



Community catalyst

Foundation for the Carolinas prepares for growth

The Foundation for the Carolinas in Charlotte is expecting a big increase in its assets.

Robin Hinson, outgoing chairman of the foundation's board, says assets could grow from \$78 million now to roughly \$200 million in five years.

Assets in 1993 grew 13 percent to \$74.5 million, while contributions grew 51 percent to \$12.3 million. Distributions grew 14 percent to \$7.9 million.

The foundation ranks among the top 25 community foundations and is

one of the fastest-growing community foundations in the United States.

Hinson, speaking at the foundation's annual meeting in March, also said the foundation had made an additional \$1 million in special grants last year and added 87 funds for a combined value of \$6.1 million. The foundation now manages 611 funds.

In addition to Charlotte and Mecklenburg County, the foundation manages seven other community foundations for counties in the region.

Besides tapping the resources in

the community and serving as a repository of the community's charitable capital, Hinson says, the foundation increasingly has been a philanthropic "catalyst."

The foundation, for example, has helped community efforts to assist at-risk children; to set up a regional consortium to work with people infected with HIV and AIDS; to start a child-care center; and most recently to form an African-American Community Endowment Fund.

The foundation also is helping to create and administer community foundations in nearby counties.

Reaching out

Council on Foundations studies family foundations

Four North Carolinians have been named to a Council on Foundations committee that is studying family foundations.

Joining committee co-chairman Tom Lambeth, executive director of the Z. Smith Reynolds Foundation in Winston-Salem, are William Bondurant, former executive director of the Mary Reynolds Babcock Foundation in Winston-Salem; David Dodson, executive vice president of MDC Inc. in Chapel Hill and a member of the boards of the Babcock Foundation and the Kathleen Price and Joseph M. Family Foundation in

Greensboro; and Joel Fleishman, president of Atlantic Philanthropic Service Co. in New York.

Lambeth says the committee initially will examine services that the Council on Foundations provides to family foundations, as well as services that family foundations want.

Issues involving family foundations that the committee may examine include the sharing of power with non-family members; coping with changes in family generations; the future of family foundations; and dealing with the intent of the donor.

The committee also may hold focus groups throughout the U.S.

FUND

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the weight of poverty to school with them. John Ehle must have sensed a theme to Sanford's concerns.

Ehle, then a professor at the University of North Carolina at Chapel Hill, was Sanford's idea man. Now a widely published writer, he generally is credited with the brainstorm for the Governor's School, the N.C. School of the Arts, and the forerunner of the office that sells the state to the film industry.

And he shopped on Sanford's behalf for, as he puts it, "a way to break the cycle of poverty. My assignment was to find things that could be funded with the help of foundations."

The Ford Foundation was in the midst of its "grey areas" projects, funding forays into concentrations of low-income people primarily in urban areas of the Northeast. It was with no small curiosity that the Ford people found a Southern governor at their door.

The foundation had zero experience with rural poverty. Sanford's overture was this: We might ask you for some money, we might not. We're new at this ourselves. Come take a look.

The tour for the Ford folks started in Asheville, wound into rural Watauga and Avery counties, then east through Winston-Salem and Charlotte to Greenville. It concluded with one of Sanford's trademark dinner parties at the Executive Mansion. The guests saw the woes and the wealth.

They were interested, and they were joined by the state's best-endowed. The North Carolina Fund, so named by Charles Babcock, the son-in-law of tobacco magnate R.J. Reynolds, was anchored by a who's who of North Carolina philanthropy. Its original board included a black man, John Wheeler of Mechanics &

Farmers Bank, and its charter dictated that minorities and low-income people be always full partners in any decision-making.

Billy Barnes, whom Esser hired to handle public relations, recalls the platform from which this group launched its campaign.

"We wanted to create an atmosphere in which, for the first time, low-income people of both colors were asked, 'What do you think about this?'"

"It was helping people get food stamps and shots for their babies. But more so, it was teaching people who need a fish to fish. It was where low-income and particularly black people started to grab a piece of the action in our state."

And it was deeply controversial.

"This was a direct challenge to the establishment," says George Autry, president of one of the Fund's first spin-offs, the Manpower Development Corp. "This was the radical notion that the poor can control their own destiny. That alienated the political establishment in many communities."

Of the Ford Foundation grant, \$2 million went directly to the state Department of Public Instruction for program improvements in the early elementary grades. The remaining \$7.5 million would, over the years, generate millions more — Esser says about \$80 million — in private and government grants to communities.

Much of this was because the federal government was gearing up its War on Poverty at the same time. President Lyndon Johnson's Office of Economic Opportunity used the work of the North Carolina Fund as a model, and the state got a generous OEO slice.

From the beginning, the Fund had a deadline — it was set up to dissolve after five years.

"Having it expire after five years was part of the genius of it," says Bill Bondurant, who in 1967 began 25 years with the Babcock Foundation.

"Too many organizations raise money simply to survive. This gave a sense of urgency, a sense of accountability. The clock was always running."

FORMATION

The premise was to replace "ameliorate" with "intervene". In the early 1960s, North Carolina, riding the wealth of tobacco and a well-established textile base, was just a tad less poor than the rest of the South. Anti-poverty elements in the communities — social workers, schools, churches, business people, the state Employment Security Commission, housing and public health officials — acted individually, with no united focus.

The word experimental was used a lot in the years just after 1963.

Esser and a small staff put together guidelines for involving community-based anti-poverty groups in decisions about dispersal of the grants, and issued a statewide invitation for proposals.

There were two basic rules: Any local effort had to include every agency — public and private — that dealt with poverty, and its leadership had to have a representative racial mix.

The Fund's staff set the tone: Esser's controller was one of the black people in a lead role.

"It was the first thing in the state of North Carolina that had an integrated staff," says Nathan Garrett, now an accountant in Durham. "It was almost unheard of to have blacks and whites working together as co-equals in any kind of organiza-



A member of the N.C. Fund's North Carolina Volunteers tutors low-income children in Macon County in August 1965. The program eventually became VISTA.

Photo courtesy of Billy E. Barnes

tion."

The staff received more than 50 proposals covering two-thirds of the state's counties. This was at a time when the political establishment of many communities would tell you with a straight face that there was no poverty in its area.

The board at first picked seven for funding, and soon expanded to 11. The varied projects spanned the state: outhouses in Craven County, where there had been no toilet facilities of any kind; a sweat equity forerunner of Habitat for Humanity in Macon ("Having the poor people help do-gooders build their own houses — a phenomenal idea at the time," Billy Barnes says); adult basic education in Laurinburg; a guild to consolidate crafters' resources in Watauga, Avery, Yancey and Mitchell counties.

"It was a very exciting time," Esser says. "We made a serious effort that these projects not be top-down — that they come from within the communities." Once identified,

many of the projects used volunteer college students in the summers.

North Carolina already had the essence of an OEO, and the federal government borrowed many of its guidelines.

"In the early days the OEO was going where the expertise was, and where people were already mobilized," Barnes says. "They needed some quick successes."

The Fund grew rapidly: By 1966 it had a staff of about 75. And it was a young staff. At 44, Esser was the second-oldest.

Controversy tagged behind the Fund like a homeless puppy. Its mission was direct community action, but also to raise the level of public understanding of the problems of the poor. Its effect on white-dominated communities was not unlike that of the civil rights movement. County commissioners and town councils often were leery of the outsiders. In

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BRIEFLY

Foundation features Davidson speaker

John Kuykendall, president of Davidson College, will be the featured speaker at the Hezekiah Alexander Foundation's annual observance of the signing of the Mecklenburg Declaration of Independence on Sunday, May 15 from noon to 2 p.m. at the Charlotte Museum of History.

Sorority grant to establish ethics lecture

A \$50,000 matching grant from the Delta Gamma Foundation helped establish the Delta Gamma Lectureship in Ethics and Values Endowment at Duke University. Income from the \$100,000 endowment will bring a lecturer on values and ethics to freshman orientation beginning this fall.

Commonwealth Fund names two Tar Heels

The Commonwealth Fund in New York has named Charles Sanders, chairman of Glaxo Inc. in Research Triangle Park, chairman of its board of directors. The \$385 million-asset foundation also named Frank Daniels Jr., publisher of The News & Observer in Raleigh, to its board.

N.C. foundations aid construction of library

The Dickson Foundation in Charlotte and the Hillsdale Fund in Greensboro contributed \$150,000 and \$100,000 respectively to Hollins College in Roanoke, Va., for construction of a new library. The William R. Kenan Trust of Chapel Hill pledged \$1.5 million in 1993.

Kiwanis Club Foundation supports area organizations

The Raleigh Kiwanis Club's foundation contributed over \$40,000 to nine Triangle organizations, including Shoes for Foster Children, Boys Club of Wake County and the Raleigh Rescue Mission Homeless Children Program. The Raleigh club is the 10th largest in the world.

Foundation Center serving Southeast

The Foundation Center opened an office and library in Atlanta last month to serve grantseekers and grantmakers in the 12-state southeastern region. The office is the first expansion of the center's network of regional offices in 15 years, reflecting the region's growth in philanthropy. Call (404) 880-0095.