How Can This Leading Health Equity Funder Bolster Its Community Impact?

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The California Endowment (TCE) was founded in 1996 with an explicit health justice mission that endures to this day: “to expand access to affordable, quality health care for underserved individuals and communities and to promote fundamental improvements in the health status of the people of California.” By 2012, the asset base of this health conversion foundation stood at $3.7 billion, with annual giving at $144 million. Its primary grantmaking strategy is known as Building Healthy Communities (BHC). In 2009, TCE committed more than $1 billion over 10 years to statewide policy advocacy and strategic communications as well as deep and targeted investments in 14 selected communities across the state.

Results of this assessment were overwhelmingly positive. The California Endowment exemplifies strategic social justice philanthropy on virtually all of NCRP’s measures. In fact, through the process of this assessment, what we learned about TCE’s strategy and impact informed NCRP’s decision to award the foundation its 2014 Impact Award for large private foundation. The findings shed light on why and how the foundation accomplished these results, offer guidance as it makes decisions about what to keep doing and what to change, and can inspire other grantmakers that are pursuing similar paths.

There is always room for improvement, particularly because there is no simple or linear path to social justice; the complexity and interconnectedness of social structures means that solutions in one arena often create consequences in other parts of the system. Funders like TCE that are committed to this work must be open to honest feedback and continuous learning – not in the hopes of achieving perfection, but of being more aware of and sensitive about trade-offs, making them thoughtfully and mitigating them when possible. Key findings from this assessment are:

1. **The California Endowment is pursuing a bold and robust strategy that is helping move the needle toward equity.** The foundation has helped expand health access and equity through its support of national health reform, changes in school discipline policies and focused attention on the urgent needs of boys and men of color. TCE explicitly addresses disparate outcomes, impacts, treatment and opportunities for low-income communities, communities of color, immigrant populations and other marginalized groups. It invests in social change strategies such as policy advocacy and community organizing to address root causes of inequity, as well as to build power among those most affected so they can engage in the discussions and decisions that affect their lives over the long term. The current focus on 14 communities across California enables a systems approach that can lead to real changes people can experience directly, as well as build their will, skill and relationships to participate actively and effectively in civic life now and in the future. The corresponding focus on changing statewide policy and public opinion means that what happens in those communities can aggregate to far-reaching impact across the state.

2. **The California Endowment embraces power as a driver of change and invests in efforts to build community power, particularly of those most affected by health inequities.** According to Foundation Center data, TCE is in the top tier of foundations – and surpasses NCRP’s recommended levels – in its support...
for vulnerable populations and its investment in social justice strategies.

TCE’s approach distinguishes BHC from other funder-driven place-based initiatives because it explicitly seeks to build power at the local level and connect it with statewide policy change. Using a community organizing strategy enables TCE to fully tap the potential of systems change – both in terms of the interlocking systems that shape a community and also to connect local, state and federal systems. By building the organizing capacity of service organizations in BHC sites, TCE’s approach also helps to bridge the usual divide between policy advocacy and direct service work.

3. **The California Endowment leverages a robust menu of resources and entry points to make change in addition to grants; some worry that this strength undermines the capacity of nonprofits to drive change for the long term.** As early as its inaugural annual report, TCE referenced the notion of being not just a grantmaker but a changemaker as well. This means leveraging the full spectrum of resources available to foundations to effect change, including funding advocacy efforts, directly engaging in advocacy and strategic communications, using its convening power, providing technical assistance and aligning its investment strategy with grantmaking goals. While interviewees offer candid critique and suggestions for how the foundation might improve its efforts, they express universal respect and genuine appreciation for Ross’s values and leadership. And he has surrounded himself with other diverse leaders who are regarded as the best and brightest in their respective fields.

5. **Some of The California Endowment’s grantmaking practices limit grantees’ flexibility to engage in the full spectrum of systems change work.** While the foundation provides multi-year funding, it has limited its ability to grant general operating support. In 2011, only 10 percent of its grantmaking went to general operating support grants, well below the 50 percent that NCRP recommends for effective grantmaking.

4. **The California Endowment leads by example, makes strategic use of the bully pulpit and models the power of diversity to drive social change.** One notable change-making strategy is the foundation’s willingness to use its leadership, influence and “bully pulpit” to advance issues related to its social justice mission. CEO Dr. Robert Ross is viewed as a bold and humble leader in philanthropy, public health, health equity and other arenas. While interviewees offer candid critique and suggestions for how the foundation might improve its efforts, they express universal respect and genuine appreciation for Ross’s values and leadership. And he has surrounded himself with other diverse leaders who are regarded as the best and brightest in their respective fields.

6. **The California Endowment struggles to align the various moving parts that comprise its complex social justice strategy.** Alignment could be stronger at multiple levels – between statewide policy and community-based work; across various funding pools and between grantmaking and investments; between programmatic and operational needs; and between community organizing and more traditional program-officer perspectives within the foundation.
7. **The California Endowment invests in learning for impact; specific outcomes are emerging from the experience on the ground.** Social justice work is complex and TCE has commissioned numerous studies to probe these complexities and learn from them. In partnership with grantees, the foundation is articulating signs of progress that they are building community capacity and power, and learning how these help improve health equity.

The California Endowment exemplifies strategic social justice philanthropy in many ways, including its attention to continuous learning and improvement. The following recommendations are offered in that same spirit.

1. **Continue the explicit and robust commitment to social justice.** TCE is already a national leader and its current approach clearly is producing important and much-needed results. Specifically, continue prioritizing support of marginalized communities, social change strategies like community organizing and advocacy, and multi-year funding. Additionally, continue to make use of the foundation’s leadership voice to influence the philanthropic field and others to invest in social justice.

2. **Reinvest in building the nonprofit infrastructure for statewide policy advocacy and rekindle closer coordination with partners from that sector.** This is not to suggest an abandonment of TCE’s advocacy and communications efforts, but rather a recalibration between what the foundation funds and what it runs directly. No matter its size and effectiveness, TCE cannot advocate on all issues; having a robust nonprofit advocacy infrastructure means that TCE can focus its efforts without worry that other issues are falling by the wayside. Further, this approach will truly maximize the change-maker orientation because nonprofits can include lobbying in their advocacy efforts, unlike private foundations. Having greater capacity will enable grantees to maximize the foundation’s efforts, for example, by being able to more fully respond to and integrate the foundation’s strategic messaging about health access and equity.

3. **Increase general operating support grants.** This will help nonprofit grantees build their capacity while also providing maximum flexibility to engage in the full range of advocacy activities, including lobbying. Also, make sure that grant agreements do not include language that unnecessarily inhibits grantee advocacy and lobbying.

4. **Communicate more directly and transparently about the foundation’s intentions, outcomes and lessons.** Stakeholders identified at least three areas in need of greater transparency and communication: (a) how all the pieces of the BHC strategic framework connect and reinforce each other, including the links between power building and health improvement outcomes and the indicators that power is being built; (b) why the 14 communities were chosen and how the local work in these places can support and complement work in other communities that are not directly funded; and (c) the rationale for the focus on systemic support for boys and men of color.

5. **Involve grantees more directly in strategy development.** While grantees are tapped regularly for feedback to inform learning and evaluation, several of the findings point to the value of and need for greater grantee involvement on the front end of crafting strategies. This includes help with alignment across
foundation efforts to identify and articulate realistic and meaningful outcomes and to ensure nonprofit capacity building remains a priority for the foundation. This would complement TCE’s power-building efforts and demonstrate to other institutional and systems leaders that power can be shared and shifted.

6. **Align and coordinate the foundation’s grant investments across its programmatic areas as well as with mission investments.** Internal efforts to promote learning and strategizing across the Healthy Communities and Healthy California teams hold promise. Additionally, while there is some resistance to creating more layers of infrastructure in communities, some greater coordination of both grantmaking and community-based work would be useful. Finally, program- and mission-related investment strategies could better align with and support the work in the 14 local communities.

7. **Invest in comprehensive and continuous professional development and training for staff.** TCE has a staff of 135 to ensure its capacity to do social justice giving well. This size also allows staff to be located in or near funding sites and have time to connect with communities and build relationships. Especially because the staff is so diverse and dispersed geographically, continuous training, support and internal communications are critical in ensuring a unified team. Program staff need support to blend social justice values with the craft of grantmaking. Operations staff need support to make the links between their day-to-day responsibilities and the social justice mission of the foundation. These efforts will enable TCE to shore up its grantmaking function while also strengthening its work as a multifaceted changemaker.

Strategic social justice philanthropy is not easy. But The California Endowment proves that it is possible. Through its steadfast commitment to building the capacity and power of marginalized communities, its strategic efforts to connect local work with statewide policy, its deep investment in community organizing and the myriad ways it leverages its leadership voice and influence, TCE is well on its way to tapping the full potential of foundations as social changemakers. Continuing and building upon what works, as well as making strategic adjustments consistent with its values, will both strengthen TCE’s results and serve as a beacon of hope to the field and to communities most in need of support.
ABOUT PHILAMPLIFY

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