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Aligning Mission and Investments
Fully Leveraging Philanthropic Capital
for Environmental Change

“Solving Today’s Problems with Today’s Money”

An Interview with John Hunting

On May 27, 2008, Verna Harrison, executive director of the Keith Campbell Foundation for the Environment, interviewed longtime environmentalist John Hunting, founder of the Beldon Fund, a private foundation that will close in 2009 after spending out its \$100 million endowment. The Beldon Fund’s resources greatly increased in 1998, when the Steelcase Furniture Company, the source of Hunting’s wealth, went public and most of the proceeds from his stock sales were transferred to Beldon. At the same time Hunting, who has been an environmental philanthropist for decades, decided to set a 10-year time horizon for the foundation that would allow it to accelerate its grantmaking at a particularly challenging time for environmental issues.

The Beldon Fund has sought to build a national consensus to achieve and sustain a healthy planet through three main programs: Human Health and the Environment, which engaged powerful new voices outside the environmental community to activate the public; the Key States Program, which focused on strengthening public and policy support for environmental protection in five states — Wisconsin, Michigan, Minnesota, North Carolina, and Florida — and a Discretionary Program, designed to strengthen the capacity of the environmental community to develop successful techniques for civic engagement. On the eve of the foundation’s phase-out, EGA Journal looks at Hunting’s philosophy of philanthropy, lessons learned from years in the field, and what’s next for him.

Note: The following conversation has been edited and abridged for brevity, clarity, and accuracy.

Verna: You’re one of the “legends” in the environmental grantmaking movement. From the perspective of your grantmaking, what is the reason that you chose to structure your organization in what they call a “spend out” mode and can you explain a little bit about what that means?

John: There were four reasons. One of them is that I feel philosophically that a foundation should spend out and solve today’s problems with today’s money. Second, there’s going to be a lot of money coming down

the pike; every year new foundations — some huge — appear that were not here before. Third, I wanted to see the results done in my lifetime. We all know that very often foundations are set up and the people who carry on start going off in different directions from the intention of the donor. To be fair, I should also say that I did not have any children, and that left me freer to give my money away.

Finally, as an environmentalist — particularly an environmentalist against global warming— I think it’s inexcusable for a foundation not to spend out now because what’s the sense of saving for the future when we may not have a future?

Verna: And as far as the actuality of spending out, does that mean that the Beldon Fund goes out of existence completely? What will be your relationship with the environmental community? Are you going to be involved in a different context?

John: Yes, it does mean the Beldon Fund will spend out completely. We approved our last grants at our June 2008 board meeting. As far as my relationship to the environmental community, I still have a small fund at the Tides Foundation which will probably support progressive public policy issues. I also have a small foundation — the Dyer-Ives Foundation — in Grand Rapids, Michigan which I intend to spend down too.

Verna: What are the main accomplishments of the Beldon Fund that most stand out in your mind?

John: Our three main programs have all done pretty well and I think helped strengthen environmental advocacy. Our strategy was to focus on some key states, invest in capacity building of advocacy organizations and encourage them to collaborate so they could work more effectively on a range of issues. We also helped grantees expand their nonpartisan civic engagement activities. And we reached beyond the converted to bring in new advocates from outside the traditional environmental community — particularly nurses, who became very powerful voices for reform of toxic chemicals policies and helped promote a health message that got a lot of traction and resulted in some new laws.

Verna: What advice would you give to other grantmakers about promoting state-based collaboration?

John: I think that people should be at least communicating if not collaborating so that they don't step on each others' toes, don't waste resources, and try to come together to present a united front which has much more likelihood of getting things accomplished. In our states program we encouraged the development of "tables" where 501(c)(3) organizations [public charities that conduct charitable and nonpartisan educational work] could develop a collaborative agenda. These were environmental tables as well as broader tables with organizations working on other progressive issues. Participants literally sit around the same table and plan their programs, share successful strategies and develop collaborative resources. To give just one example of the benefits: in Minnesota, it was common for environmental groups to have more than 50 competing policy priorities. This changed once they started setting joint agendas. In 2007 they had four priorities and won three of them.

You want to have collaborations on every level, and that includes foundations. Because so often we're asking grantees to collaborate but we don't collaborate ourselves. So I think it's important that foundations also try to collaborate, especially in the area of environmental health — there aren't that many foundations that fund in that area but they have worked together and pulled the grantees together to become more cooperative and, I think, more effective.

Verna: And in the area of your states work, it seems to me that you were pretty innovative early on with trying to incentivize grantees to work together through the use of a common "pot of funding." Is that something you'd recommend to other organizations?

John: In general, yes. We've had mostly good results with this approach. We gave planning grants for organizations to come together to develop a thoughtful plan and to hold each other accountable, with the promise of multiyear grants if they were able to work it out. It wasn't always an easy process. In fact, some grantees started calling it the "Beldathon."

Verna: What is the most important advice you would give fellow grantmakers?

John: We believe in advocacy. We believe that nothing gets done if you don't change the minds of the decision makers, so we evolve from that. I hope that other foundations will do the same because no matter what area of the environment a foundation is interested in, so much depends upon what happens in

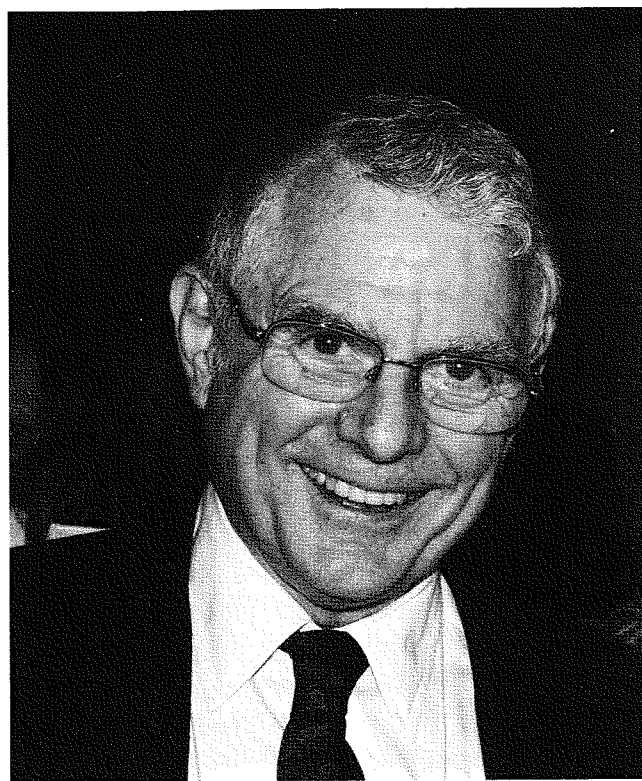


Photo: Javier Sanchez

Please join EGA and the Beldon Fund for a "fireside chat" at this year's Retreat, where we will acknowledge John and his colleagues for their lasting contribution.

the policy and advocacy realm. We've always tried to set a model for that. We've supported organizations that provide information about legal forms of advocacy, because many foundations are nervous about becoming advocates.

So my first advice is, involve a good lawyer who understands the law on foundations and advocacy. The second bit of advice is hire a good executive director—one who's well paid and can do the job. I think it starts at the top. Then if that executive director has plenty of stuff on the ball, he or she will go out and find other good people to work for him or her. I would also urge foundations to try to put on their board people who are knowledgeable about their issues. We were fortunate in having people on Beldon's board who cared and knew a lot about our issue areas and it was very helpful.

Finally, we made one mistake in taking on too many issues in the beginning and then we realized it was just not going to be effective and we whittled them down. My advice to new foundations that are just beginning is

to start small and expand rather than start with too many issues and then have to reduce.

Verna: Have you used outside evaluators?

John: Yes, and it's been extremely helpful. We have had several evaluations at strategic points that helped us refine our focus and improve the quality of our work and the administrative and grantmaking processes. We felt strongly that the only way for a foundation to get honest feedback is to do anonymous evaluations.

Verna: As the executive director of a relatively new foundation, I can attest to the importance of the advice provided to us by the Beldon staff—not only during meetings but by coming to Annapolis to meet with our president and staff.

John: Well I think that is important to try to keep the CEO not too tied down so that he or she can be available not only for giving advice but for pulling people together, too. One of my little pet theories is that money is not always the most important thing a foundation has to give. They can give advice, they can be brokers between money and ideas and people.

Verna: So what have you enjoyed the most about this role as a leader of the Beldon Fund? What's been the most fun?

John: It's the feeling of satisfaction. That I did my best, I tried to make a difference. I think I did make some difference. ■

The Bridge, continued from page 27

fetish, etc.) and identifies important potential “drivers” for those transformations (principally the development of a new consciousness and a new politics).

He is quick to acknowledge that little of this is new—he has drawn quite liberally from the writings of many others. The book's unique contribution may have as much to do with its source as its content. Speth is an ultimate environmental insider from whom a suggestive critique like this may have more impact than if it had come from another, more easily marginalized figure. One suspects that he believes that if his readers are mainstream environmentalists, then the book will bring them into engagement with a range of writers and ideas with which they were previously unfamiliar. This would be a good thing—both that environmentalists are introduced to these ideas and that that introduction should come by way of Speth's intelligent, readable, and hopeful book. ■

Letters to the Editor



Photo: istockphoto.com/Hans F. Meier

Dear Editor:

I'm very glad that Scott Denman of the Wallace Global Fund wrote the essay, “Nuclear Power: No Solution to Global Warming” (*EGA Journal*, Spring 2008). He made excellent points about the financial cost and environmental hazards of nuclear power, and its risk of diverting attention from much better solutions to our energy needs, such as renewable energy sources and energy efficiency and conservation.

I'd like to add an additional concern about climate and nuclear energy to those very valid issues: water. The Intergovernmental Panel on Climate Change's “Climate Change 2007: The Physical Science Basis,” predicts that global warming is likely to intensify drought's duration and severity, and to raise water temperatures. Nuclear plants, however, typically need a great deal of temperate water for cooling, which may not be available reliably in the years to come. The August 2007 shutdown and power reductions at the Brown Ferry nuclear plant in Alabama, due to a shortage of cool-enough water in the Tennessee River, are a warning that these risks may be not far off.

Thanks again to Mr. Denman and to EGA for helping us understand nuclear power in the context of climate change.

David Todd
Trustee, Magnolia Charitable Trust
Austin, Texas

Brainerd Foundation Sunsets

BY ANN KRUMBOLTZ, BRAINERD FOUNDATION

Driven by a sense of urgency about the survival of US Northwest ecosystems, and by founder and president Paul Brainerd's desire to enjoy the results of his organization's work in his lifetime, the Seattle-based Brainerd Foundation is developing a strategy to spend out its assets over the next 10 to 12 years.

The foundation currently spends about \$2.5 million a year, often exceeding the minimum 5 percent required by law and dipping into its endowment to fund projects of special importance. Now it will be increasing its annual outlay to between \$3.5 million and \$4.5 million, meaning that sometime around 2020, after 25 years of grantmaking, the endowment will be gone and the foundation will sunset.

The foundation is currently working with external stakeholders including grantees, advisers, and colleague foundations to help identify potential opportunities for expanding its effectiveness during the spend-out period to fulfill the goal it established in 2005 when it adopted its current strategic plan: "Building the will of communities and policy leaders to protect our region's air, land and water."

It is likely that much of the additional spending will be used to deepen investments in the foundation's current program areas, a strategy it anticipates will likely be the best option to leverage the extra funds. Brainerd's grantmaking currently supports three program areas — conservation policy work, place-based conservation efforts, and organizational capacity building for the conservation movement. Recognizing that advocacy and activism are keys to achieving environmental change, the foundation's policy work focuses on helping decision makers at the state and local levels make informed choices by uniting policy development and civic engagement efforts. The place-based program targets efforts to conserve specific landscapes selected using the science of conservation biology and other criteria. The organizational capacity program promotes leadership development and the effective use of technology and communications tools.

The foundation also maintains three special funds—the Catalyst, Opportunity, and Grassroots



Photo: Jim Nelson

Mt. Shuksan in the northern Cascade range. Brainerd's place-based grant program targets efforts to conserve specific landscapes.

Funds—that supplement its program grants. The Catalyst Fund gives grantees the luxury of "planning grants," which are designed to increase their capacity to think how they might become more effective in the future. The Opportunity Fund provides small grants to help groups take advantage of short-lived, emergent opportunities. The Grassroots Fund supports small organizations confronting critical challenges on the ground in their communities.

Besides intensifying support for its current programs, the Brainerd Foundation may also invest time and effort in helping to cultivate more regional philanthropic leadership to build capacity with the next generation of philanthropists.

Paul Brainerd, who was a newspaper editor and a software company CEO (he financed the foundation with proceeds from the sale of Aldus, the software company that created PageMaker) prior to his career as a philanthropist, has been thinking about sunsetting the foundation for a while. He was inspired in part by Beldon Fund Trustee John Hunting's discussion of his decision to spend-down that foundation this year (see page 24 for an interview with Hunting). His other reasons are more personal, however, and played a greater role in his decision. "I want to be able to see for myself that our work has a lasting impact," he maintains. And as a concerned environmentalist, he is also driven by a sense that time is of the essence: "The world is a precarious place," says Brainerd. "Waiting can be a very dangerous strategy, as can relying on halfway measures. We must strive to save what we can now." ■