Community Foundations as Philanthropic Catalysts for Change: What’s the Board’s Role and the Governance Expectations?
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It has been argued that community foundations play an important leadership role in improving the quality of life of their communities by stimulating and coordinating philanthropic giving while also being responsive to the changing needs of local constituents—not only donors and grantees, but also volunteers, board members, nonprofit organizations, the media, collaborative partners in the public, private, and not-for-profit communities, and the disadvantaged and previously disengaged (National Committee for Responsive Philanthropy, 1994). Thus, in times of economic uncertainty, rapid technological change, dwindling resources, and complex societal needs, community foundations play a key role in building community stability and empowerment. Although there is a growing body of research documenting how community foundations actually function as change agents helping citizens to create and advance new visions for their communities (Bernholz, Fulton, and Kasper, 2005; Hamilton, Parzen, and Brown, 2004; Millesen, 2005; Ragey, Masaoka, & Peters, 2005), very little is known about what goes on in the boardroom around these issues.

In a speech delivered at the Community Foundation Symposium in Berlin, Germany, Emmett Carson (2004) speaks passionately about the promise of community foundations as change agents. He asserts that that community foundations are at a crossroads and that the path chosen will arguably shape their future. He describes two very different scenarios, community foundations as a field and community foundations as a movement. Carson explains that a field focuses “the mechanics of how we run our institutions,” while a movement focuses “on the necessity for the work, what can be achieved and how” (2004: 4-5). He envisions a future where community foundations abandon the customary practices of building assets for the sake of growth or to protect market share (donor-focused approach) in favor of advancing a tradition of philanthropic fundraising focused on social justice (community-focused approach). For Carson, community foundations are in a unique position to function as “social change agents focused on improving communities, especially for those who are poor.”

Emerging research in the field (Hamilton, Parzen, and Brown, 2004; Lowe, 2004; Ragey, Masaoka, & Peters, 2005; Wolfe, 2006) provides additional support for the idea that community foundations are mobilizing available resources to make appreciable differences in communities across the United States. For example, Ragey, et. al. (2005) examined the relationship between 182 United Ways and 137 community foundations across the country. Their findings suggest that although there are times when interactions between the two organizations can be adversarial, there was evidence to suggest that “cooperation around key community issues is occurring” (2005, 8). Similarly Lowe (2004) documents how three community foundations are working to build support and leverage resources from government, corporations, and foundations to assist local community development corporations in ways that promote neighborhood-based development initiatives.

Hamilton and colleagues (2004) provide wonderful examples of how community foundations have historically and are currently leading community change amidst a sea of competitive forces¹ that are posing significant asset development challenges. Not only are community foundations “building on their distinctive position and history of community leadership;” they are leveraging that distinctive position to differentiate themselves from the competition by becoming “community change makers” (Hamilton, et. al., 2004, 2).

In sum, as Wolfe (2006) notes, there is tremendous pressure from the field urging community foundations to assume a community-focused leadership role and promote social justice. Recent research supports the notion that community foundations are taking on these leadership roles by serving as knowledge brokers, facilitating the exchange of information across sectoral and organizational boundaries; coordinating collaboration among multiple stakeholders to formulate grass-roots solutions to community problems;

¹ Among these challenges are increased competition among other donor service organizations such as banks, investment companies, and universities; the creation of endowment funds at federated funding organizations such as the United Way; donors who demand unprecedented involvement with their giving; an unstable economic environment; and dwindling government support for social services.
accessing necessary resources by connecting government and funding to community needs; and proactively involving private philanthropists both by soliciting new money and by asking donor-advisors to direct their gifts to existing community needs. Yet, there is very little research that examines the board’s role in facilitating and coordinating these types of leadership efforts.

This study contributes to a growing body of research by detailing the ways in which governance processes and practices evolved over time as one rural community foundation coordinated an effort to transform community culture by promoting civic engagement and philanthropic giving while building social capital in ways that made the community more self-reliant and less dependent amidst tremendous economic turmoil (resulting from the sale of a major employer – Consolidated Papers, and a depressed cranberry market). This coordinated effort took shape in the form of The Community Progress Initiative, a joint partnership between the Community Foundation of South Wood County and the Heart of Wisconsin Business and Economic Alliance. The Community Progress Initiative provided a structure that would support and promote broad-based inclusive community involvement, entrepreneurial opportunities, and vigorous business growth, while continuing to nurture a spirit of individual philanthropic giving in support of the common good.

This study addressed three central research questions:

1. What role did the board play as the community change processes unfolded? Did the governance expectations and activity change over time? Were there similar governance expectations for each of the participating lead organizations?

2. How did members of each of the respective boards of directors coordinate and facilitate strategic alliances so that the work of the Progress Initiative could be accomplished?

3. How did the boards deal with conflict and dissent as they embarked on this initiative? What were the barriers to implementing broad-based community change and what role did board members play in overcoming these obstacles?

Research Methodology

The data for this study have been collected from multiple sources over a period of nine months (March – December 2006). Archival data collected includes copies of historical documents such as news articles, editorials, and press releases; board documents (meeting agendas, materials, and minutes) all minutes or summary reports from meetings held with community leaders (i.e., industry cluster meetings) committed to strengthening South Wood County and the Town of Rome in response to the economic decline experienced in 2000.

A second source of data comes from a series of intensive interviews with the CEOs and individuals serving on the board of directors for the Community Foundation and the Heart of Wisconsin to garner perspective on the actual implementation process. Although some of these interviews were conducted over the telephone, many took place in person during one of two trips made to Wisconsin Rapids.

Partial Bibliography


