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KNIGHT FOUNDATION

CAN IT LOOK BEYOND
#SHINYBRIGHTOBJECTS
AND DO MORE
TO PROMOTE EQUITY?

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philamplify

honest feedback to improve philanthropy

EXECUTIVE SUMMARY

In many ways, Knight Foundation represents a breath of fresh air in philanthropy, with a broad mission to engage and inform communities and clear commitment to innovation. This liberates the foundation from exclusively traditional modes of grantmaking and enables foundation staff to be entrepreneurial and avoid the top-down tendencies of strategic philanthropy.

The flip side of this innovation ethos is a lack of well-articulated goals and strategies, leaving many Knight constituents confused about what the foundation is trying to accomplish over the long term. Moreover, the foundation's grantees and peers often have differing opinions about whether or not Knight wants to help disenfranchised populations and advance equity.

Knight is a complex institution with many moving parts, and it still has not found its "sweet spot" organizationally, as reflected in very contrasting opinions from stakeholders about the foundation as a partner. Knight Foundation, as one observer noted, represents and attracts "the cool kids you wish you could sit with in the school cafeteria." It cultivates a youthful, smart and ambitious staff team and convenes its grantees at signature events that bring in star speakers in their respective fields. This dynamic culture is refreshing but does not always feel inclusive for women and communities of color. Also, internal structural changes and staff turnover have negatively affected relationships with some community foundations, grantees and peers. This poses challenges for the important relational work the foundation must continually undertake with its partners in Knight's 26 target cities.

Knight can be proud of much that it has accomplished. It has made challenge grants a defining feature of its grantmaking, engaging and supporting many little-known organizations and individuals. Its flexible approach allows staff to tailor programming to local conditions and needs. Knight's impact is most visible in the variety of arts and culture organizations it has funded in its resident cities, the urban planning and revitalization efforts it has supported, and its push to help journalism survive and thrive in the digital age.

Knight can amplify its impact by marrying the best of its innovation ethos with a more explicit equity lens and more grants targeted toward underserved populations. This will ensure that the foundation is engaging, informing and benefiting all of the residents in its 26 cities, especially the most marginalized, to realize its deeply rooted democratic ideals and achieve lasting change.

ASSESSMENT FINDINGS

- 1. Knight Foundation is synonymous with "innovation," which has led to some significant outcomes.** Bucking the trend toward top-down "strategic philanthropy," Knight has liberated its grantmaking by saying, "We don't have all the answers," and opening up its processes to invite all sorts of outside-the-box ideas and solutions.
- 2. Knight lacks well-articulated long-term goals and strategies, in some cases making its intended impact unclear.** The flip side of opening up its grant-

making and having the broad goal of “informed and engaged communities” is that many constituents don’t understand what Knight is trying to accomplish and how its individual grants add up to impact over the long term.

3. While a quarter of Knight’s grants typically support marginalized populations, this proportion of grant dollars has been declining over time. Knight funds a number of equity-focused initiatives, yet, without a stated commitment, stakeholders lack consensus about its intent.

A central aspect of Knight’s approach is attracting and retaining college educated 25–34-year-old “talent” into its cities. Some of its staff see a clear complementary goal of growing opportunity among existing residents, but this is not a given for all the communities it serves. Without a specific objective to ensure that low-income residents and residents of color, as well as other marginalized populations, are targeted in the “Talent, Opportunity, Engagement” framework, Knight risks leaving poor communities on the outside looking in as urban cores are revitalized.

4. Knight Foundation is strongly committed to civic engagement, leveraging community foundations as key partners. Without explicit strategies to build resident power and adequate staff capacity to capitalize on opportunities, the potential for its community engagement grants and innovations to have long-term impact can be limited.

Unlike many national foundations with place-based programs, Knight employs on-site staff in eight of its 26 cities, and partners with community foundations in all. This allows the foundation to have eyes and ears on the ground. However, innovative engagement ideas are not always married with institutions and approaches

that have the capacity to maximize their utility, limiting their potential long-term value.

5. Knight’s challenge grant programs have successfully attracted nontraditional grantees and fostered community collaboration.

Stakeholders laud the foundation’s strategy of using the challenge grants process to create easy entry points for diverse groups and individuals that might not otherwise gain the attention of a major national grantmaker.

6. Knight collaborates extensively with multiple sectors at the local and national levels. Yet, stakeholder perspectives about Knight Foundation as a partner vary widely, from glowing to frustrated.

Grantees and community foundations especially appreciated convening opportunities, but internal structural changes and staff turnover undermined relationships with these stakeholders.

7. Knight Foundation is a learning organization that communicates abundantly and creatively but not always strategically.

The foundation collects and acts on a lot of data, frequently invites feedback and makes course corrections. It is a prolific producer of reports and web content and is considered cutting-edge in communications among its philanthropic peers. On the other hand, it can be difficult to sort through and make meaning of all the information, leaving many Knight constituents confused about how it all adds up to represent a coherent and consistent brand.

8. Knight Foundation engages in several good grant-making practices and has proudly grown the diversity of its investment managers.

The foundation pays out 6 percent of its assets each year and provides

a significant proportion of its grants in the form of operating and multi-year support. Assets managed under minority- and women-owned investment firms have grown to 15 percent of the corpus.

RECOMMENDATIONS

1. **Keep embracing risk and innovation, especially as embodied in the Knight challenge grants.** The foundation should continue its most effective features, including the challenge grants and prototype funds, convenings and abundant communications to promote its grantees.
2. **Articulate explicit goals and strategies for each program area, including how pursuit of innovation will lead to long-term systemic change.** The foundation eschews traditional “charity” grantmaking in favor of “social investment,” but it can have greater impact by setting clearer objectives for these investments. Chasing innovation, funding startups, issuing challenge grants and targeting nontraditional grantees are all great ideas individually, but the lack of an overarching strategy limits their combined effectiveness. A grantee may create an innovative product, such as a voting widget, but that doesn’t guarantee it will have widespread benefit, let alone help to effect systemic change.
3. **Make an explicit commitment to increase grantmaking that benefits and engages marginalized communities, and describe how Knight seeks to advance racial and other forms of equity.** The foundation’s implicit commitment to equity and underserved populations will be realized more effectively when (a) Knight increases the proportion of grant dollars benefiting underserved communities; (b) it overtly states its equity goals; and (c) each program area incorporates these goals into its grantmaking. Doing so can open the door to new relationships and strategies. For example, partnerships with community foundations can extend to support their LGBTQ funding programs in cities such as Charlotte, Miami and Detroit. Collaborating with funders seeking to diversify the tech industry could lead to bigger investments in developing women and minority entrepreneurs.¹
4. **Make internal structural changes that will improve the quality and consistency of relationships with community foundations, grantees and other partners.** Knight Foundation is a complex organization with both national and local grantmaking programs, resident and nonresident communities, traditional grants, donor-advised grants and challenge grants. To its credit, the foundation has made structural changes over the last several years to try to align these many moving parts, but it has not found its sweet spot yet. Knight needs to address local demand for more interaction across the 26 cities, high staff turnover, uneven responsiveness to partners and perceived disconnects among programs to boost its impact.
5. **Communicate clearly to grantees and applicants about how and when the foundation uses general operating support, capacity building and multi-year funding to achieve impact.** Clearer communication across programs and cities can address some stakeholders’ perception that many Knight grants are “one and done” and their uneven experience with being able to access core support or additional assistance beyond the grant.