your overall results. I felt that we would have much more impact as a \$4 million a year foundation than as a \$2 million foundation – we could certainly bring more money to the groups and more influence to the table when partnering with other foundations.”

A Family Decision

The family discussed the issue regularly at board meetings. FACT had never adhered to a particular payout percentage, but rather set a budget to meet its programmatic priorities. Although it was headquartered in Bermuda, and thus not subject to the U.S. rule that it pay out at least 5 percent of its net assets each year on grants and operations, it had always paid out more than that minimum on grants alone. In 1999, for example, FACT’s grants represented 7.86 percent of its beginning net assets. And by adding the new capacity building programs in mid-2003 without cutting the regular grants budget, FACT was increasing the percentage to 8 or 9 percent, making spend-out a likely outcome. Thus, in 2004 the trustees decided to formally proceed with a spend-out plan. At that time, they decided to close the foundation by 2020; however, the economic downturn in 2008 speeded up the timetable to 2012. The program in France will close in 2013.

Discussions about spending out included debates about whether it might be better to continue the foundation in order to bring in the next generation. Ultimately, the family decided that FACT should be the work of a single generation. “It was created by our parents, and we wanted to honor them, and our mother’s involvement, by giving away as much money as possible, in a targeted way, in this time frame while we were all in relative agreement,” Diane said.

FACT GRANTS 1994-2011
TOTAL GRANTS \$54 MILLION*
INCLUDES**
FAMILY/BOARD & STAFF DISCRETIONARY \$8,902,410
FAMILY PROGRAM/NEW MEDIA \$1,225,000
MANAGEMENT ASSISTANCE PROGRAM \$1,451,000

* Total amount includes final grants that will be awarded to U.S. grantees in April 2011, as detailed on p. 51. Funds remaining after the French office closes will be distributed at the Board’s discretion.

** 2011 grants for Family/Board and Staff, Family Program/ New Media, and Management Assistance Program are not available to be included in the total above.

Making Spend-Out Positive for FACT's Grantees

The official decision to spend out pushed the trustees to think strategically about how to use the foundation's last years to greatest effect. How could its funds have the most impact? How could it help its grantees, who would be left without an important source of operating funds? What legacy would FACT leave behind?

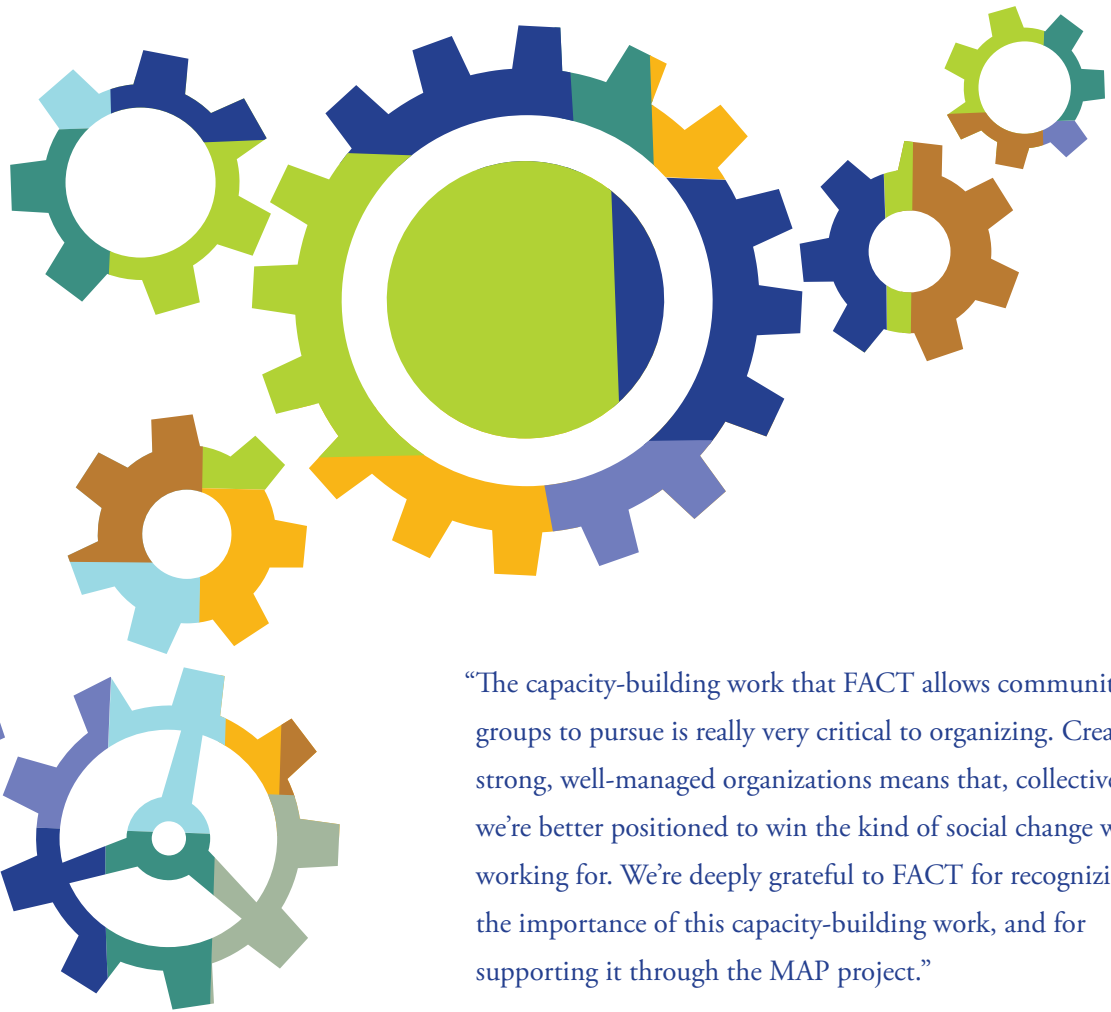
The trustees felt that it was crucial that the grantees have plenty of lead time to prepare for FACT's exit, so in 2007 the staff began informing the groups of FACT's plans to close. Operating grants would remain consistent for the next few years. In 2011 and 2012, the final years of operation, the operating grants would be tapered off. Capacity building funds would be available through 2012.

Since much of FACT's program was geared towards strengthening organizations, the foundation determined that significant, targeted assistance with fundraising would be a priority in FACT's last two years. The idea was not only to help the groups replace FACT's general operating support grants, but also to help them diversify their funding in general, as most local community-led organizing groups are heavily dependent on foundations. This Fundraising Assistance Project provided \$1.3 million in grants, as well as webinar trainings and consulting assistance. See description on page 38.

There are few examples of how a foundation should spend out in a responsible and responsive way. Following in the footsteps of the Beldon Fund (www.beldon.org), FACT set out to model how a foundation could exit the field in a thoughtful manner. The foundation hopes that its process will serve as an example for other foundations who seek to follow alternatives to perpetuity. Diane also helped create an informal working group of foundations in the process of spending out to share information and experiences on closing a foundation. (More information on the working group can be found at www.factservices.org).



Strengthening Organizations



“The capacity-building work that FACT allows community groups to pursue is really very critical to organizing. Creating strong, well-managed organizations means that, collectively, we’re better positioned to win the kind of social change we’re working for. We’re deeply grateful to FACT for recognizing the importance of this capacity-building work, and for supporting it through the MAP project.”

- Nikki Fortunato Bas, Executive Director, East Bay Alliance for a Sustainable Economy

STRENGTHENING ORGANIZATIONS


With a relatively small docket, FACT was able to get to know its grantees well, and to hear from them what kind of help they most needed. Many of them needed assistance with communications, technology, research, or fundraising. From its early years, FACT gave grants to technical assistance providers – and helped create new ones – that offered such services, and the foundation also supported training for grantees. In addition, FACT had a pool for “discretionary” grants: small amounts, up to \$5,000, that could be requested and awarded on short notice, for a special need – such as replacing computers that were so slow that staff were bringing their own laptops to work, or sending a group on a retreat to learn communications skills.

Creating a Comprehensive Program for Strengthening Organizations

In 2003, FACT realized that it needed a more comprehensive strategy for strengthening its grantees. In particular, they felt that grantees needed management assistance that was not readily available. Community organizing groups are unlike other non-profits or for-profit organizations in that their management structure is deeply rooted in their membership. Executive directors tend to have been organizers themselves, and few are versed in such areas as administration, finance, or board development. The groups also have lean staffs, with a small number of people playing multiple roles.

Laura Livoti, who joined FACT as its senior program officer in 2002, was charged with researching the field and developed a four-pronged Strengthening Organizations Program that included an innovative management assistance component. “Our groups were doing well, growing stronger and winning some important victories,” Laura noted. “And yet, given the magnitude of the change they were seeking, they needed professional support to become even more effective.”

The new four-part Strengthening Organizations Program incorporated two already existing elements – the grants to nonprofit technical assistance providers and the discretionary grants – and added two new ones, the Management Assistance Program and Organizational Development grants. The four parts were intended to work together, with grantees able to access all of them, and still continue to receive their general operating grants.



FACT's Strengthening Organizations Program: Four Elements

Grants to Nonprofit Technical Assistance Groups

Range: \$30,000-\$50,000. Supported technical assistance groups — and helped create new ones — to provide communications, technology, legal or research help.

Discretionary Grants for Capacity Building Needs

Quick turnaround. Range: \$2,000-\$5,000; average grant, \$3,000.

Management Assistance Program

Access to in-kind help from a pool of professional consultants. Up to 380 hours of consulting time for up to 18 months.

Organizational Development Grants

Grants of \$90,000 over three years to four selected grantees who chose their own consultants.

Management Assistance Program: The Cadillac of Capacity Building

The Management Assistance Program (MAP) assembled a pool of 11 organizational development and management consultants with experience working with community organizing groups. The guiding principles: participation would be voluntary; there would be a confidentiality firewall between the grantee and the foundation; the program would be customized and flexible and given sufficient time to make a difference.

Once a grantee's very simple application was approved for a MAP contract, a lead consultant, employed by FACT, would review the proposal in depth and recommend two consultants with the closest skills match. The grantee would choose the consultant it preferred. Each contract was allotted up to 380 consulting hours over the life of the project, which could run a maximum of 18 months. The lead consultant acted as the liaison among the grantee, the working consultant, and the foundation, maintaining total confidentiality.

From 2004 through 2010, 26 organizations, more than half of FACT's grantees, undertook MAP contracts. Several of them had multiple contracts, for a total of 56 projects. The number of projects undertaken increased each year. In 2010, the total budget for MAP was \$420,578, including consulting hours, the salary of the lead consultant, convenings of the team of consultants, and all expenses. The funds were drawn from FACT's operating budget, rather than its grant making budget, which remained constant. The program is funded through 2012.


Emily Goldfarb, FACT's lead consultant for capacity building, considers the MAP program a new model. "In 2004, what largely existed in the field of funder-supported capacity building was ad hoc, incremental, short-term interventions. The package that FACT put together was different, and worked in tandem with how FACT did its grant making – long-term general operating support PLUS capacity building rather than instead of," she said. Its 18-month span and substantial resources for consulting and expenses made it "the Cadillac of capacity building projects."

The Consultant Pool

One key element was how the consultant pool worked. "This was not just a roster of consultants that we referred groups to," Goldfarb said. "We became a very tightly connected team, and we learned and grew together." In addition to the usual credential-vetting, the consultants were screened intensively for their understanding of social change, community-led organizations. Twice a year, they convened to work on case studies, solve problems, and build relationships. "Over time, they started teaming with each other in a holistic, systemic way," Goldfarb said, bringing each other in to look at different parts of an organization, but still seeing it as a whole.

The MAP consultants provided a financial literacy model that could be taught to an entire organization, management coaching that supported many layers of leadership, and board development that trained a constituency-led board to be really effective, not just a token. "A consultant in financial management doesn't just work with the finance manager," Goldfarb said. "Our goal is to push knowledge and responsibility down and out as wide and deeply as we can, so that everyone has tools they can permanently draw on, and is accountable."

Goldfarb explained the special nature of working as a consultant to community organizing groups. The groups are often staffed, led by, and accountable to community members, so understanding their personal and organizational language and culture is crucial, and there are issues of race and class. These organizations are always testing new models of doing and structuring their work. What is more, "the mission is always about changing some complicated, intractable issue in our society," Goldfarb said. "It's the hardest kind of work, always changing and taking place on so many levels. They work at, and are affected by, events taking place locally, but also on the state and national level. The pace is so fast! The groups work with so many partners, and are engaged in movement building. Consultants need to understand the complexity of it. It's not something easily definable, like delivering an afterschool program or some other kind of direct service."



SWOP's Organizational Development Grant

SWOP was one of the four organizations to receive a three-year Organizational Development grant of \$90,000. The grant helped SWOP move through a critical period. It was a time of leadership transition: one of the founders and co-directors had died, and the other co-director, who had been with the organization for 17 years, left. Robby Rodriguez, then 29, was taking over the executive director spot. "We were examining our strategies for making change, such as moving into integrated voter engagement, and there was a generational shift going on," Rodriguez said. "The older generation was letting go of the reins a bit, and they weren't sure they trusted the younger generation. It took time to work through that." The grant paid for training, meeting costs, and coaching to deal with the transition and the processes of organizational renewal. The accounting function, which had been done pro bono by a board member, was brought in house with the help of a consultant who trained the staff in financial practices.

As a result, the organization grew: its staff and budget have doubled and its board has expanded. Once fiscally sponsored, SWOP got its own 501(c)(3) status, and opened another office in the southeastern part of the state. "As we've gone through this

growth, we've had to start implementing practices that are more in line with the size of the organization that we now are, and to ready ourselves for the consequences of being successful," Rodriguez said. "When you are not a threat to the status quo, they don't care what you are doing, but we have now experienced scrutiny at the state level. We have to have a very high level of administrative diligence and accounting."

Accomplishments of the last several years include helping to raise the minimum wage in New Mexico to \$7.50 per hour and pass a public financing bill for the city of Albuquerque. SWOP also worked in partnership with the New Mexico Environmental Law Center (another FACT grantee) to win passage of some of the most stringent regulations in the country on solid waste facilities in the state.

"We would not have been so effective if we had not gone through our organizational transformation," said Rodriguez. SWOP is now working to help other social justice groups in New Mexico go through a similar process as well as plan integrated voter engagement strategies. "It had an impact on our program work as well as our internal strength," Rodriguez said.

Special One-Time Projects

Special Financial Assistance Program

In 2008, with the U.S. in the midst of a severe financial crisis and foundations cutting their grant making budgets, FACT undertook a special one-time program to help its grantees weather tough financial times. The Special Financial Assistance Program, created with a \$28,000 budget, consisted of two 90-minute webinar training sessions with follow up consultation. Grantees were invited to participate in one of the two sessions, and participants could request eight hours of customized phone consultation on financial management, planning and fundraising over the following 12 months. Representatives from 27 grantee groups participated. This project became a model for several other funders, who developed similar web trainings and customized followup for their grantees.

Fundraising Assistance Project

In 2010, FACT launched a final capacity building endeavor designed in part to address its own impending exit from philanthropy. The two-year Fundraising Assistance Project sought to help grantees increase, diversify and strengthen their revenue base. Through a competitive proposal process, FACT awarded \$40,000 to each of ten grantees with well-developed fundraising plans. The grants supported the implementation of major gifts campaigns, the creation of donor data bases, and the development of social networking, website, and communications strategies with a fundraising goal. The foundation will award a second round of 25 grants of \$35,000 each (\$875,000) in 2011. Recipients of 2010 grants are eligible to receive a second round of funding.

FACT grantees that were not selected for the 2010 grants were invited to participate in a two-part fundraising webinar training on grassroots fundraising and major gifts, offered in the summer of 2010. Participants could also request eight hours of follow-up customized phone consultation. Over 100 people participated in the webinar, which featured fundraising consultants, development directors from FACT grantee groups offering examples of their own successes, an online chat feature for questions, and a comprehensive manual that participants could download.

FACT's Capacity Building Legacy: RoadMap

As part of its planning for spending out, FACT began to investigate how its Management Assistance Program, an original and valuable contribution to the social justice field, might be kept going as an independent entity. In 2010, it announced RoadMAP, a new free-standing entity based on the MAP model that would be available to foundations and non-profit organizations on a fee-for-service basis, starting in 2011. In its initial phase, RoadMAP would consist of approximately 15 organizational development consultants experienced in social change practice. Two funders joined with FACT to provide seed money for RoadMAP. In addition to providing consulting services, RoadMAP will serve as a forum for peer learning and field building about organizational development practices in the social justice sector.

RoadMAP is a concrete legacy for FACT, a carefully crafted project that will strengthen the community organizing groups that form the bedrock of work for social change. Just as important a legacy are FACT's grantees themselves, which have become stronger and more effective. Geri Mannion, program director, U.S. Democracy and Special Opportunities Fund, National Program, at Carnegie Corporation of New York, noted: "FACT did what a lot of good funders should do. They picked smaller groups and invested in long-term support and capacity building. They realized that it would take time to make impact, and they made a long-term commitment to these organizations, ensuring that they would be built up the right way."

For more information on FACT's capacity building program, see "Strengthening Organizations" on FACT's website at www.factservices.org.

Strengthening the Field

“FACT helped the General Service Foundation understand what community organizing was about. We had a more policy orientation, and FACT helped us get grounded in what it meant to do base-building work.”

- Renee Fazzari, Colorado Program Officer,
General Service Foundation



STRENGTHENING THE FIELD

FACT's staff felt strongly that part of their work included strengthening the field of social justice funding and advocacy as a whole. Their close relationships with grantees in different geographical areas gave them a bird's-eye view of the field, enabling them to identify common trends and problems, and groups of their grantees came together to form networks that crossed geographical boundaries. The decision not to accept unsolicited proposals freed them to spend more time with colleagues in philanthropy organizations, advocating for more funding for community organizing groups and promoting effective strategies, such as general support, long-term funding, integrated voter engagement and capacity building.

Renee Fazzari, the Colorado program officer at the General Service Foundation, said that FACT's example helped her foundation change its strategy. "In 2005, the General Service Foundation board was looking for answers about how to build a progressive base in this country," Fazzari said. "We realized that we needed to look at working locally rather than nationally. FACT helped the foundation understand what community organizing was about. We had a more policy orientation, and FACT helped us get grounded in what it meant to do base-building work."

Leading the Way with Fellow Funders

Integrated Voter Engagement

In addition to helping colleagues understand the power of grassroots organizing, another accomplishment was to promote the concept of integrated voter engagement. "Having a voter engagement (voter education, registration and get out the vote) program enables an organization to build the power necessary to be taken seriously by public officials," said FACT senior program officer Laura Livoti. "Research conducted during the 2000 election cycle suggested that the most effective voter engagement activity was done door-to-door, face-to-face, by trusted messengers in the community. That research was one of the bases for the concept of integrated voter engagement."

In the past, most voter engagement programs involved large organizations based outside the

community targeting key constituencies and "parachuting in" to get out the vote (GOTV) for particular elections. The large sums of money invested in this model of GOTV did not leave the targeted communities with an infrastructure to hold elected officials accountable or pursue public policy goals. Integrated voter engagement offers another model that has been proven effective at turning out the vote and also builds the longterm capacity of local organizations by investing in grassroots groups that will continue to be active in the community after an election.

GOTV is all about turning out high numbers of people, requiring many shallow contacts with voters. This contrasts with the deep leadership development and education work that is the heart of how community organizing groups work. Gearing up for voter engagement often requires community groups to seek a larger volunteer pool, teach more of its core leaders supervisory skills, and ramp up technological and communications capacity. When voter engagement funds are invested in local grassroots groups, all of these capacities continue to serve their organizing and policy work. Moreover, building voter engagement capacity in grassroots groups can expand the electorate, since it has been shown that these groups are better at turning out low income and people of color voters.

Through participation in the Funders Committee on Civic Participation, FACT helped make the case for the integrated voter engagement approach.

"Laura took a leadership role and pushed the value that smaller community organizing groups can bring," said Molly Schultz Hafid, program officer at the Unitarian Universalist Veatch Program at Shelter Rock. "She made integrated voter engagement part of the language used for civic engagement. As a result, other foundations are more open to supporting community organizing groups. FACT opened the door."

Geri Mannion, of Carnegie Corporation of New York, agreed. "Our dilemma as funders is that we're interested in policy change, but we often don't have the grassroots," she said. "FACT was always cognizant of having the grassroots — it took me a long time to realize that any successful issue work has to have good policy advocacy, the civic engagement that engages voters and holds people accountable, and organizing. If it doesn't have all three, it doesn't work."

Mannion said she considered FACT an integral partner. "They didn't have huge resources, but they were pivotal in what they funded. They were good partners. They figured out ways that we could fund things together — we funded national nonpartisan voter education aimed at those most unlikely to vote; they funded at the local level — which is important, since no one has enough money to do everything."



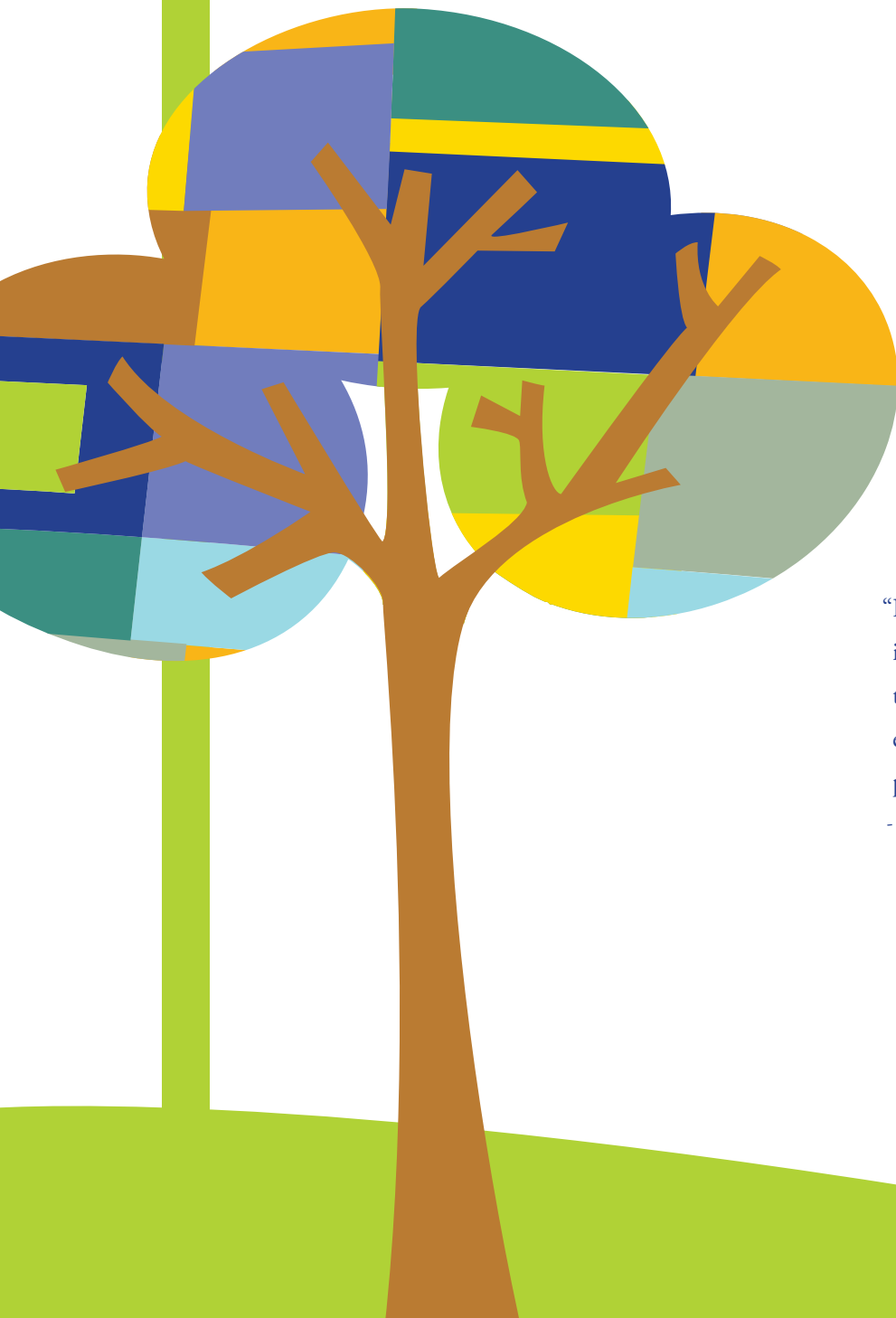
Giving to Integrated Voter Engagement: What IVE Can Do

IVE is a form of nonpartisan electoral organizing, conducted by community-led organizations, that effectively turns out voters, especially low income and people of color. Voter engagement is integrated with ongoing issues that motivate voters to go to the polls through contact by a trusted messenger.

Funding IVE is an investment that continues after election day by building the capacity of organizations engaged in the community year round.

IVE groups increase the number of voters from underrepresented communities, thus expanding the electorate, making policy changes more likely.

FACT's Legacy and Grant Making Tips



“Philanthropy is commendable, but it must not cause the philanthropist to overlook the circumstances of economic injustice which make philanthropy necessary.”

- Martin Luther King, Jr.

FACT'S LEGACY

Over the past 20 years, FACT has supported community-led organizations that lift the voices of those who would otherwise be voiceless. These groups offer people a vehicle to get involved, educate themselves and speak up on matters that affect them very closely. Polluting refineries in low-income neighborhoods, discrimination in schools, or family leave policies affecting primarily low-income women are some of the issues that these groups tackled. Their organizing and advocacy efforts have resulted in many local, state and regional public policies to benefit low-income people and people of color. Some examples of advocacy and policy victories:

Working Partnerships USA pioneered the Children's Health Initiative, which provides health coverage to more than 121,000 Santa Clara County children who were previously uninsured, and has been replicated in 30 counties in California.

Kentuckians for the Commonwealth helped lead a campaign that stopped the East Kentucky Power Cooperative from building a new coal-burning power plant, and won a commitment to work towards a "new power" that is cleaner, including energy efficiency programs and renewable energy.

Los Angeles Alliance for a New Economy won landmark labor and environmental standards to make the port trucking system at the port of Los Angeles a less polluting, more competitive generator of good quality jobs for residents, workers and business alike.

SouthWest Organizing Project organized a New Mexico community that had no nearby access to drinking water to win federal funding for a local water system.

In-depth profiles of two other FACT grantees, **Strategic Concepts in Organizing and Policy Development (SCOPE)** and **9to5, National Association of Working Women**, are available on FACT's website at www.factservices.org.

FACT's strategy was to choose a small number of grantees, give them general operating support, commit to funding them for the long term, and help them build their strength through innovative and comprehensive capacity building programs. The investment has paid

off: Today, most of FACT's grantees are strong and successful. In order to produce greater good today, FACT chose to make its grant making the work of one generation and committed to spending out its endowment in 20 years. It planned that process carefully, ensuring that its grantees were strong enough to replace FACT's funding and continue their work. FACT also helped launch RoadMAP, an independent version of its successful capacity building program, which will help strengthen social justice organizations long after the foundation's exit.

As a family, FACT's board members have grown and learned from their journey in philanthropy. "Our experience has taught us about the complex role of government and other public and private institutions in creating more justice in our society," Diane Feeney said. "Much of it begins with people, people empowered and mobilized to take control of their lives, whether they march to demand the end of mountaintop removal in Kentucky or turn out in bus loads to call for immigration reform in Washington, D.C."

Philanthropy plays a small, but important role in helping to bring about societal change. The board of FACT believes that philanthropists have a responsibility that begins with giving more: more strategically, more money, and more leadership. FACT's legacy is the strong organizations and effective capacity-building program the foundation leaves behind. That legacy also includes the lessons from FACT's 20-year experience that might be useful to other funders: how a small family foundation made strategic use of its resources to tackle economic and social injustice and promote social change.

GRANT MAKING TIPS

TIP #1

Effective Grant Making

Over the years, FACT developed a range of practices that guided our grant making and helped us operate more effectively.

Provide general support: Organizations need to pay salaries and electricity. With only project support, they cannot operate the organization to pursue their overall objectives.

Commit to long-term funding: Social change work takes many years. Organizations have short and long term objectives. Knowing they have stable funding allows them to plan their work better and be strategic about what goals to pursue and when.

Give additional funds for strengthening internal management and financial practices: Organizations need strong internal processes. Funders can help support best practices by helping groups pay for management consultants to help develop and implement those skills within organizations.

Invest in grantee coalitions: Encourage, but don't force, your grantees to work together by funding coalitions as well as the member groups. Coalitions are good vehicles for encouraging organizations to combine their strengths, thus increasing their chances of getting to scale. Coalitions also enable funders to leverage their investment and broaden their impact.

Start with a smaller number of groups and a tight focus: By keeping a tight program focus and funding a smaller number of groups, funders can deepen their knowledge of a particular field and develop stronger relationships with their grantees.

Develop clear criteria for the kinds of groups you fund and articulate them on your website: Grantees appreciate clear communication about foundation objectives. This also includes clear guidelines and grant making practices.

TIP #2

Giving More: Giving More Strategically, More Leadership and More Money

Over the past 20 years, FACT has supported community-led organizing and advocacy that created public policies to benefit low-income and people of color. As we prepare to exit the field, we have crystallized our approach to grant making as "Giving more."

Giving more strategically: We chose to support community-led organizations that lift up the voices of those who are most in need of being heard. Whatever foundations choose to fund, we encourage them to develop a theory of change, short-term tactics and long-term objectives. We also believe that if all foundations supported some community-led organizations, our society would be more equitable and experience a greater sense of well-being.

Giving more money: We chose to spend out our entire endowment in a short 20 years. This path is not for everyone. We believe foundations should increase their giving overall, especially in tough economic times. In addition, we encourage all boards of foundations to have a conversation about years of existence and to consider a finite lifespan.

Giving more of your leadership: Organizations need champions. Program officers can share what they are learning with colleagues and encourage other foundations to come to the table. We believe foundations can play a critical role by highlighting the work of their grantees and opening doors for them in the funding community.

TIP # 3

Strengthening Organizations: Lessons Learned from FACT's Management Assistance Program

- Participation should be voluntary and initiated by the grantee.
- Offer a simple application and approval process.
- Confidentiality between the consultant and the grantee is key.
- Choice in selection of the consultant is important to ensure the success of the relationship.
- Flexibility is essential, as the external and internal landscape is always shifting.
- Engage the executive director throughout to keep him/her in the loop and committed.
- Employ a whole systems approach to the work, remembering that any change in one aspect of an organization's operations will affect all other areas.
- Link consultant work with other resources, like discretionary grants that will enable groups to make the most of the opportunity.
- Build a learning team of consultant ambassadors to build the field of capacity building.
- Evaluate at two levels - assess the individual projects with the consultant and grantee; and evaluate the strengths, challenges and effectiveness of the program overall.

TIP #4

Mistakes We Made

FACT started out without any grant making experience, so we learned on the job and made our share of mistakes along the way. We believe in transparency and being honest about one's mistakes.

- We had a hard time cutting groups loose: we funded some groups longer than we should have.
- We did not prioritize highly enough the systematic evaluation or learning component of our own grant making prior to exiting the field. We could have used existing evaluation processes to create more substantive quantitative data and to better communicate the qualitative information about our impact.
- We convened our core grantees twice a year for three years. These gatherings provided a forum for productive conversations and helped build relationships among grantees, but it was probably one year too many for all involved.
- We didn't create a system for documenting the victories achieved by our grantees that we could easily reference. Too much of that information was only in our heads.
- We organized a training on new media, which was modestly successful and was probably something we should have contracted out since foundations should stick to funding.
- We waited too long to begin the final documentation of the impact of our MAP and fundraising assistance projects. The results - how participating groups benefitted - will be available on our website after this report is published and the U.S. program is closed.



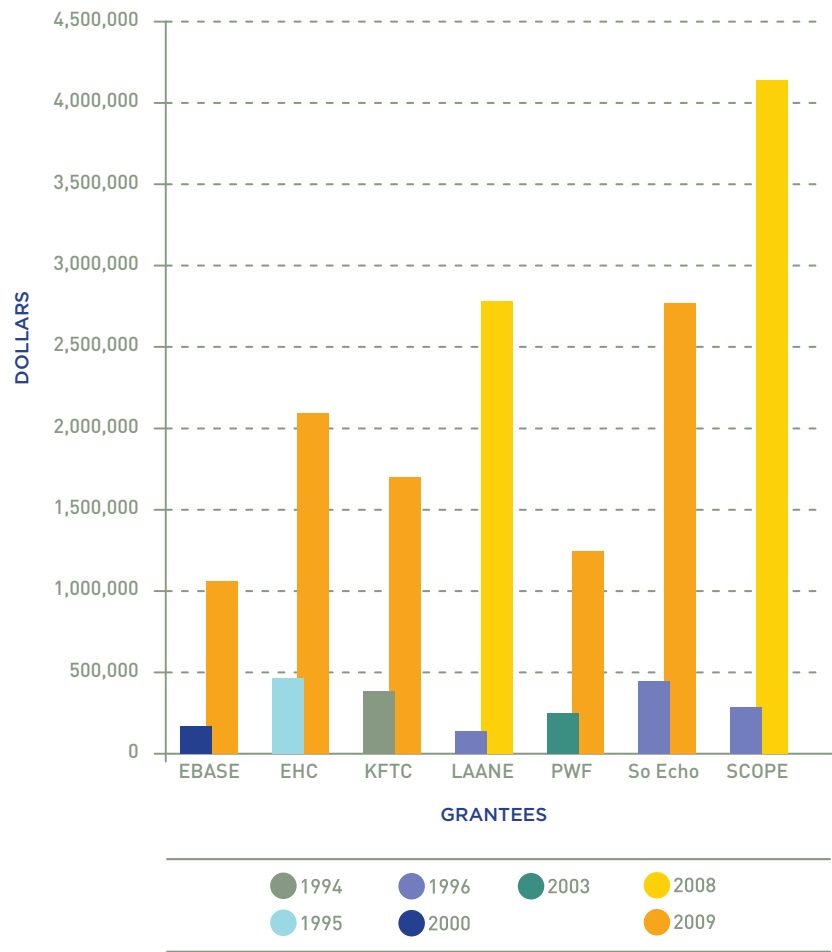
Grantee List and Charts

FACT GRANTEES

GRANTEE	PERIOD OF SUPPORT	YEARS	TOTAL
9to5	1999-2010	12	\$668,700
ACORN-Florida	2005-2010	6	\$247,750
Alliance for Appalachia	2009-2010	2	\$80,000
Alliance for Justice	2004-2007	4	\$164,000
Applied Research Center	1996-2005	10	\$546,000
Asia Pacific Environmental Network	1997-2003; 2008-10	10	\$384,250
Blue Green Alliance	2007-2010	4	\$144,500
Campaign for Contingent Work	1998-2004	7	\$371,200
Carolina Alliance for a Fair Economy	1995-2004	10	\$557,410
Causa Justa-Just Cause	2008-10	3	\$131,250
Center for Civic Policy	2007-2010	4	\$212,500
Center for Community Change	2004-2010	7	\$444,250
Center for Third World Organizing	1995-2009	15	\$851,500
Center on Policy Initiatives	1997-2010	14	\$665,250
Central Coast Alliance United for a Sustainable Economy	2004-2010	7	\$339,250
Coal River Mountain Watch	2009-2010	2	\$67,000
Communities for a Better Environment	2003-2010	8	\$523,250
DataCenter	1995-2009	15	\$691,670
East Bay Alliance for a Sustainable Economy	2000-2010	11	\$663,500
El Centro de Igualdad	2010	1	\$33,000
Enlace	1997-2004	8	\$524,150
Environmental Health Coalition	1995-2010	16	\$1,455,750
Environmental Research Foundation	1994-2004	11	\$808,000
Florida Immigrant Coalition	2006-2010	5	\$125,000
Fund for a New Los Angeles	2003-2006	4	\$200,000
Funders Network on Trade and Globalization	2000-2010	11	\$265,000
Grassroots Policy Project	1995-2004	10	\$635,400
Green for All	2007-2009	3	\$50,000
Interfaith Worker Justice	1999-2010	12	\$617,250
Jobs With Justice	2002-2010	9	\$511,000
Kentuckians for the Commonwealth	1994-2010	17	\$1,786,600
Los Angeles Alliance for a New Economy	1996-2010	15	\$1,395,275
La Union del Pueblo Entero	1994-2004	11	\$608,000
Labor Community Strategy Center	1994-2004	11	\$309,000
Massachusetts Jobs with Justice	2000-2005	6	\$184,800
Miami Workers Center	2004-2010	7	\$321,250
Mobilize the Immigrant Vote	2010	1	\$15,000
Mujeres Unidas y Activas	2006-2010	5	\$205,750
National Employment Law Project	1997-2005	9	\$398,000
New Mexico Environmental Law Center	2006-2010	5	\$242,900
North American Alliance for Fair Employment	1999-2005	7	\$433,810
Oakland Rising	2008-2010	3	\$200,250
Ohio Valley Environmental Coalition	2007-2010	4	\$185,000
Partnership for Working Families	2003-2010	8	\$406,000
Progressive Technology Project	1999-2010	12	\$621,076
Research Institute for Social and Economic Policy	2005-2010	6	\$150,000
Strategic Concepts in Organizing and Policy Development	1995-2010	16	\$1,965,000
SF Works	2004-2005	2	\$53,000
South Florida Jobs with Justice	2006-2010	5	\$200,000
Southern Echo	1996-2010	15	\$1,325,125
Statewide Organization for Community Empowerment	1994; 2005-2010	7	\$334,000
Strategic Press Information Network	1997-2008	12	\$619,300
SouthWest Organizing Project	1995-2010	16	\$767,000
Tax and Fiscal Policy Workgroup (California Alliance)	2006-2010	5	\$30,000
Tennesseans for Fair Taxation	2005-2010	6	\$191,850
Tennessee Immigrant & Refugee Rights Coalition	2006-2010	5	\$200,250
Tennessee Industrial Renewal Network	1995-2004	10	\$460,410
Urban Habitat	2004-2010	7	\$386,000
Working Partnerships USA	1996-2010	15	\$840,000
Youth Action	1994-2004	11	\$415,400

These 60 grantees represent FACT's core mission grant making activity. Nearly half of them received general operating support for ten years or longer. In April 2011, each 2010 grantee will receive a final tapering grant, representing a lump payment for its 2011 and 2012 grants. The 2011 grant is 75% of the 2010 grant amount, and the 2012 grant is 50% of the 2010 grant amount.

GROWTH OF FACT GRANTEE
OPERATING BUDGETS

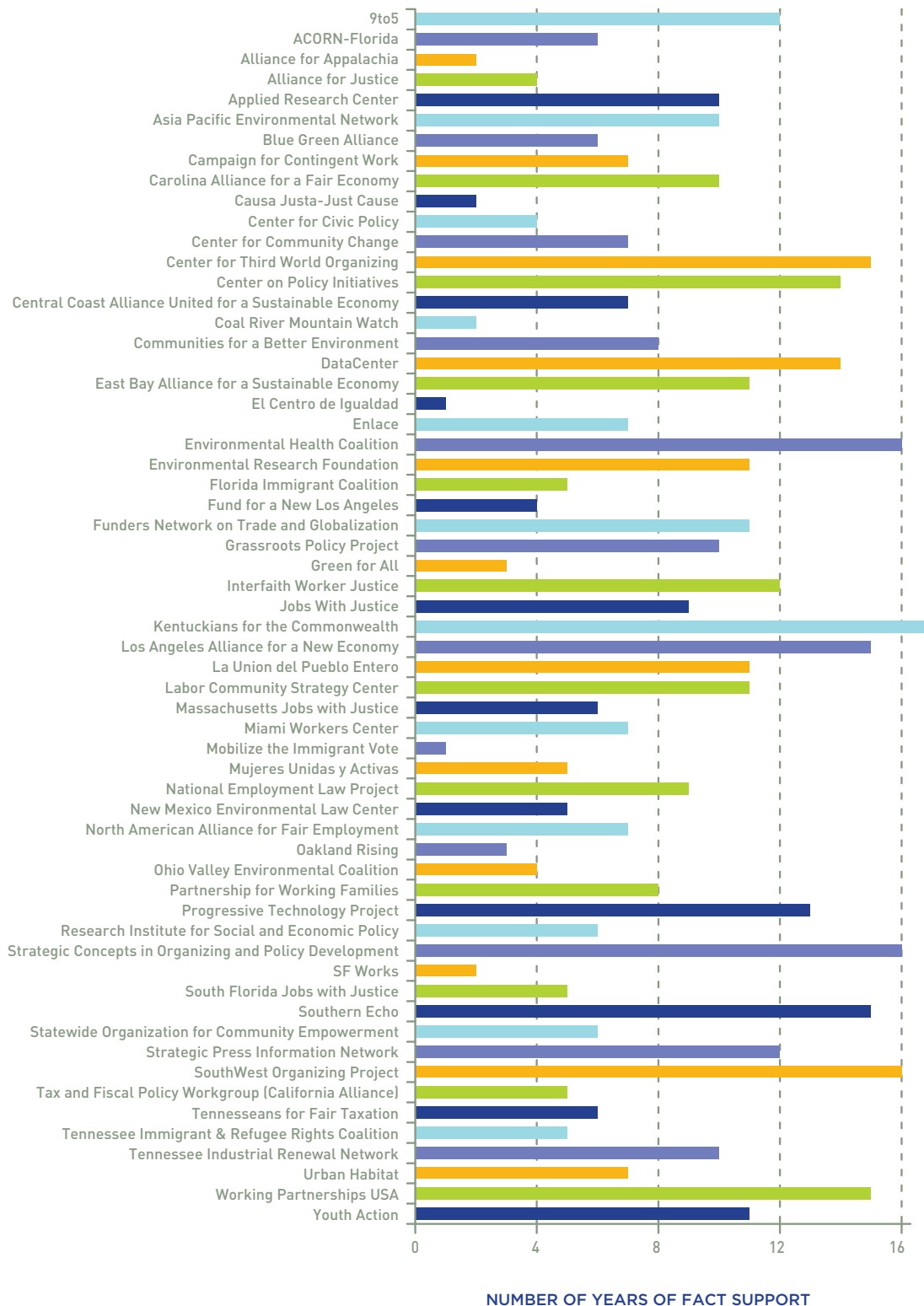


These seven FACT grantees illustrate how long-term general operating support like FACT’s can result in growth, as measured by the annual operating budgets.

“We would not be what we are today
without FACT’s investment and support.”

- Anthony Thigpenn, Founder and President, SCOPE

FACT GRANTEE HISTORY - 1994 TO 2010



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FACT Services represents the French American Charitable Trust in the U.S. and France and provides the Trust with administrative and grant making recommendations.

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GRANTEE PROFILE

9to5

9to5 — NATIONAL ASSOCIATION OF WORKING WOMEN

HOW FACT'S CAPACITY BUILDING PROGRAMS STRENGTHENED AN ORGANIZATION

9to5, now a \$1.5 million organization, became a FACT grantee in 1998. Over the next 12 years, it received annual general support grants of \$40,000, totaling \$480,000, with a final grant of \$50,000 to be awarded in 2011. “The consistency of the general support was really important for us,” said Linda Meric, executive director of 9to5. “It has allowed us to be flexible in not only putting money where we need it most, but being able to take advantage of opportunities and meet challenges when they arise.” 9to5 has also benefitted from all of FACT’s capacity building programs, an additional investment of \$237,000, which, Meric said, “helped us grow and develop as an organization.”

Founded in 1973, 9to5 is devoted to building a movement that gives low-wage women a voice on issues that directly affect them, including low-wage jobs, family-flexible policies, nonstandard work (part-time, temp or contract jobs), poverty and discrimination. It is a national group, with staffed offices in Milwaukee, Atlanta, Denver, San Jose, and Los Angeles and an activist network that covers all 50 states. 9to5 works on national policy issues as well as at the state and local level, and is grounded in local grassroots organizing. 9to5 has provided policy analysis and grassroots leadership to win federal victories such as the Family and Medical Leave Act, the 1991 improvements in the Civil Rights Act, the Lilly Ledbetter Fair Pay Act, and greater investments in child care and health care for working families. It has also helped win state and local victories on the same policy issues. 9to5 creates and leads national coalitions to fight for paid sick days and paid family leave. Its toll-free Job Survival Helpline responds to thousands of workers’ questions every year.

The victories are hard-fought, and maintaining them takes strategy, skill and tenacity. In 2008, the 9to5 Milwaukee chapter led a campaign that included organizing, coalition-building and public education to win paid sick days for all private sector workers in the city. The ballot issue was approved by 69 percent of the vote. But after the election, the Metropolitan Milwaukee Association of Commerce filed a lawsuit against the city of Milwaukee, challenging the law and requesting a temporary injunction, which was granted, blocking the city from enforcing the mandate while the court considered its validity. 9to5’s Milwaukee chapter filed for and was granted intervening party defendant status in the case, and it is leading grassroots activity to mobilize voters to speak out and take action to defend the November 2008 vote.

Fact-Funded Capacity Building Work

9to5 used an 18-month Management Assistance Program contract in 2007-08 to work with a consultant to develop a long-term strategic plan. A subsequent three-year, \$90,000 organizational development grant was used to implement the plan’s recommendations. Over the years, 9to5 received several smaller discretionary grants for specific projects, such as developing a business plan for an earned income strategy, an upgrade and expansion of its database, and producing materials for “Election Connection,” its integrated voter engagement project. 9to5 also received a fundraising assistance grant in 2010.

Management Assistance Program

The MAP funds enabled 9to5 to engage in a top to bottom, in-depth look at the organization, and create a strategic plan for its future. "We are a national organization, with five staffed offices and members all over the country, and we have limited resources to bring everyone together to do planning," said Linda Meric. "Through the MAP program, we were able to involve every level of the organization — staff, local and national board members, as well as ally organizations — bringing people together three or four times. We also got feedback from policy makers and media people. Our consultant was a perfect match: she had a huge amount of experience with grassroots organizations, and was familiar with 9to5."

The strategic planning process centered around four working groups that looked at staff retention and development, fundraising, leadership development and base-building, and strategies and campaigns. All the groups considered technology needs and work on combating discrimination at all levels for their areas. The end result of the process was a strategic plan for 2008-11, with goals, action steps and timelines in six areas: fundraising, technology, staff development, organizing model, leadership development, and strategies and campaigns, with priorities established for all. "We have a living document that we can use on an ongoing basis to track our progress and look at areas where we need to place more focus," Meric said.

Organizational Development Grant

Through the organizational development grant, 9to5 implemented some of the key priorities of the strategic plan. Technology and communications were considered crucial: updating the website, integrating new media and improving member communication technology. 9to5 hired its first online organizer, who is responsible for the website, social media, and networking. "We had tools, like a constituent management database, that we didn't have the capacity to use before," Meric said. "Now, we can communicate information to our members through the website and powermails, and engage members through action alerts. We also have someone leading the work of communicating directly with policy makers on national and regional issues. We're on Facebook, Twitter, our blogs and those of third parties. We're getting the word out about issues we work on to audiences we wouldn't otherwise reach, engaging young people in the organization with information about our issues and

campaigns." The online organizer is also working with activists in areas where 9to5 does not have staffed chapters.

Supervisory training for staff had also been identified as a priority. As a result of the organizational development grant, 9to5 now sends all its organizers to a week-long training to ground them in organizing principles and strategies. Additionally, everyone in the organization who is a supervisor goes to training geared for supervisors of organizers. "This is really important, because as in many organizations like ours, 9to5 tries to promote from within," Meric said. "People come in with great organizing skills, but they haven't supervised people before and they don't necessarily have the tools." The organization has also worked on making its policies and processes more systematic, particularly those dealing with staff management issues at all levels of the organization.

"We could not have gone through this process without the FACT money," Meric said. "It is expensive to bring people together, to devote the time and resources, both on planning and implementing the plan you come up with. As a result, we have a stronger, more sustainable organization."

Special Projects

The discretionary funds provided for 9to5's "Election Connection" have also made a difference. "Voter engagement is one of our key strategies, overarching all of the issue work we do," Meric said. "We make the link between issues women face in their lives every day and the decisions they make on ballot issues, or the decisions elected officials will be making. We make sure our members are registered to vote if that's possible. It's also a way we recruit women to join 9to5." The value of integrated voter engagement becomes especially clear on such campaigns as the 2008 Milwaukee ballot issue.

With the 2010 Fundraising Assistance grant, 9to5 is pursuing another of its strategic goals of diversifying and increasing revenue through such activities as board training and developing its base of individual donors. An associate has been hired to work with the development director on these projects. In addition, a group of 9to5 staff, both national and chapter-based, participated in the FACT fundraising webinar.



SCOPE

SCOPE: A LOCAL GROUP BECOMES A FORCE FOR CHANGE

The growth and evolution of SCOPE (Strategic Concepts in Organizing and Policy Development) demonstrates the value of FACT's strategy of choosing groups with strong, visionary leaders and giving them consistent funding and support to help build a powerful, stable organization. A FACT grantee since 1995, SCOPE is now taking on the enormous challenge of promoting progressive changes in California's tax and fiscal policy.

SCOPE was born out of the violent racial tensions of Los Angeles in 1992. Its first incarnation was a membership organization called AGENDA (Action for Grassroots Empowerment and Neighborhood Development Alternatives), a group founded in 1993 to organize low-income communities to address the entrenched problems of crime and poverty in South Los Angeles. In 1995, when its budget was around \$300,000, AGENDA received its first general operating support grant of \$60,000 from FACT.

As the organization grew, so did FACT's funding: the annual grant eventually ranged from \$100,000 to \$175,000. "FACT was one of our earliest funders," said Anthony Thigpenn, the group's founder and president. "We had lots of ideas and strategies, but we hadn't done a lot yet. FACT had the foresight and commitment to invest in an emerging organization. It helped us to get started and do the work, and it gave us credibility. It was foundational for us, both in the early years and ongoing. We would not be what we are today without FACT's investment and support."

Today, SCOPE has evolved into a \$4 million organization that is skillfully using cutting-edge research and technology to further its mission of eliminating structural barriers to social and economic opportunities for poor and disadvantaged communities. It was a pioneer in the realm of integrated voter engagement, and has built on its door-to-door local organizing methods to create a state-wide network that employs sophisticated outreach and voter engagement technology with the goal of winning systematic tax and fiscal reform.

Building Alliances

Thigpenn describes the evolution of SCOPE as a series of concentric circles, beginning with the localized organizing work to improve conditions in South Los Angeles, expanding to include all of Los Angeles, and then outward to the whole state. "Our local economy is tied to regional, national, and global economy," he said. "Addressing those connections required more sophisticated analysis of trends and other factors. Building alliances was crucial, otherwise groups would be set against each other, even though we were fighting for the same things." Research, analysis and coalition-building were at the root of an early successful workforce campaign, in which SCOPE and its partners got Dreamworks to create Workplace Hollywood (1999), a \$5 million jobs program, which has trained and employed 5,000 low income people. In 2006, SCOPE convened the 25-member Apollo Alliance to shape a green jobs economy in Los Angeles. Three years later, in 2009, the Municipal Green Building Retrofit and Workforce Development Ordinance was adopted, and SCOPE will monitor the development of a green Career Ladder Training Program. Federal and state resources for the program include nearly \$6 million for job training and \$16 million for construction.

Voter Engagement Becomes a Key Strategy

The successful outcome of the Apollo campaign was in part based on the intensive voter engagement strategy that SCOPE adopted in 2001. SCOPE realized that to have more impact, it would need to change the political climate, and get the attention of politicians by making the community's voice a factor at the ballot box. SCOPE integrated its voter work with its organizing work. "Neighbors, not an invading army, are your best messengers," Thigpenn said. "And to make an impact on increasing the level of voter participation, you have to be continuous. You can't change a 20-year pattern over one election cycle. You also have to build an ongoing coalition of groups, because the scale is beyond any one organization." SCOPE launched ALLERT (Alliance of Local Leaders for Education Registration and Turnout), a regional 501(c)(4) coalition of community groups, churches and unions, which broadened its reach and afforded it greater latitude for advocacy and fundraising.

The results were dramatic: voter turnout in the inner city neighborhoods where SCOPE is active went from 10-15 percent below the citywide average to equal or above that average by 2004, and an independent research study showed that SCOPE's efforts raised voter turnout by 6.6 percent in its targeted precincts in the November 2006 election. "We'd like to get the turnout to be 100 percent," Thigpenn said.

Taking on the Big Picture with Sophisticated Methods

SCOPE is now using this voter engagement strategy to look beyond Los Angeles to California as a whole. Its central goal is reforming the budget and the tax system which, with the passage of Proposition 13 in 1978, took away revenue that could be used for such areas as education, health care, and other social services. SCOPE convened and anchors the California Alliance, a 501(c)(3) organization, consisting of 27 groups based in 10 counties around the state, with the goal of engaging enough new and occasional voters to be a tipping point for reform in the state. "People's view of government and taxes has gotten more cynical," Thigpenn said. "Conservatives have done a good job of demonizing government. People also think that any change in fiscal policy means that their property taxes will go up."

The nonpartisan California Alliance uses sophisticated methods and technologies to educate voters about the impact of tax and fiscal policies on their lives. "We're first asking people about why they think the way they do about tax and fiscal reform, and then figuring out what they are open to, what narrative we need to use to move them to a more progressive view," said Thigpenn. To reach people, the California Alliance bought a predictive phone dialing system that vastly increases the number of people that can be contacted. A small social justice organization could not afford such a system; the combined forces of the Alliance can. The usual type of calling practice might reach 40-50,000 people statewide. The Alliance has now done three rounds of calling with the more advanced system, reaching from 110,000 to 220,000 people each time.

Even more original is the crafting of the message. SCOPE's research showed that the tipping point in highly contested elections in California is about 500,000 voters. With the aim of engaging, educating and turning out that many new and occasional voters all over the state, the Alliance and a social research firm are using polling to identify possible voters through a social values lens.

"We began to examine people's world views and values, and the impact they have on behavior," Thigpenn says. "Unless we understand why people feel as they do, change can't happen." Working with communications consultants, the Alliance is developing and testing a narrative about the role of government that will motivate specific constituencies to feel more positively about policy reforms.

"Typically, social justice organizations approach messaging in an unsophisticated way," Thigpenn said. "They assume that if they give facts and figures, they'll prevail. It's not true, and social values will determine how people filter the message." With the development of infrastructure that enables the Alliance's member groups to conduct voter outreach and education, the Alliance aims to reach its goal of engaging 500,000 voters by 2012.

