While the Hispanic population in the United States has steadily increased, philanthropic funding to serve this growing group has not kept pace. Hispanics in Philanthropy is working to close this sizable gap, and recent developments in North Carolina suggests HIP is on the right track.

By Andy Goodman and Lindsey Pollak

Global Business Network and Monitor Institute, members of the Monitor Group
Evidence of dramatic growth in the U.S.’s Hispanic population isn’t hard to find. In major cities such as Los Angeles, top-rated radio stations broadcast exclusively in Spanish. On television, cable channels such as Univision, Telemundo, and others are garnering steadily increasing ratings by serving a non-English speaking audience. In politics, candidates aggressively woo Latino voters. When you look around the philanthropic sector, however, the impact of this burgeoning population is much harder to see. While approximately 38 million Latinos currently account for 13 percent of the U.S. population, nonprofit agencies serving them attract less than 1.5 percent of private philanthropic dollars.

Nowhere are the potential pitfalls of this gap illuminated more clearly than in North Carolina. According to the state’s Division of Social Services, the Latino population is growing faster than any other group, rising nearly 400 percent from 1990 to 2000 and now approaching 380,000. Most are newly relocated from Mexico, Puerto Rico, and Cuba, having chosen North Carolina for its abundance of employment opportunities in textiles, agriculture, and furniture manufacturing (a category in which North Carolina leads the nation). But for many of these new immigrants, dealing with a foreign language, culture, and customs all at the same time can be overwhelming.

In Guilford County, the nonprofit organization Centro de Acción Latino is working to alleviate this problem. Originally launched in 1999 as a tutoring program for Latino children, Centro has expanded along with its target population to offer multiple programs—in English and Spanish—to help connect local Latinos of all ages with community leaders in the police department, public education system, Chamber of Commerce, and elsewhere. According to executive director Deborah Kelly, explosive growth in demand required the organization to expand its services, but financing that expansion was far from easy.

“One of our main barriers to growth was that the funding we had was procured exclusively through grant writing by our board,” Kelly says, “but they were also helping with the day-to-day operations. And even though they did a good job fundraising, it never got us further than an initial stage.” In 2003, Kelly learned that Hispanics in Philanthropy (HIP) was working with local funders in her area to generate more resources for small, startup nonprofits like hers. In January of the following year, through HIP’s Funders’ Collaborative for Strong Latino Communities, Centro received a three-year capacity-building grant of $126,000 to expand services for the locally booming Latino population.
“Because of the HIP grant,” Kelly says, “I was able to go on salary, so I can handle administrative tasks and the board can concentrate on fundraising. Now we’re taking a look at the organization and seeing how it’s going to develop sustainability through other sources of income besides granting sources, such as strengthening programs that generate revenue in and of themselves.” According to Diana Campoamor, HIP’s president, this is precisely the result HIP’s founders envisioned when they launched the organization more than two decades ago.

Moving from Bicycles to Jet Planes

In 1979, Herman Gallegos of the Rockefeller Foundation and Luz Vega-Marquis of the James Irvine Foundation met at a Council on Foundations meeting, literally looked around the room, and noted they were among the only Latinos in their field. In 1983, they teamed up with Elisa Arevalo-Boone of Wells Fargo Bank and officially founded Hispanics in Philanthropy, a nonprofit association with a two-pronged mission: to increase grants to Latino nonprofits and to both expand and cultivate the next generation of Latino leaders. Current president Diana Campoamor joined the organization in 1990, when HIP’s membership numbered 20 organizations. From the start, Campoamor recalls, raising the amounts of money that could make real change happen proved difficult.

“We were aware that 99.9 percent of Latino nonprofits were small local or regional organizations with no fit for major national foundations,” Campoamor says. “The conventional way of raising money for them is a one-to-one relationship between a funder and an organization. But imagine how many $10,000 grants they would have to secure in order for that percentage of 1.5 percent to come up to the 10 to 15 percent that would be in proportion to the Latino population.” Campoamor likened this traditional fundraising approach to riding a bicycle. HIP was looking for a jet plane—a vehicle that would allow the association to generate millions of new dollars quickly. In 1997, HIP found a model for high-speed fundraising in the National Community Development Initiative (NCDI).

NCDI, now better known as "Living Cities," is a nonprofit consortium of foundations, corporations, and government agencies that pool resources to provide grants to community development projects in 23 U.S. cities. Established in 1991, Living Cities has generated over $250 million to help revitalize inner-city neighborhoods across the country. “Based on this model, we learned that we could create a vehicle through which foundations could pool their dollars,” Campoamor explains. “The selection of grantees would still belong to the funders, but HIP could manage the process and coordinate the work across multiple sites, deepening its impact. That was our ‘Aha!’ moment.”

In 1999, HIP began to amass funds under a new program called the Funders’ Collaborative for Strong Latino Communities, and the timing proved propitious.

“The market was high and many national foundations had cash to make the investment,” Campoamor reports. “The initial cash from national foundations gave us the momentum to go to regional groups, small giving programs, and local community foundations and match their dollars.” While HIP had projected raising $15 million from 30 to 40 funders over the first five years, it managed to attract $17 million in only four years from 113 donors. Without question, HIP had found its jet plane, and for a critical “test flight” to put these funds to work, the organization landed, appropriately enough, in a state known for history-making flights: North Carolina.

The Pebble Hits the Pond

In the summer of 2002, Dan Moore, a vice president for the W.K. Kellogg Foundation (one of HIP’s national partners), invited Tony Pipa, executive director
of the North Carolina-based Warner Foundation, to attend HIP’s national funders meeting in Denver that year. At the meeting, Pipa learned about HIP’s challenge grant of one-for-one matching dollars in sites that could raise at least $250,000 for Latino-led nonprofits.

Pipa returned home with news about the challenge grant, and word spread quickly. “It was a little bit like dropping a pebble in a pond,” Moore says. As local philanthropic networks buzzed with Pipa’s news, however, HIP learned that funders in North Carolina had widely varying levels of knowledge and interaction where Latino residents (and the nonprofits that served them) were concerned.

Tom Ross, executive director of the Z. Smith Reynolds Foundation, a statewide family foundation, was well aware of this disparity. “Some North Carolina funders had been funding Latino organizations for some time and others had never done so,” says Ross. “In fact, a number of funders said they weren’t sure they could participate in [HIP’s] collaborative because they didn’t think there were enough Latino organizations to fund in their area.”

Clearly, an education process was needed before HIP could attract significant dollars. So the organization began disseminating demographic information and conducting seminars for the state’s foundation leaders. Magui Rubalcava, former director of programs for HIP, also led an effort to create a thorough inventory of Latino-led nonprofits across the state. For many foundation officers, learning that their state had 134 nonprofits serving a Latino population approaching 380,000 was a paradigm-shifting moment. But there was still more work to be done.

**About Hispanics in Philanthropy (HIP)**

**Founded:** 1983

**Headquarters:** San Francisco, CA

**President:** Diana Campoamor

**Staff:** 18 staff, including regional offices in Denver, CO; Miami, FL; New York, NY; Philadelphia, PA; Pittsboro, NC; and St. Paul, MN

**Membership:** 400 individuals representing more than 200 corporate, public, and private philanthropies, transnationally

**Mission:** “To serve as a catalyst to increase resources for the Latino and Latin American civil sector, as well as to increase Latino participation and leadership throughout philanthropy.”

**Major Initiatives:**

- Funders’ Collaborative for Strong Latino Communities – HIP’s $16.5 million plus coordinated effort of local, national, and transnational funders and corporations designed to build capacity among small- and medium-size Latino nonprofits in the U.S. and Latin America
- Transnational Programs – HIP works with international partners to address issues of immigration, remittances, and the role of philanthropy
- Professional Development Programs – HIP provides individual members with opportunities for professional learning at the local, regional, national, and international levels
- Nonprofit Organization Engagement – HIP educates funders about the needs of the Latino community and promotes the increase of Latinos in the field of philanthropy
While building awareness of Latino issues in North Carolina was a crucial first step, HIP also needed to create a spirit of collaboration among a diverse collection of grantmakers, including community, national, private family foundations, and United Way chapters, all serving specific geographic areas and operating within highly defined funding guidelines.

“Colleagues of mine have talked about working with foundations as herding cats,” Campoamor says. “But when foundations really want to see impact, they see that there is only so much they can do on their own.”

To lure some funders out of their silos, Z. Smith Reynolds (with assistance from the Warner Foundation) added 50 cents to every dollar of matching funds HIP was putting on the table in North Carolina. The participation of such a well-known statewide foundation made a difference. As Tara Sandercock, vice president for programs for the Community Foundation of Greater Greensboro, explains, “It’s prestigious from my board’s perspective as well as in the eyes of the community to receive funding from the Z. Smith Reynolds Foundation. Support from foundations with household names like Ford and Kellogg also lends credibility and a certain amount of prestige to the importance of funding Latino nonprofits.”

Dan Moore of Kellogg sees HIP’s collaborative model serving the interests of national foundations as well. “Sometimes it’s hard for a large foundation to be intimately involved in small nonprofits. [HIP] has provided a wonderful vehicle to connect us to local work through the collaboration with funders of different sizes and funding priorities.” By 2003, HIP had attracted $1 million from funders in North Carolina, creating a pool of $2 million for the state’s Latino nonprofits (and making North Carolina the largest grantmaking site in HIP’s funding program.)

In January of this year, HIP’s North Carolina Collaborative made its first round of grants to 22 nonprofits. The grantees are diverse: they include several grassroots community cultural centers like the Centrode Acción Latino, farm workers groups, advocacy and public policy organizations, health centers, a Latino credit union, and a Spanish language newspaper. Half of the nonprofits received one-year startup planning grants and half received three-year “implementation grants” to provide general operating funds.

### The Stage Is Set

While North Carolina leads the pack in fundraising, the state still lags far behind in HIP’s other priority area: cultivating leaders in the philanthropic community. When the HIP collaborative first began operating there, North Carolina’s foundations did not employ a single Latino. That finally changed in September 2003 when the collaborative allocated funds along with HIP for a part-time program coordinator to serve as a local HIP staff member and liaison between North Carolina funders, the Latino nonprofit community, and HIP’s national office. More recently, the Community Foundation of Western North Carolina hired a Latina staff person (increasing Latino representation in the sector by 100 percent, sadly). But many funders have expressed a strong desire to bring more Latinos to their staffs and boards. In fact, the Community Foundation of Greater Greensboro has just added its first Latina board member.

As North Carolina funders put the finishing touches on a second round of grants, HIP’s national staff is pursuing its mission in 14 other grantmaking sites, including Colorado, Chicago, South Florida, New York, the Dominican Republic and Argentina. On a national level, Diana Campoamor says that the Funders’ Collaborative for Strong Latino Communities will continue for at least another five years, doling out a minimum of $10 million per year to Latino nonprofits.
“Our theory of change is around supporting the next generation of Latino leaders,” she says. “Like the MacArthur ‘genius grants,’ we want to create a transnational network of the best and the brightest Latino leaders and organizations and realize the promise that they bring to reenergize communities. With this collaborative we are creating new models that enrich the craft of philanthropy.” Campoamor’s thoughts are echoed by Tara Sandercock, her local partner in Greensboro. “This is not short-term work; this is long-term work,” she says. “But now we’ve done it. We have models. We’ve set the stage.”
About the Authors

ANDY GOODMAN
Andy Goodman wrote four stories of philanthropic innovation showcased on the Future of Philanthropy website, and advised the initiative at several crucial stages. He brings experience in advertising, radio, and television (where he wrote for the broadcast network sitcoms “Dinosaurs” and “The Nanny”) to his work as a nonprofit communications consultant and trainer. Based in Los Angeles, he specializes in helping public interest groups and foundations reach more people more effectively through print, broadcast media, and the Internet. Current clients include the Edna McConnell Clark Foundation, Environmental Defense, Global Business Network, Campaign for America’s Future, and The Robert Wood Johnson Foundation. Andy publishes a monthly journal, “free-range thinking,” to share best practices in public interest communications, and is also author of the book, Why Bad Ads Happen to Good Causes. He can be reached at andy@agoodmanonline.com.

LINDSEY POLLACK
Lindsey Pollak is a writer, editor and speaker specializing in women’s business and career issues. She is a co-author of Women For Hire: The Ultimate Guide to Getting a Job (Penguin Putnam, 2002) and a contributor to Women’s Studies on Its Own: A Next Wave Reader in Institutional Change (Duke University Press, 2002). She is also a columnist, writing the bi-monthly career column, “Breaking In,” for Metro New York newspaper. Lindsey is the newsletter editor for the National Association for Female Executives and a regular contributor to the Girl Scouts’ Leader Magazine and CareerChangeNetwork.com. She is also a sought-after ghostwriter and book coach, collaborating with several successful authors on non-fiction business books. She can be reached at write@lindseypollak.com.

The Monitor Group, headquartered in Cambridge, Massachusetts, is a family of professional service firms, employing more than 1,000 professionals, operating in a closely-linked network of 29 offices around the globe.

The Monitor Institute is the vehicle through which Monitor Group works to amplify and accelerate the public benefit created by innovative private actors—citizens, nonprofit organizations, philanthropists, and corporations. Monitor has long excelled at addressing complex, integrated, and intractable competitive challenges. The Institute draws on the Group’s extensive and varied expertise to create, test, use, and share innovations and insights aimed at transforming how complex, integrated, and intractable social challenges are addressed in the next generation.

Based in the San Francisco Bay Area, Global Business Network has been member of the Monitor Group since 2000. GBN is dedicated to helping organizations develop adaptive advantage and deal with uncertainty by collaboratively exploring and preparing for the future. GBN’s services include scenario and strategy consulting with corporations, governments, and nonprofits.

©2005 Monitor Company Group, LLP
We encourage readers to use and share the content of this document, with the understanding that it is the intellectual property of the Monitor Group, and that full attribution is required

For more information, visit www.futureofphilanthropy.org