A
Kettering
Foundation
report
prepared
by The
Harwood Group

# Strategies for Civil Investing:

## FOUNDATIONS AND COMMUNITY-BUILDING

## The Kettering Foundation

The Kettering Foundation is an operating foundation that conducts research on democratic political practices and develops frameworks for citizens to use in acting on public problems. The foundation welcomes partnerships with other institutions and individuals who are working on political concerns. Established in 1927 by inventor Charles F. Kettering, the foundation is a 501(c)(3) organization and does not make grants.

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## The Harwood Group

The Harwood Group is a public issues research and innovations firm that works with private- and public-sector organizations to figure out the essence of public challenges and how to take effective action. Much of the firm's work centers on rebuilding public relationships and creating effective social change.

The Harwood Group has undertaken projects on various public issues including community development, civic life, the political process, education, youth, health care, economic development, the environment, and science and technology.

## Acknowledgments

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# Contents

# The Riddle of "Civil Investing"

In the autumn of 1993, the Council on Foundations, the Kettering Foundation, and the Indiana University Center on Philanthropy convened a small group of foundation executives for the first in a series of seminars to explore the theory and practice of something they called "civil investing" or "civil philanthropy." Their efforts were driven by a sense that too many existing philanthropic strategies fail to either tap or develop the inherent strengths of the communities in which they invest.

Yet while the *theory* of civil investing was appealing, the implications for foundation *practices* were not immediately clear. Initially, a number of the foundation executives were puzzled about what the practice of civil philanthropy might entail. As one man put it: "I'm not sure I understand what they're talking about." Subsequent exchanges about investments designed to help build communities brought to light yet another reaction: "We're already doing this at my foundation." In fact, as many were to discover during the course of the seminars, they are not. At least, as this Harwood Group research reveals, many community organizations perceive foundation giving patterns as a hindrance to community-building rather than as a help.

This study was designed to shed light on this complex issue. The Harwood Group asked members of the civil investing seminars to suggest the names of individuals and organizations whom they perceived to be doing the very practical work of addressing challenges in their communities. We then conducted in-depth interviews with 25 leaders of organizations from across the country.

For some of the people interviewed, the relevant "community" in which they work is a neighborhood, while for others it may be an entire city or even a state. We interviewed leaders of various types of organizations, from service providers and advocacy groups to neighborhood councils and leadership development centers. We asked people to tell us about the work they do and the connections between their work and that of other groups in their community. We asked them about the extent to which they see the building of community as a key aspect of their work — as opposed to focusing most of their attention on acute, short-term needs.

We also probed to discover their views on where foundations and the public fit into their work. We asked them to reflect on the barriers that seem to stand in the way of organizations and communities moving forward in important community work and to imagine strategies that might overcome those barriers.

## Key Findings

Four messages emerge from this study:

- Leaders of a wide range of community organizations believe that it is important to invest time, energy, and even scarce funds in processes that help a community learn how to work together, *even if* this means they might have less money to spend on more immediate, concrete needs.
- While leaders of these organizations say that the financial support of foundations is as important as ever, they say that they are also looking to foundations to work more closely with grantees to understand how their communities actually work.
- Community organizations express deep frustration about foundation practices — such as short-term funding cycles and inappropriate evaluation criteria — that they view as being counterproductive, sometimes even destructive, to the creation of strong communities.
- Even though these organizations appear to be committed to the notion that citizens must play a role in addressing community challenges, they themselves seem to have a very limited sense of the possibilities for genuinely engaging the public.

In short, this research suggests that both foundations and their grantees must be willing to examine their existing assumptions, frameworks, and institutional reflexes if a strategy of civil investing is to succeed.

*Throughout this report you will hear the voices of organizational leaders who participated in this study. They will be set off in boxes such as this.*

## Organization of the Report

This report is divided into four sections. The first section describes five key factors that organization leaders interviewed for this study identify as essential components of efforts to strengthen community.

The second section looks at how these organizations define their missions — and at their leaders' sense of the role the public plays in addressing community challenges.

Section III explores foundation practices that leaders say stand in the way of their own organizational goals and larger aspirations for meeting the objectives described in Section I.

The final section describes some of the implications of this research for philanthropic foundations interested in pursuing a strategy of civil investing.

A description of the methodology used in this study is found in the Appendix.

# Section I: Moving in a Different Direction

Organization leaders with whom we spoke initially found it much easier to talk about addressing particular challenges and concerns than about what needs to be done to create communities that work well as communities. They had little difficulty in describing their core missions, which most define in terms of addressing acute social problems — from inadequate housing and troubled youth to groundwater pollution and lack of access to health care.

But when pushed to reflect on the connections between their work and other community efforts, their responses clearly defined a set of factors that they believe should drive their work in developing and sustaining strong communities.

By the end of most of the interviews, participants expressed a sense of both gratitude and possibility — gratitude that foundations were exploring these questions and a sense of possibility that they, other members of the community, and foundations will discover more productive ways of working together.

### Key Factors

Here are five key factors for effective community-building that organization leaders participating in these interviews repeatedly identified:

## 1. Long-term success requires strong relationships and healthy interdependence among organizations.

Communication is key, but it is essential that people both talk and work together. At one level, leaders say that their organizations simply have to make the effort to talk with one another. But talking, they say, is not enough. Communication must be coupled with shared work if strong relationships are to form.

No organization can be all things to all people, so it must work with others to ensure an integrated, systemic approach to problems. Leaders interviewed for this study asserted that the best way to realize long-term goals is to work with a wide range of people and other organizations, many of whom may not initially appear to be focused on the issue or problem at hand.

In one Southern city, for example, a YWCA realized that in order to fulfill its primary mission to provide affordable housing, it would also have to address a variety of related challenges, from health care and job training to child care and youth recreation. So it reached out to other nonprofits, voluntary associations, government agencies, and private sector businesses to create a more systemic response to the community's housing needs.

Leaders made the point, as well, that organizations need to work together on many different levels. Once begun, it is important not to

*The dialogue you can very important, but at some point in time the dialogue has to be linked to action*

*opens up a channel of communication, but it certainly does not sustain it....*

*really build relationships of trust is in the crucible of action where people and organizations actually work together."*

confine the collaboration to only one type of task or one way of relating. Room must be created for both formal and informal connections.

## 2. More often than not, the success of an organization's efforts is tied to the "participation of citizens."

It is important to look beyond the usual prospects to identify untapped sources of leadership. Leaders interviewed for this study made clear that we should not assume that the most visible leaders are the only people who can make a difference. They say that it is important to recognize that citizens exercise leadership whenever they offer their time and talents to work on community problems. Organizations must be pro-active in their search for existing and potential community leaders.

Investments in the building of civic skills will pay long-term dividends — but they must be tied to action. Classes and workshops on leadership alone will not do the trick. People must strengthen their civic skills by doing real work on real challenges so that they will be prepared for future challenges.

## 3. Citizens must play a part in defining their own community's challenges.

If organizations want to tap into civic resources and energy, the public has to play a central role in diagnosing the community's ills. These leaders say that engaging the public in identifying the challenges it faces sets the stage for creating a shared sense of purpose about how to address them. And, when the public is asked to play this role, it must be more than token consultation. Organizations must be prepared not just to listen to citizens and other groups, but to include them in the diagnostic process.

Furthermore, it is not enough for people to learn how to identify problems and set shared goals, they also need to learn how to forge agreement on how to reach those goals. These leaders say that involving citizens and organizations too often stops after creating a shared community vision. Greater emphasis must be placed on helping people figure out how to forge agreement on means — on the shared work that will be necessary to realize the community's goals.

Depending on experts to "tell" people what is wrong in their community and how best to solve their problems can undercut the community's ability to assume responsibility for addressing them. So, it is important to know when it does and does not make sense to depend on professional, expert advice, those we spoke to told us. In many instances, organizations are more likely to meet their long-term goals if they invest in staff who know how to act as catalysts for meaningful public involvement.

**4. It is important not to organize around fragmented concerns.**

Breaking seemingly intractable social challenges into their constituent elements may make it easier for an organization to marshal resources and define its niche (and to raise money!). But it can also decrease substantially the organization's ability to involve citizens and other groups in the community, who experience and think about these things much differently.

People do not experience problems as a series of disconnected concerns. These leaders told us that successful organizations find it easier to engage people for extended periods of time when they are asked to work on collections of related problems, rather than on a series of isolated issues. The public wants to focus on workable solutions, which it often locates in the connections between people's everyday experiences and community challenges.

**5. Creating a sense of common purpose within a community takes constant building. On-again, off-again processes only undermine long-term community commitment.**

A one-shot public involvement process will not build community. These leaders say that organizations too often assume that once people see how their work has contributed to short-term successes, they will be inclined to keep moving on to other challenges. No doubt, this is true to some extent. But too often, this short-term approach creates the need for constant fund-raising and an incessant drumbeat to galvanize public support for the latest cause or initiative. Instead of building community, such efforts can produce fatigue, frustration, and a belief that organizations and citizens are spinning their wheels. Eventually, both the staff and citizens "burn out," making it that much more difficult to generate civic energy.

Long-term strategies for community-building must be grounded in giving people not only the skills, but the tools necessary to work together. If organizations help people create processes for working together, this will increase the public's sense of ownership of the community's challenges and their confidence that they can tackle challenges that arise. This may mean, for example, that a service organization would make it a distinct program goal to bring seemingly disparate organizations and groups of citizens together for them to learn how to work together. As with any other program, the organization would devote staff and financial resources to this goal.

*"I think that some of the various kinds of long-term, process-oriented work that we're pushing in the communities is critical, and nobody funds it, really. The work we do really makes a difference: It changes the way people see each other, the way people work together, and the way people see themselves."*

# Section II:  Struggling with the Public's Role

If this description of how organizations that receive foundation dollars are thinking about community-building sounds too good to be true, it is because to some degree, it is. Organization leaders say they want to use these factors to guide their work, but these Harwood Group interviews suggest that too often they fail to do so.

Indeed, some of the organizations that extol the virtues of "collaboration," "citizen participation," and "empowerment," find that they themselves are not always clear about — nor do they always act upon — the implications of these concepts for their own practices. They fault foundations for having a weak sense of what it takes to build community, but some of the leaders we interviewed revealed that there is still a serious gap between their aspirations to strengthen civil society and their understanding of what it takes to meet that goal.

It may be that many community organizations find it difficult to move ahead on efforts to strengthen their community's civic infrastructure because they have questions about what it means to genuinely *engage* the public.

### Barriers to Community-Building

Organizations point to three types of barriers that make it difficult for them to pursue a strategy of community-building with any consistency — the first two of which are the subject of this section. The third, which consists of the roadblocks created by the various foundations that provide financial support, is discussed in Section III.

The first barrier, identified across the board by leaders interviewed for this study, is the everyday press of business for these organizations, most of which are surviving on shoestring budgets while trying to meet the *immediate* needs of their communities. Many organization leaders express concern, for example, that while an emphasis on building community makes good sense, their first responsibility is to their core mission. These leaders believe that a focus on community-building too often compromises their ability to meet their community's most acute, short-term needs.

A second barrier is rooted in some organizations' changing view of the appropriate role of the public in addressing community challenges. While this barrier commands the attention of a fairly small number of the leaders we interviewed, the issues they are struggling with cut to the core of what it means to make civil investments. Indeed, it reveals a lot about how organization leaders tend to think about community itself.

### Rethinking the Public's Role

There is broad agreement among organization leaders we interviewed that citizen participation almost always increases the chances that an organization's or community's efforts will succeed. Yet when they elaborate on roles that citizens might play in such efforts, most leaders focus on a fairly limited set of responsibilities related to the public's ability to accurately identify and articulate *immediate* community needs.

Leaders interviewed for this study say that citizens have a responsibility to:
- Educate themselves about community challenges and possible solutions;
- Participate in community surveys so organizations can get a more accurate picture of the public's needs; and
- Express their views clearly and systematically.

When asked to identify the civic skills and capacities that citizens need to fulfill these responsibilities, organization leaders focused on three categories of skills:

- The basics of communicating and managing, such as:
  - active listening
  - speaking in public
  - running meetings

- Placing collective pressure on government and other institutions through knowing how to:
  - track the workings of government
  - do research
  - write a press release
  - prepare testimony
  - testify without being intimidated

- Understanding and using "collaborative problem-solving" processes, such as:
  - conflict resolution
  - systems thinking
  - assuming shared responsibility for community challenges

The first two sets of skills — those centering on the basics of how to work with others and how to focus collective pressure — were often cited by those organizations who see themselves as advocates in the business of addressing particular problems. Those who see community-building as their foremost goal were more apt to focus on the "collaborative problem-solving" skills.

### Seeking a New Relationship with the Public

When asked to describe their organizations, leaders interviewed for this study defined their core mission in a variety of ways — service provider, issue advocate, community organizer, planner, educator, eco-

nomic development, and others. As we dug beneath these phrases, two distinctly different understandings of the relationship of their organizations to the public — and of the role of the public — emerged. Generally speaking, they thought of themselves as advocates or organizers.

**Advocates.** One group of organizations has a clear and consistent name for what they do — *advocacy*. They point to models of "public participation" that have long been used to organize people to pressure powerful individuals and institutions to honor rights, fulfill obligations, and provide services.

Yet leaders of these organizations voice concern that the traditional strategies and tactics of advocacy need to evolve further if they are to build their communities. While some believe that confrontation is sometimes an essential and unavoidable part of their work, most prefer to continue to move away from "us vs. them" models of public participation.

The advocacy organizations' new model for engaging the public typically includes three basic steps: engaging people in identifying their own needs; helping them to uncover their capacities for doing what is necessary to effect desired changes; and creating a plan to get the job done. This model assumes that the public itself will assume some responsibility both for identifying workable solutions and for carrying them out, rather than asking authorities to "fix this problem."

**Organizers.** A second group of organizations has more difficulty describing precisely what it does, although its leaders are very clear on two points. First, they are not engaged in advocacy; second, they are sailing in uncharted waters.

These leaders tend to draw on the language of community organizing as they describe their approach to encouraging new forms of public involvement in identifying and implementing solutions to community problems. When they describe what they are trying to do, they use such labels as capacity-building, promoting (or facilitating) sustainable collaboration, and community-building, among others.

The leaders of this second group acknowledge that they are struggling with what it means not only to involve but to fully *engage* citizens in meeting public challenges. They believe that they are doing something different than most of their peers and speak passionately about the path they are taking.

If **advocates** see themselves as being in the business of solving particular problems, **organizers** see themselves as focusing on particular problems in order to achieve a broader goal of community-building. Each of these groups has a distinct understanding of the role that the public can and should play in addressing community challenges.

*"[Foundations] that traditionally fund community organizing are so wedded to the Alinsky model that they see that as the only way. I think that there are some other models down here. I'm not sure that I know them all when I see them, but we've got to have some other approaches. So the bottom line is that some foundations are going to have to take a chance on some stuff."*

## Looking Ahead

While the perspective of both the "advocates" and "organizers" interviewed for this study is in many ways encouraging for foundations interested in creating a strategy of civil investing, it is also clear that the context within which many potential grantees work may be at odds with those same foundations' efforts.

Despite the advocates' increased emphasis on community responsibility, most of their efforts are still directed toward short-term goals and immediate problems, with relatively little emphasis on the creation of long-term conditions for change. As for the organizers, they have not yet fully sorted out for themselves what their new model should be, although they are clearly making a serious effort to rethink how they do their work.

Leaders of both types of organizations are struggling with what it means to more fully involve citizens not only in identifying needs, but in bringing their full range of capacities, talents, and strengths to bear on community challenges. These leaders are wrestling with the implications of what they see as a change in the paradigms that guide how they and others work with the public, and *within* the community.

# Section III:  Foundation Practices That Hinder Community-Building

First, the good news. While there is real frustration on the part of organization leaders who find many foundation practices counterproductive to community-building efforts, these organization leaders named some emerging practices they say foundations can build on:

- Some foundations are starting to do a better job of, as one organization leader put it, "actively fostering collaboration between groups." Leaders greatly appreciate the assistance they get from foundations in bringing together different organizations to identify shared challenges and joint ways to move ahead.
- Some foundation staff and executives are making a stronger effort to personally get out of their offices and find out what is actually happening at the grassroots level in the communities where they make grants.
- Foundations have the resources and expertise that allow them to provide community organizations — many of whom often feel bogged down in the urgent day-to-day needs of their community — with a "big-picture" vision of how the challenges they face and the efforts they are making connect with the larger picture of what is happening.
- Leaders are appreciative of the ability of foundations to use a "top down" approach to increase awareness of community needs and to advocate for policy changes, while grantees catalyze change from the "bottom up."

*"Ideas go in and out of vogue regardless of how important they are in the life of the community takes a long time to put programs into effect and bring them to fruition. Conditions that took generations to emerge are expected to end in three years?"*

**Suggested Improvements**

At the same time, organization leaders have quite a few suggestions for improvement. They said that although more and larger grants are always welcome, they are also looking to foundations to create a different way of doing business with the organizations and communities they support.

The following six foundation practices were identified as those most destructive to organizations' ability to engage in community-building:

**1. Foundations are reluctant to fund either long-term efforts or general support for operations.**

Foundations say they think long term, but in reality most don't. Leaders interviewed for this study maintain that it is crazy to think that projects and processes that place the building of long-term public relationships at

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the center of attempts to address community challenges can be achieved in one, or even three, years. Yet that is how long grant recipients are typically given to implement a program and demonstrate results.

The prevailing view is that foundations do not fund the operations that make significant community-building possible. A great deal of community-building work is about creating processes whereby citizens define the nature of their community's challenges and decide what needs to be done about them; what's more, it is about creating and developing formal *and* informal relationships, new solutions, and new ways of working together. Given this, organizations say they need general support to pay for such things as staff and board training, and for the time it takes the staff to actually work with communities. Unfortunately, say the leaders we spoke with, few foundations are willing to fund this type of general support for operations.

A fair amount of frustration is grounded in organizations' belief that, ironically, foundations are very comfortable places to work precisely because they allow themselves very high administrative costs. At the same time, these community organizations say that their own requests for modest operating funds are turned down repeatedly.

### 2. Foundations' preoccupation with innovation makes it difficult to build on successful efforts.

Many organizations believe that the principal motivation behind foundations' preference for new initiatives is that foundation staff and boards care more about whether a project is new and interesting than if it works. "Foundations fund things in fads. They'll read a headline that says there is lots of gang violence and the foundation will fund gang prevention. Then they'll hear the AIDS rate increased. They'll stop funding gang prevention and now fund AIDS prevention." Organization leaders say that the main reason foundations do not like to underwrite general support for operations is because it does not "excite" them.

### 3. Application processes too often force good organizations to compete instead of work together.

Foundations' preference for funding "unique" organizations encourages grantees to emphasize their differences, instead of what they have in common. Leaders say that when foundations insist that their organizations demonstrate the unique niche they are filling, this encourages them to be secretive about their plans and to protect their turf. Organizations say that too often they come to see potential collaborators as likely competitors.

*"Foundations need to look at how they fund stuff.... In my mind, it makes no sense to fund three of us to do the same damn thing in the neighborhood. They need to force the three of us to sit down and really talk about what our combined response ought to be. I think that if the three of us can do the job for $25,000, it makes more sense to do that than the three of us doing it for $40,000."*

Funding strategies are too issue-specific. Community-building most often occurs when people work on collections of related problems, but foundations too often tie grants to specific issues. Because organizations are also encouraged to specialize in certain issues in order to develop and demonstrate expertise, these leaders say that issue-specific funding strategies make it unlikely that they will have an opportunity to work with other organizations.

Organization leaders believe that foundations rarely try to inform themselves of the activities of other funders and to work together on grant-making strategies. This results in organizations having to spend more time and energy reacting to funders' requests and requirements than should be necessary.

### 4. Too many foundations stay separated from the organizations they fund.

Foundations too often set themselves up as experts who know what is best for communities they actually know very little about. These leaders say that foundation staff and boards with very little "street experience" insist on telling both them and citizens what is wrong with their communities and how to fix them. This frustrates community organizations that say the foundations' diagnoses and prescriptions are not only too often off the mark, but that foundations seem unwilling to make the effort to understand how communities actually work.

A one-size-fits-all approach to grant making boxes communities in. One organization leader, for example, described a foundation's multi-city initiative as requiring each community to work at the same pace, on the same schedule, in order to meet the foundation's own preference that everyone be "in synch" with its funding and assessment cycles. This type of approach often makes it difficult for communities to take advantage of their unique strengths and resources.

### 5. Foundations do not understand what it takes to "involve" the public in addressing community challenges.

Foundations are trapped in an outmoded understanding of what effective community organizing looks like. Organizations that want to break out of the confrontational model of community organizing say that they often find themselves trapped in the paradox of having to deal either with foundations that firmly believe in organizing for confrontational advocacy, or with others that will not fund community-building processes precisely because they cannot distinguish such strategies from traditional advocacy organizing.

### 6. Foundations' methods of evaluation fail to capture the essence of what many organizations are trying to do.

Organizations that are committed to creating processes that help communities work together more effectively seem particularly frustrated by current foundation standards for assessment. Their principal complaint is that foundations tend to focus on the things that are created, but not on the processes that lead to their creation.

For example, a foundation that funds a housing program may want to see houses and statistics on how many people have been moved out of shelters, but it seldom asks for information on the strong groups of tenants that have come together informally to improve their lives by creating informal day care arrangements so that they can work and earn money to pay the rent.

Organizations insist that they want to be held accountable for the way they use foundation money, but they also believe that the measures of success required by foundations are often inadequate. They say that far too often foundation standards for evaluation actually *divert* community efforts from the path that local leaders believe makes sense, because they are forced to focus on meeting goals that have little to do with community-building.

Organization leaders believe that their ability to create new ways of working together is far ahead of their understanding of how to measure the effectiveness of their work. They are looking to foundations to provide leadership in the design of more appropriate measures. For their part, they offered several broad suggestions regarding the types of things that foundations genuinely interested in building communities might try to measure:

- Diversity and breadth of public involvement;
- Intensity of public involvement;
- Identification/nurturing of new leaders; and
- Creation of healthy community relationships.

# Section IV: Implications for Foundations

Foundations hoping to initiate a strategy of civil investing are setting out on a journey down a bumpy and sometimes lonely road. Yet there are sign-posts that can significantly increase the likelihood that the journey will be successful.

Indeed, if attempts to engage grantees, organizations, and citizens in the shared work of strengthening their communities are to succeed, foundations must be willing to examine their existing assumptions, frameworks, and institutional reflexes. In turn, leaders of many — though not all — grant-seeking organizations want foundations to help them sort through the meaning and implications of the changing paradigms that may emerge.

The Harwood Group's research and hands-on experience in bringing about change in communities throughout America tells us that for civil investing to work, foundations must embrace fundamentally new notions of what it means to *work with* communities. The following suggestions pro-vide touchstones for foundations ready to embark on the path of civil investing:

- **Invest for the long term.** Relationship-building is the central task of any attempt to strengthen a community's civic infrastructure. But it takes long-term continuity of funding to create, energize, and sustain the sort of mutually reinforcing relationships that make communities work.
- **Foster partnerships, not paternalism.** Communities and organiza-tions are looking to grantmakers for more than just dollars. They want foundations to join them in efforts to understand how their communi-ties actually work.
- **Look for natural opportunities to share work within communi-ties.** Foundations must examine their own practices to make sure they are not undercutting the natural inclinations of communities to work together. People, groups, and institutions often want to work together, but they are too often forced into partnerships that do not fit their indi-vidual missions or ways of working. Alternatively, potential collaborators may be driven to compete with one another for funds instead of working together. Any effort on the part of foundations that results in forced collaboration or needless competition will only lead to wasted efforts on the part of both grantmaker and grantee.
- **Challenge traditional notions of citizen "involvement."** While some grantee organizations are sorting out what it means to genuinely *engage* the public, many more are locked into traditional understand-

ings of "citizen participation" that actually provide little room for people to take effective public action. Foundations must reexamine *their own* assumptions about the meaning of public involvement if they are to help grantees and communities move in a new direction.

- **Reexamine the role of civic skills.** Foundations and grantees seem to have a narrow understanding of the types of civic skills that must be in place if people are to be fully engaged in community-building. This means that foundations must push both themselves and their grantees to reexamine connections between the types of skills they foster and their long-term strategy for strengthening civil society.
- **Encourage public deliberation on a scale that makes sense.** It is essential that efforts to create and strengthen civil society be rooted in broad-based dialogue among both citizens *and* organizations about shared community concerns. Yet it is just as essential that such initiatives begin on a scale that makes sense for both organizers and the larger community. It is often better to start small and build from there.
- **Focus on the intersection of related issues.** The Harwood Group's research demonstrates that people experience community challenges not as isolated issues, but as interconnected webs of concerns. Funding strategies must be sensitive to these dynamics and encourage grantees to address community challenges in ways that connect with the way people experience concerns in their everyday lives.
- **Create new measures of success.** Most existing standards of assessment fail to capture the dynamics at the core of community-building. Foundations must take the lead in designing new ways of measuring the effects of "civil processes" if they want to learn from their civil investing efforts.

### Civil Investing and Public Capital

There is no easy-to-follow blueprint that will allow a foundation to quickly ascertain how best to make "civil investments" in a community. But if

foundations had a deeper understanding of the role that public capital plays in the long-term health and sustainability of communities, they might create a system that taps into communities' inherent capacities to act effectively on their challenges.

The term, *public capital* refers to the capacities, relationships, networks, and linkages that enable a community to work effectively. A report prepared by The Harwood Group for the Kettering Foundation entitled *Public Capital: The Dynamic System That Makes Public Life Work*, identifies nine factors that, when woven together, comprise the public capital of a community.

- **An abundance of social gatherings** that enable people to learn about what is happening in the community and begin to develop a sense of mutual trust. These gatherings form the seedbed for public capital.
- **Organized spaces for interaction** where people can come together to learn about, discuss, and often act on community challenges. These spaces help a community begin to identify and tap existing resources to address common concerns.
- **Catalytic organizations** that help engage people in public life and marshal a community's resources to support and push ahead others' initiatives. These organizations help lay the foundation for community action.
- **Safe havens for decision makers** where a community's leaders can "work through" community concerns in "off-the-record" discussions.
- **Strong, diverse leadership** that extends to all layers of a community, understands the concerns of the community as a whole, and serves as a connector among individuals and organizations throughout the community.
- **Informal networks and links** that connect various individuals, groups, organizations, and institutions together to create a shared set of experiences, knowledge, and resources.
- **Conscious community discussion** where a community talks or thinks about and sorts through its common concerns. People play an active role in helping decide how the community should act.
- **Community norms for public life** that help guide how people act, interact, and work together. These norms set the tone for public life, including civic engagement and action.
- **A shared purpose for the community** that acts as a rallying point to bring people together to address community issues and sends an explicit message about the community's aspirations.

# Appendix: Methodology

This report is based on interviews conducted by The Harwood Group with leaders of nonprofit organizations whose names were submitted by members of the Council on Foundations Civil Investing Seminar. Seminar participants submitted a total of 66 names, from which The Harwood Group selected 25 participants representing a cross section of types of organizations (e.g., service providers, educators, advocates, organizers, leadership development, planners) and issues (e.g., health care, housing, the environment, economic development, families, youth, and immigration).

To ensure geographic diversity, no more than three interviews were conducted in any community. Participants were drawn from the following 17 communities:

| | |
|---|---|
| Birmingham, AL | Roxbury, MA |
| Los Angeles, CA | Minneapolis, MN |
| San Francisco, CA | Greensboro, NC |
| Boulder, CO | Camden, NJ |
| Jacksonville, FL | New Brunswick, NJ |
| Miami, FL | Trenton, NJ |
| Chicago, IL | Portland, OR |
| Fort Wayne, IN | Fort Worth, TX |
| Boston, MA | |

Participants were interviewed by trained interviewers in 45-60 minute sessions, conducted during November and December 1995. The interviews were audiotaped and the participants were assured that their names and organizations would not appear in this study, both to respect their privacy and to ensure candid discussion.

The purpose of these interviews was to find out more about how leaders of nonprofit, grant-seeking organizations think about the connections between their work and the work of other groups in their communities; the extent to which they see "community-building" or the strengthening of "civil infrastructure" as an essential part of their work; the factors that either facilitate or impede the ability to meet organization goals; and the role they see for philanthropic foundations in addressing community challenges.

There are, of course, limitations to interviews of this type. The