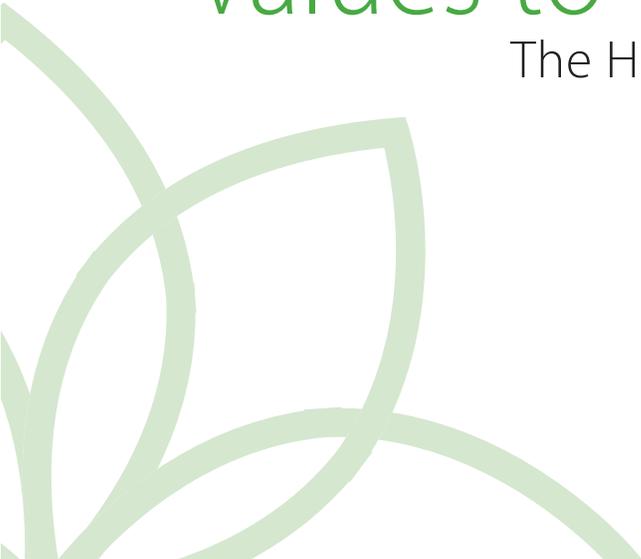




# Values to Vision to Action:

The Hill-Snowdon Foundation Journey





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# Introduction

The past ten years have been exciting ones for the Hill-Snowdon Foundation and the Snowdon family. For forty years prior, we acted as a typical family foundation, coming together once a year to nominally approve grants recommended by family members. Certainly we funded some wonderful organizations reflecting the varied interests of the family, but you would have been hard pressed to say what it added up to. Ten years ago, family members agreed that it was time to think bigger. What could we achieve, we asked, if we focused these resources on one or two issues? What kind of difference could we make?

We've spent the past ten years trying to answer that question. It has been a wonderful journey, and we've learned a ton in the process. As we thought about how to commemorate the foundation's 50th anniversary, we discussed how much we'd learned from others over the past decade – from our foundation peers, from our grassroots partners, from experts and advisors. We certainly don't assume that what we've done represents "best practices," or even necessarily good ones for every family foundation. We hope that by telling our story, it may help others understand how we made decisions and what some of the trade-offs have been.

One of the key lessons we've learned is that what has been good for us as philanthropists – getting more focused and thoughtful in our giving – has also been good for us as a family. When we sat down to figure out what we valued and what we hoped to accomplish with the foundation's giving, we found common ground in the values of social justice and equity, and the belief that the people most affected by problems need to be involved in their solutions. We've learned together firsthand about the power of community organizing to empower individuals, improve communities and create more equitable policies. When we get together several times a year, it's to discuss significant social issues: immigration reform, community development, education. We share a commitment to achieving the foundation's vision of a fair and just society for low-income families.

These are big issues, and as we've learned about them, and about philanthropy, we've come to believe that we can have an impact greater than our relatively meager grants budget allows. We try to be a conduit for insights gleaned from our grassroots partners and to bring attention to critical opportunities, issues and ideas. We've done this by investing in an amazing staff with vision, expertise and dedication to the foundation's purpose. We hired our founding Executive Director five years ago, marking another important milestone in our development, and have since added three more staff members.

As with other foundations, Hill-Snowdon has struggled in the past year as our assets declined. The upshot is that it has forced us to take stock of what we've accomplished so far, what we still want to achieve, and how we aim to get there. We've had frank conversations about perpetuity, what motivates us, what "success" may look like on such intractable problems. And we've renewed our commitment to our mission, our philanthropic approach and the family's involvement. As we look toward the next decade, we envision numerous opportunities and challenges for philanthropy and the quest for social justice. We are excited to continue on the path of helping to create a more fair and just society, and we hope that our paths will cross with yours on this journey.



Ashley Snowdon Blanchard  
*Hill-Snowdon Foundation President*  
December 2009

# Author's Note

When I was invited to write the story of the Hill-Snowdon Foundation to mark its 50th Anniversary in 2009, I jumped at the opportunity. Although I didn't know them well, I knew enough of their reputation to recognize a family and staff that had a lot of experiences that other foundations would find useful. I also knew they were a relatively small family foundation with a big presence in the world of social justice funding. And I was curious to learn how they got that way.

Through my work at the National Center for Family Philanthropy, and, before that, with the Council on Foundations, I know how many foundations are searching for creative approaches to finding a focus, pursuing new grantmaking strategies, involving the next generation, handling sticky governance issues and dealing with family dynamics and board/staff relationships. In Hill-Snowdon, I found a family that had explored all these issues and more over a 50-year history, but especially in the last decade.

The foundation board's only hesitation in publishing this history was the fear that it might be perceived as an act of vanity, a concern I heard expressed by every staff and board member I interviewed. They don't believe their way is the right way or the only way to govern and operate a foundation. However, after all my research and interviews, I can tell you that they *have* done – and are doing – a lot of things well. They also were quite candid in sharing their failures, for these can provide valuable lessons, too. From their experiences, I've tried to create a picture of how one family foundation grew to be a leader in social change.

At the end of each chapter, readers will find a list of related resources which the foundation has made available on its website, [www.hillsnowdon.org](http://www.hillsnowdon.org), in hopes that others will find them useful. Also, throughout the text I have referred to the family members by first name since they share the same last name. All others are referred to by last names on second reference.

Leveraging is a key part of the Hill-Snowdon philosophy. Commissioning this work is an obvious example. If even one family becomes interested in social justice programs or discovers something that might help them govern their own foundation more effectively, publishing this history will have been worth the effort.

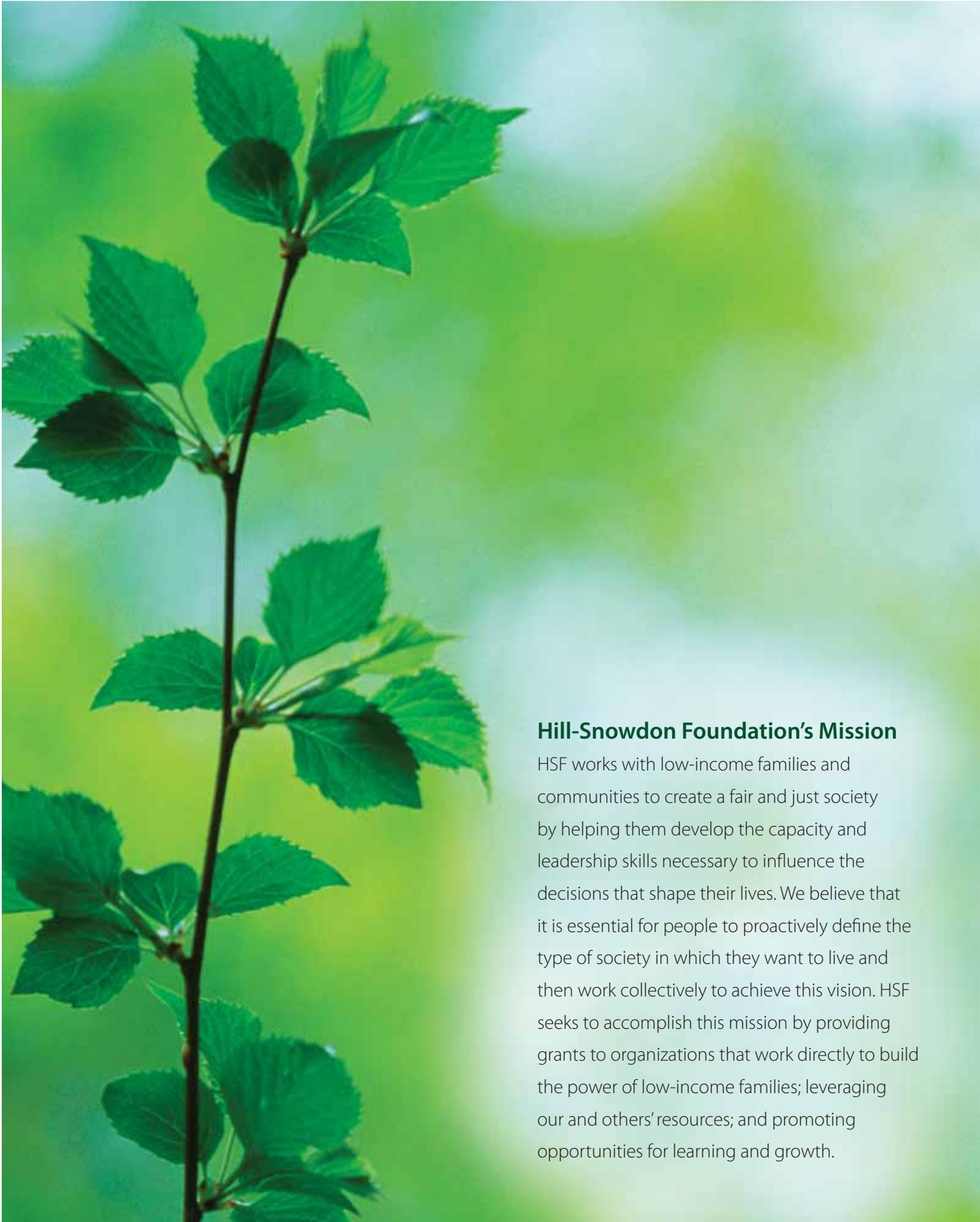
I would like to thank the family, staff, colleagues and grantees – grassroots partners – who took the time to share their thoughts with me. I learned a lot.

*Susan C. Price*

Susan Crites Price  
July 2009

# Foundation Milestones

- 1959** Arthur Hill establishes a foundation. Board members are Hill, his wife Marguerite and daughter Lee.
- 1969** Marguerite Hill dies. Lee's son Dick Snowdon is brought on as the third trustee.
- 1970's** The name is changed to Hill-Snowdon Foundation to better reflect the contributions of the entire family.
- 1983** Arthur Hill dies. Lee's husband Ed Snowdon and their other two children, Ted and Margot join the board.
- 1993** Lee dies. Dick's children – Andrew, age 24; Elizabeth (Liz) age 21; and Ashley, age 16, join the board.
- 1993 – 1995** Johnson & Johnson stock value rises sharply and Lee's estate boosts the endowment; Hill-Snowdon Foundation's assets soar from \$1.1 million to \$8.9 million.
- 1994** Foundation meetings change from informal gatherings during holidays to formal sessions in Dick's law office.
- 1997** First board retreat, facilitated by Tides Foundation.
- 1997 – 2003** Tides Foundation manages Hill-Snowdon assets as a donor advised fund.
- 2004** Nat Chioke Williams hired as first Executive Director. Ashley Snowdon elected Board President. Office opened in Washington, DC. Christine Harris hired as Director of Finance and Administration.
- 2006** Shona Chakravartty hired as Senior Program Officer and Michael Coffey hired as Program Associate (promoted to Program Officer in 2009).



**Hill-Snowdon Foundation’s Mission**

HSF works with low-income families and communities to create a fair and just society by helping them develop the capacity and leadership skills necessary to influence the decisions that shape their lives. We believe that it is essential for people to proactively define the type of society in which they want to live and then work collectively to achieve this vision. HSF seeks to accomplish this mission by providing grants to organizations that work directly to build the power of low-income families; leveraging our and others’ resources; and promoting opportunities for learning and growth.

# Chapter One:

## What's a Small Foundation Doing in a Place Like This?

The year 2009 marked several anniversaries in the life of the Hill-Snowdon Foundation (HSF). It was the 50th anniversary of the foundation's founding, the 10th anniversary of when it began its strategic grantmaking, and the 5th anniversary of when it hired a staff and set up an office in Washington, DC.

In May of that same year, the Hill-Snowdon Foundation was singled out by Albert Ruesga, a foundation leader who blogs about philanthropy and nonprofits, as one of four examples of "courageous and far-seeing foundations" that are models of successful social justice grantmakers. The same month, HSF appeared in *Town and Country* magazine as an example of a foundation that has successfully involved its younger generation in its philanthropy. In July, the *Chronicle of Philanthropy* ran an opinion piece co-authored by HSF Foundation Executive Director Nat Chioke Williams about foundations stepping up in tough economic times.

So how did a family foundation with assets of roughly \$25 million, a relatively modest sum in today's foundation world, get to be so prominent? In part by deciding – with single minded focus – to capitalize on their limited resources in every way possible to help create a more just and equitable society.

This is the story of that family foundation's transformation from charity check-writing around the kitchen table, to an organization that is known nationally for leadership in the social justice arena. HSF ventures beyond mere grantmaking. It collaborates, it leads funder groups, it leverages dollars for bigger impact, and it never stops learning – and sharing what it has learned – with the field.

This also is a story about how one family's values permeate its foundation's work. The two generations of family members who make up the seven-person HSF board today are able to work effectively together because of mutual respect for each others' different skills, interests and points of view coupled with a shared passion for helping those less fortunate. HSF's board president, Ashley Snowdon Blanchard, assumed that position

when she was only 26, unusual in the family foundation world where the elder generations are often reluctant to cede power. But in HSF no one person holds sway, and everyone's talents and contributions are valued regardless of age, ideology or place of residence.

### Sharing Lessons Learned

As with most organizations, Hill-Snowdon has confronted challenges and seized opportunities. Some of its efforts worked; some didn't. But all were instructive. The lessons HSF learned are informative for other family foundations that want to know how to leverage their dollars for more impact, how to work with grantees as true partners, and how to maintain the family's engagement while also practicing strategic grantmaking.

The family commissioned this history so others could learn from its experiences in governance, grantmaking and operations. The voices who tell this story include family members and staff, as well as grantees (which HSF terms "grassroots partners"), collaboration partners, and consultants who have worked with the family through its transitions.

In 2004, when Hill-Snowdon transitioned to a staffed foundation, the board members enumerated their goals. They wanted to take risks based on sound analysis. They wanted to be nimble and responsive to grantseekers. They wanted to be a leader among philanthropists, thereby educating other funders and encouraging them to consider investing in a strategic and underfunded program area.

As board member Ted Snowdon put it: "We have positioned ourselves like David vs. Goliath -- fighting social injustice – and we encourage other family foundations, saying you can do this, too."

Additional Resources at [www.hillsnowdon.org](http://www.hillsnowdon.org):  
*Hill-Snowdon Foundation Board Member and Staff Bios and Photos*

# Chapter Two:

## The Foundation's Roots

Arthur B. Hill founded the Arthur B. Hill Foundation (which became the Hill-Snowdon Foundation) in 1959 after retiring from a life-long career at Johnson & Johnson. Having come from humble beginnings, he felt a responsibility to help those less fortunate. For the first 40 years after he created his foundation, it operated – like many family foundations – very informally. Initially, Hill simply wrote checks to his favorite charities. Later, when family members began meeting as a board, they made decisions around the dining room table at Christmas.

Only in the last decade did HSF morph from informal, scattershot grantmaking into a foundation that is organized, mission-focused and strategic. The informal phase lasted as long as it did in part because the foundation's small endowment didn't balloon until the 1990s. With more money, board members felt a heightened sense of responsibility to shepherd their assets well. They also recognized the opportunity for using those funds to help achieve significant change. The arrival of the fourth generation onto the board helped spur the drive to become more strategic.

Family foundations frequently neglect to record the family's and foundation's history. Yet chronicling and updating that history is an effective way to preserve a family's philanthropic legacy. That legacy can keep dispersed family members engaged long after the founding generation is gone.

With that in mind, Ashley Snowdon (now Blanchard) decided to write a history of the first 45 years. It was 2004, the same year HSF hired staff and opened an office in Washington, DC. The board felt the history would help current and future board members, staff and external audiences.

Her task was not easy. As the youngest board member, she had the least recollection of her great grandfather, and little knowledge of the earlier years of the foundation. She also was hampered by spotty record keeping. For example, no one could find the original trust document, which eventually had to be recreated by attorneys and



Arthur B. Hill

resubmitted to regulators. Ashley compiled the history primarily through interviews with her father, aunt and uncle, as well as some genealogical research.

What follows is an abridged version of the history Ashley wrote.

### Early History

#### **Arthur and Marguerite Hill**

*Arthur Bullock Hill was born to homesteaders in Oklahoma City in 1892. As one of many children, money was very tight in the Hill household. He left school at the age of 12 to work at a drugstore, which he eventually bought, and, in his early 20s, sold to take a job in pharmaceutical sales. It was on a sales trip to Dallas that he met Marguerite Stewart, a schoolteacher. They married in 1914 and settled in Dallas. Lillian Lee, their only daughter, was born in 1919.*

*In the early 1930s, he was offered a job at Johnson & Johnson (J&J), which was fast becoming the nation's largest medical products company. Arthur moved the family to*

Chicago in the early 1930s to head J&J's Midwest sales division. By the end of that decade, the family had moved again, to Plainfield, New Jersey near J&J's New Brunswick headquarters.

Despite his lack of formal education, Arthur worked his way up to vice president of sales before retiring in 1948 for health reasons. He remained on J&J's Board of Directors for several more years. The company went public in 1943 and, like many senior executives, Arthur took stock options in lieu of pay during the war. This would prove to be a fortuitous move, as J&J's stock prices steadily climbed over the following decades.

After his retirement, Arthur became more involved in social and civic life in Plainfield. He founded the local Community Chest, which later became the United Way of New Jersey. He also supported a home for wayward boys in Nebraska and funded a settlement house in an African American neighborhood of Plainfield. Coming from humble beginnings, Arthur felt it was his responsibility to help those less fortunate. In particular, he had a deep understanding of the medical system and worried that the unequal access to decent health care would lead to serious social unrest.

### **Lee and Ed**

In 1937, after completing boarding school outside Washington D.C., Lillian Lee Hill joined her parents on a trip to Europe. On the ship crossing the Atlantic, she met Edward Woodruff Snowdon. Born in Washington in 1910, Ed was working for a concert impresario. Though based in New York City, he spent much of his time traveling through Europe discovering new talent and promoting opera stars.

They courted during Lee's four years at Duke University, and were married in Plainfield in 1941. After the attack on Pearl Harbor, Ed was recruited into Army Intelligence, serving in Europe. While Ed was stationed overseas, Lee moved into her parent's home with her new son, Dick, born in 1943.

When Ed returned in 1945, he and Lee bought a home in Plainfield, and he made a career in advertising. Their son, Edward Jr. (Ted), was born in 1946, and daughter Margot was born in 1948.

### **The Arthur B. Hill Foundation**

Arthur founded the Arthur B. Hill Foundation in 1959 in New Jersey with several thousand dollars in assets, primarily J&J stock. Arthur never envisioned his modest foundation becoming anything significant, and used it primarily as a vehicle for the charitable gifts he was already making. New Jersey law required at least three trustees, and so he appointed Marguerite and Lee to the Board. But he continued to be the primary decision-maker and did not have an articulated succession plan.

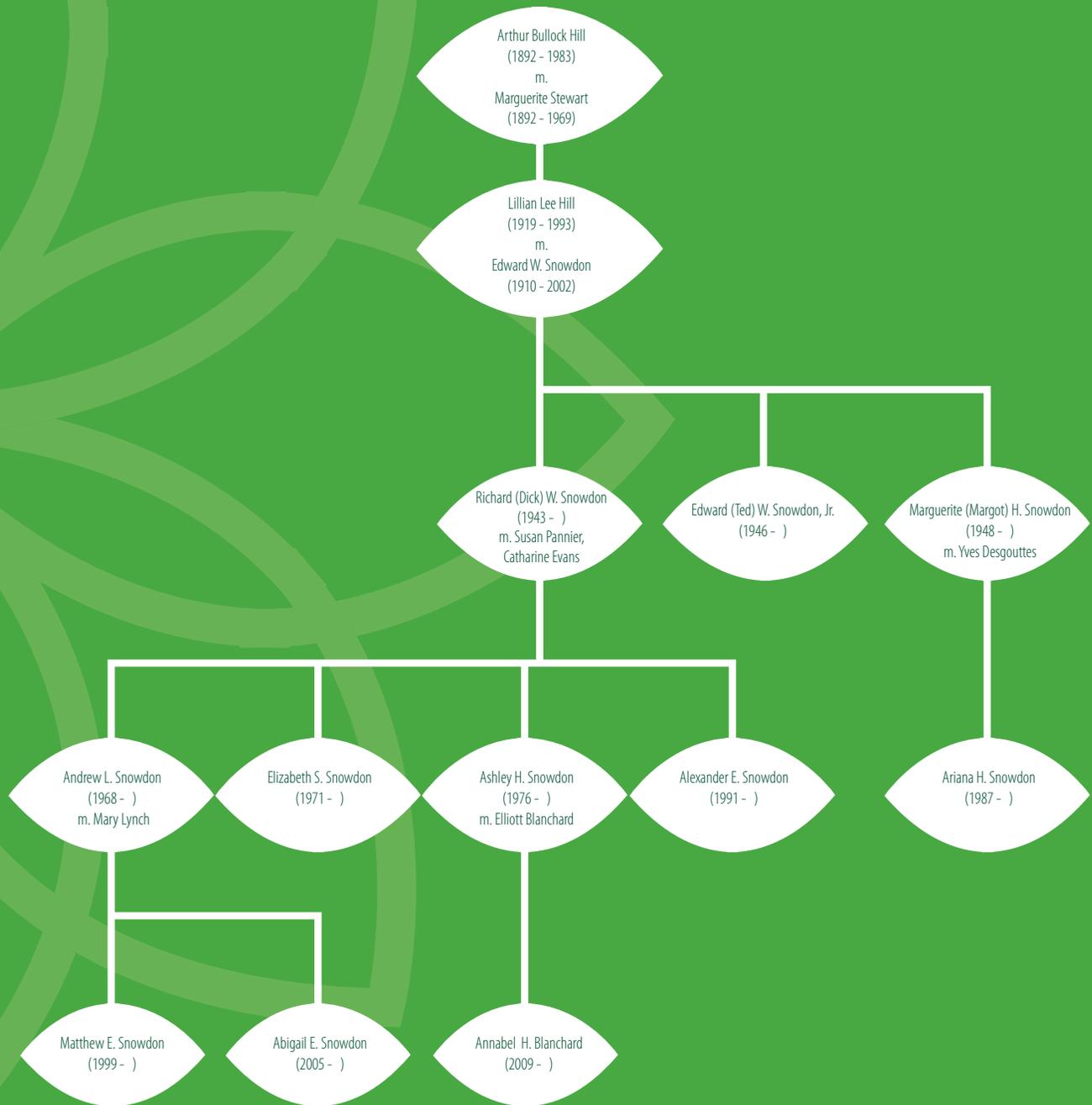
When Marguerite died in 1969, Arthur's oldest grandson, Dick, was brought on as the third trustee. The following year, Arthur moved to LaJolla, CA. He continued to be active in the foundation, but gradually shifted primary grantmaking responsibility to his daughter Lee. In 1972, Lee and Ed also left Plainfield to settle near Palm Beach, Florida. Lee continued to support many of the local Plainfield organizations but also began funding Florida groups such as the Red Cross. Meanwhile, Dick was developing a tax law practice in Washington, DC, and counseled Lee and Arthur on issues of tax and estate planning.

### **The Emergence of a True Family Foundation**

When Arthur died in 1983, Ed, Ted, and Margot were added to the board. While his mother Lee was still the primary decision maker, Dick administered HSF from his law office, and all board members were allowed input into grants decisions. The process remained informal, with business conducted around the kitchen table during holidays.

During the mid-to-late '80s, as Lee and Ed began making more of their contributions personally, the third generation took on more of a voice in the foundation. They primarily gave to organizations they were involved with personally. Dick assumed primary responsibility and supported a number of Washington-based organizations, including his children's schools, local theaters and social service organizations. Margot supported women's and environmental causes and organizations in Jackson Hole, WY, where she lives. Ted, a theater producer in New York, supported arts and theater groups, as well as gay organizations and local social services.

# Hill-Snowdon Family Tree



The name of the foundation was officially changed from the Arthur B. Hill Foundation to the Hill-Snowdon Foundation to better reflect the contributions of the entire family.

### **Growth in Assets Leads to Strategic Focus**

In 1993, Lee died, leaving part of her estate to the foundation. At the same time, the value of J&J stock rose sharply. These two events led to an increase in HSF assets from \$1.1 million in 1993 to \$8.9 million in 1995. The board decided to involve the fourth generation – Dick’s children Andrew (24); Elizabeth (21); and Ashley (16) – in 1993. Ed further contributed to the rapid growth in assets when he added \$5 million to the corpus of HSF in 1997 and another \$20 million in 1999.

The fourth generation was integral to the decision to focus HSF activities. “When I became involved and participated in some meetings it was pretty clear that we were functioning like a mom-and-pop shop but giving away more serious dollars,” said Ashley. “It seemed like we could do a lot more if we focused our energies.”

Gradually, agreement grew among the board that outside assistance would be necessary to help focus and manage the grantmaking. The foundation was poised to become the staffed and influential foundation it is today.

Additional Resources at [www.hillsnowdon.org](http://www.hillsnowdon.org):  
Full history of Hill-Snowdon Foundation as recorded by Ashley Snowdon Blanchard in 2004.



Arthur B. Hill, 90th Birthday  
Back row, left to right: Edward W. Snowdon; Margot Snowdon;  
Dick Snowdon; Lee Hill Snowdon  
Front row, left to right: Edward (Ted) W. Snowdon, Jr.; Arthur B. Hill

# Chapter Three:

## Getting Organized and Finding a Focus

Getting a family to agree on anything can be a challenge. But when the issue is how to give away roughly \$2 million a year, there is a lot at stake in the outcome. Once the trustees decided they needed outside help to focus and manage their grantmaking, the tougher question became how to find the right helpers.

Through Margot's membership in Threshold, a progressive grantmaking foundation, she learned about the Tides Foundation, a San Francisco-based organization dedicated to social change philanthropy which provides grants management, donor education and other services to philanthropists. Ultimately the family asked Tides to help them find a direction and manage their grantmaking.

Tides staff conducted HSF's first board retreat in August, 1997. Held over two days in Oakland, California, it was the first time the family had systematically discussed their values, the issues they felt strongly about, and their hopes for their foundation.

"They entered with caution but also openness," said Berit Ashla, a Tides program officer who helped facilitate the first retreat. "I think the family learned things about themselves and each other." She was also struck by the way the family dynamics played out. As with any family, there were differences in style and points of view, but "they wanted to move in a more strategic direction that was informed by what they cared about most."

### **The Values the Family Brought to the Table**

The board at that point included three generations of Snowdons: Edward (son-in-law of the founder); his three children: Dick, Ted and Margot; and Dick's children: Andrew, Liz and Ashley. (See family tree page 8.)

Arthur Hill had not passed down expressions of donor intent, and Edward expressed no strong feelings about the foundation's programmatic direction, either; his wife had been the main player in her father's foundation.

The widower's main interest was maintaining the commitments he had made to charities in Florida, where he lived. He could, however, see the foundation preserving family ties.

Arthur may have failed to leave directions for the foundation's future because he didn't anticipate it growing so much. But, Dick said, his grandfather's values were expressed through his involvement in community organizations in Plainfield, NJ, a city with a substantial blue-collar population and many African-Americans living below the poverty level. "My grandfather took a great interest in the inner city," Dick explained. "He felt people should take care of themselves, but you couldn't have a whole community fading. You can't have a school system turning out people who can't read or write -- you can't hire them. That drove my own thinking about social responsibility."

The responsibility to help others was a value deeply shared by the third and fourth generations. So was the value of stewardship. "I totally credit Popi [Edward] and the third generation for instilling that value in us," said Ashley. "They were very willing to cede control and give up funding for their personal interests so that we could focus on a common goal. They stressed that we're stewards of a public trust and responsible for using those resources wisely. The endowment is not there just to further our personal projects." At the retreat, trustees agreed to establish a small pool for discretionary grants, but agreed that "if something is important enough to family members and it didn't fit the foundation's mission and strategy, they can fund it out of their own pockets."

### **Identifying a Focus**

At the retreat, the family members were instructed to draw pictures depicting their vision of the foundation's future and then explain to the group the meaning of their drawings. Through their stories, Ashla could see a deep-seated value of creating a more just and equitable society. "That spirit imbues everything," Ashla said. "There

was a basic interest that everyone should have equal opportunity to thrive and be a full, participating citizen.”

Each family member was then asked to identify past HSF grants they felt most passionate about. Logic would suggest individual board members would pick grants that they themselves had championed. In fact, their personal favorites were frequently grants that had been brought forth by another trustee. But the most important result of the exercise was the realization that highest on the list of grants were those to organizations that helped young people, especially young people of color who were struggling with poverty.

From these discussions, youth development became HSF’s funding priority. The topic was broad enough that family members’ personal passions could find a place under that umbrella. For example, Ted – whose main interest is organizations devoted to lesbian, gay, bisexual and transgender issues – could recommend groups working with LGBT youth. Settling on a focus made it easier to clarify what they would and would not fund. The board set aside \$25,000 per person per year for discretionary grants so that a few longtime grant recipients that no longer fell in the funding focus could still be supported.

### **The Debate Over Funding Direct Services Versus Addressing Root Causes**

One of the results of the planning work was the creation of Board committees: Executive, Finance and Grantmaking. Three board members – Margot and her nieces Liz and Ashley – comprised the Grantmaking Committee. Initially, the board maintained a number of prior grantees that fit the youth development focus and added Tides-recommended projects. For about the first two years HSF worked with Tides, grants went to programs serving “at-risk youth,” such as after school activities for middle schoolers, an age group that often falls through the cracks. Gradually, Ashla introduced them to the concept of seeking greater impact by supporting

social change projects instead of direct services. Groups involved in youth organizing began to appear on the docket.

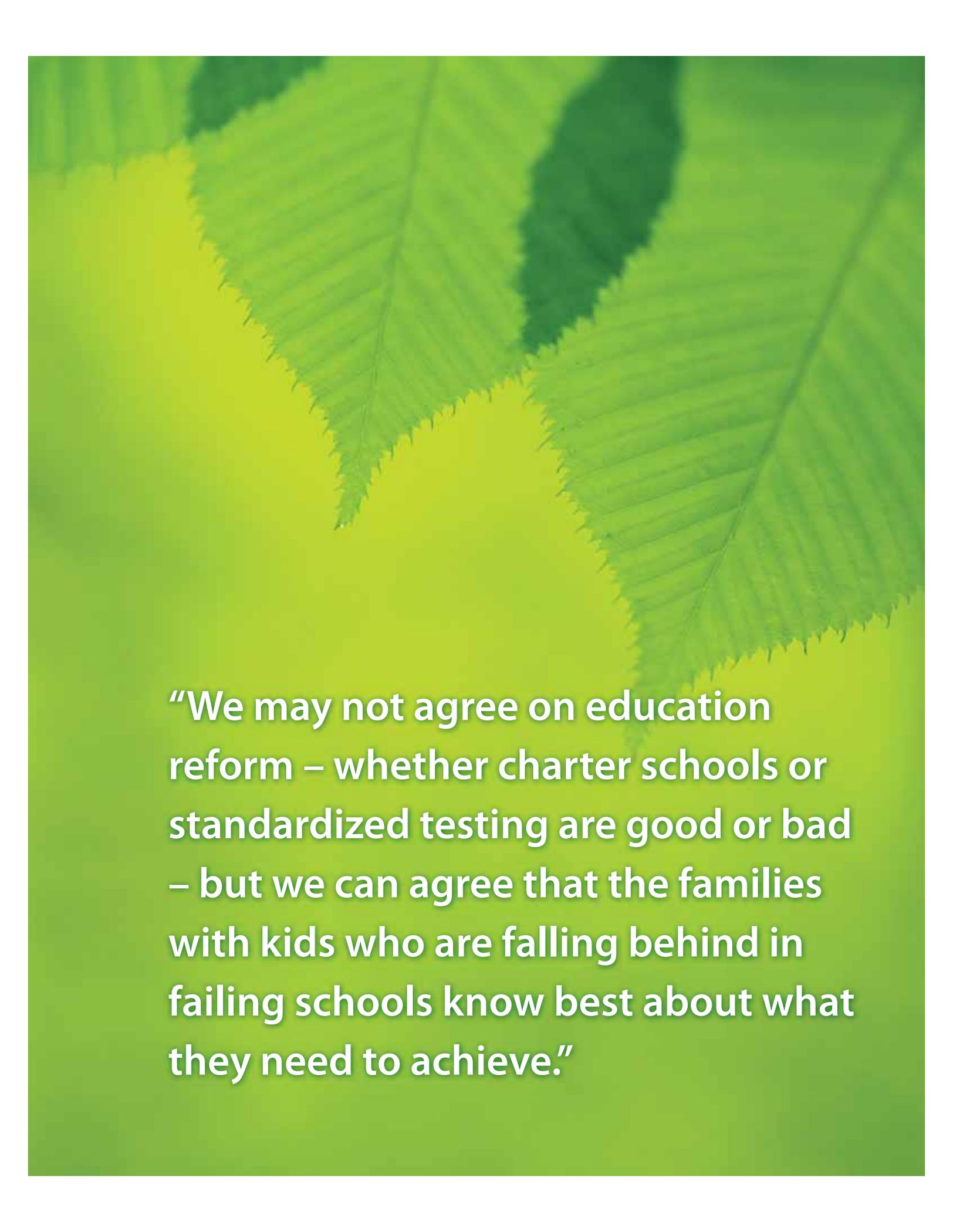
When Ashla left Tides in 2002, Leticia Alcantar, whose expertise was in youth organizing and environmental issues, became HSF’s program officer. She furthered the family’s education by organizing panel discussions and site visits with groups trying to achieve systemic change. This was a relatively new and cutting-edge approach, but she knew the family had a high tolerance for risk.

One speaker she invited, Taj James, made a big impression on them. He ran an organizing project in the San Francisco Bay area, and Liz recalled a story he told that stuck with her. James said that funding direct services is like putting a seed in the ground, pouring water on it, giving it sunshine and providing what it needs to grow. Social change funding, he said, is like asking the question: “Why didn’t the seed have those necessities to begin with?” He got them thinking about addressing root causes.

“He helped them look at youth, not as deficits that need help, but as action-oriented assets,” said Alcantar. That was a paradigm shift for HSF’s board. Prevention of violence and teen pregnancy, for example, was about keeping teens from becoming bad adults. In youth organizing, young people were treated as potential leaders who, with the right training, could advocate for change in policies or institutions.

The change in thinking came gradually. The trustees “learned by doing” through their initial forays into funding youth organizing. They realized that when they funded direct services, the problems didn’t get better.

“We didn’t all get it at the same time,” Liz said, “or with the same initial enthusiasm. And, for all of us, this transition was scary.” Taking on the root causes of social and economic injustice was intimidating – and sometimes



**“We may not agree on education reform – whether charter schools or standardized testing are good or bad – but we can agree that the families with kids who are falling behind in failing schools know best about what they need to achieve.”**

uncomfortable, as meetings with these organizations often brought up touchy issues such as power dynamics. “And the idea that our relatively small amount of money could help change the system seemed impossible,” Liz added.

Dick and Andrew needed the most convincing. “Andrew was definitely the measurement guy, and a lot of social change work isn’t measurable,” Alcantar said. Andrew preferred the immediate impact of providing a scholarship or funding a soup kitchen.

“I’m a tangible thinker,” Andrew explained. “When we fund services, I can see where the dollars work. The social change work is not as immediately gratifying. It was a fundamental philosophical discussion.”

Eventually, the board agreed to shift into youth organizing. They didn’t abandon all the services projects they had been funding, such as tutoring or after school programs. But site visits to their new youth organizing projects made them more confident that this kind of work could have far greater and more lasting impact. Young people were not only learning valuable skills and gaining confidence on the individual level, they were winning concrete victories that lifted up many others.

At the time, around 1999, the field of youth organizing was relatively new. It continues to be one of HSF’s two focus areas. By virtue of being one of the longest and most committed funders, HSF has played a role in influencing the direction of the youth organizing field, according to several people interviewed for this history.

“One of the reasons we finally agreed on organizing was because we all agreed on the fundamental democratic nature of it,” Ashley said. “And, in some ways, it’s a lot easier for a family with divergent views to agree on community organizing and the basic idea that the people who are most affected by a problem should have some say in the solutions. We may not agree on education reform – whether charter schools or standardized testing are good

or bad – but we can agree that the families with kids who are falling behind in failing schools know best about what they need to achieve.”

### **Economic Justice Emerges as the Second Funding Focus**

The foundation’s second program area, economic justice, was adopted in 2002 after some experimentation with various projects. The board had long been concerned about the growing gap between rich and poor and realized that the economic realities faced by low-income families underlie many of the challenges faced by youth. In the early 2000s, they funded a number of organizations working on welfare reform and living wage campaigns. These were their first forays into adult-led community organizing (as opposed to youth-led organizing). And while some efforts were more successful than others – TANF (Temporary Assistance for Needy Families Act) was not reauthorized, but many of the living wage campaigns were victorious – the board came to believe in the importance of economic justice as a focus. As with youth organizing, board members were struck by the powerful combination of personal development and community change that could be achieved through economic justice organizing.

While TANF hadn’t succeeded from a policy perspective, there had been a payoff – the organizations advocating for its passage had developed strong leaders in the process. The trustees saw that many of the groups had broadened their organizing focus beyond welfare recipients to include low wage workers and issues such as affordable housing, living wages, child care, health care and protecting workers’ rights. The board recognized that low-income people were affected by many related issues, so the foundation decided to maintain its support for the nonprofits engaged in multi-issue organizing. “We fund strong groups and they choose campaigns based on input from their members,” Liz explained.

Geographic focus was another issue the board faced in its quest to be strategic. Given the geographic dispersion of

the trustees, the board was willing to fund nationally. Yet they also wanted to identify some geographic parameters given their limited dollars. At the 1997 retreat the family decided to focus on areas of great poverty where there were few other philanthropic resources, including native American communities, and also Washington, DC where the family had strong local connections. One area of focus that emerged was one that no family members had experience in--the Mississippi Delta.

### **A Life-Changing Site Visit to the Deep South**

The board had traditionally held site visits in conjunction with its annual meeting, and since most of the grantmaking had been in places the family members lived – the east and west coasts – that’s where most of the meetings were held. In 2001, however, the board members decided to hold their October meeting in Mississippi so they could see first hand the work of Southern Echo, an umbrella organization for a variety of small advocacy initiatives in the Deep South that the foundation had been funding.

“This was a part of the country we had no experience with or connection to,” Liz said. “What captured my attention was that the need was so great, and they get so little funding. Other funders weren’t there.” In a place like this, the board realized, even a small foundation can make a big difference.

Traveling through the Mississippi Delta, the board members witnessed severe and pervasive poverty. They learned about the environmental contamination of cotton fields, the frequent use of corporal punishment in schools, and the promotion of prison construction as a spur to economic growth. And, according to Alcantar, “They heard wonderful stories of how people were organizing, and getting people elected to school boards, and kids were standing up and demanding better schools. It was eye-opening.”

Funding the rural South was a good match to HSF’s values. The region was under-funded, so a small grant could go a long way. And there was a growing network of groups aligned with the foundation’s goals of closing the gap between the haves and have nots and creating a fair and just society.

Ted called the trip “gripping, the kind of thing you never forget. It was amazing, the work they were doing with nothing,” he said of the groups they met. “We could see how \$30,000 could go a long way.”

**“Funding the rural South was a good match to HSF’s values. The region was under-funded, so a small grant could go a long way.”**

# Chapter Four:

## Becoming a Staffed Foundation

On the day after New Year's in 2004, the Hill-Snowdon trustees gathered in Washington, DC. When the meeting ended two days later, they had made a set of crucial decisions that would greatly change the foundation.

Board members were not interested in visibility for visibility's sake. But they recognized that they could have more impact in social justice funding if they had a higher profile. In the retreat minutes, one board member is quoted as saying: "The foundation is more than just a grantmaking machine – it can have greater impact through complementary activities, e.g. being a leader among foundations on issues of program expertise as a way of leveraging funds."

The trustees agreed this would require hiring their own staff. They also decided that they should be a DC-based foundation, because half the board lived there (Dick, Andrew and Elizabeth), and the family felt strongly about addressing the deep poverty and divisions in the nation's capital. The family also recognized that Washington had relatively few major philanthropies, so that they could be a "big fish in a small pond."

### Hiring an Executive Director

Karie Brown, a consultant and former Tides staffer helped them decide what they wanted in an executive director. One issue they considered was whether it was more important for the executive to have program expertise in social change funding, or if the candidate should be someone experienced in working with a family foundation. They weighted program expertise over management expertise and hired Nat Chioke Williams, former program officer for the Edward Hazen Foundation in New York who had extensive experience funding youth organizing.

Williams "was just the best fit with our personalities," Liz said. "We needed someone we'd be comfortable with. We interviewed some people with more experience running family foundations, but he had more knowledge of our funding area. And he was really ready to do a startup. He was entrepreneurial."

Williams said he was drawn to the Snowdons not only for the chance to create an organization but also because "one of their values is risk taking." He wanted an opportunity to try bold and innovative concepts.

Once Williams was hired in July 2004, he had to create an organization from scratch – everything from setting up the office to hiring the staff to setting the financial house in order. And he had to keep the grantmaking going at the same time.

The board retained Brown for four months to help with the transition and be Williams' coach. "Especially with a family foundation, being an executive director can be an isolated job," Brown said. "I had worked with the family a long time, so I could help him understand their dynamic." She also helped him with management tasks such as obtaining directors' and officers' insurance, hiring additional staff and creating personnel policies in keeping with the family's desire to provide fair wages and benefits. The foundation's approach to pay and related issues was to ask "What should the personnel policies of a social justice organization look like," Williams explained. "They invest in people," Brown added. "Their values and mission are reflected in their organization." Examples include paid maternity and paternity leave, part-time and flexible schedules and telecommuting options.

Together, Williams and Brown developed a work plan with all the key tasks that needed to be completed. Meanwhile, Dick found office space in a suite shared by other progressive foundations and the Neighborhood Funders Group, a network of funders working to improve economic and social conditions in low-income communities. Williams worked with the board to develop a long-term staffing plan, based in part on expected growth for the foundation. The plan called for two program staff and an administrative/finance staff member. Williams' first hire was Christine Harris, who was initially hired for a short-term appointment to put financial systems, office technology and operational functions in place. She was then hired as the part-time Operations Manager.

### Exploring an Innovative Staffing Model

In 2005, the trustees and Williams agreed it was time to hire more programmatic support. This led to an innovative staff sharing idea that – although it didn't come to fruition – could serve as a model for other funders.

The Discount Foundation, a small, Boston-based private foundation with, at that time, approximately \$7 million in assets and a solid reputation as an economic justice grantmaker, needed an executive director. Williams was looking for a way to expedite HSF's standing as an economic justice funder. The two foundations decided to try a unique partnership in which they would jointly hire one person who would serve as the part-time executive director for Discount Foundation and a part-time program officer for HSF. The foundations also would share offices.

They drew up an agreement on how the partnership would work and wrote a job description. But the pool of candidates was small, probably because the arrangement was so novel, and ultimately, the two organizations couldn't settle on one candidate who could meet the needs of both.

"We always knew that it would come down to finding the right person, and we knew it might not work out," Liz said. The fact that it didn't does not mean the foundation regrets the time and effort expended on this innovative experiment. "We try to get grantees to collaborate, so we have to walk the talk ourselves," Ashley said. And there were lessons learned, particularly about how challenging such collaborations can be.

### Adding to the Program Staff

In 2006, Williams hired senior program officer Shona Chakravartty to focus on economic justice, and program associate Michael Coffey to help develop a new program to strengthen community organizing in DC. (In 2009, Coffey was promoted to program officer.) Chakravartty had deep experience in social justice funding and a strong reputation in the field. Yet she lived in New York City and did not want to move. The board had lengthy

discussions about the pros and cons of a long-distance hire, concerned that with such a small staff, having people working from different places would hinder informal interaction and idea-sharing. Once again, depth of experience won out. Chakravartty was HSF's first "telecommuter" hire, working one week each month in DC and the rest of the time in New York or traveling to site visits.

Although the staff members came with specific areas of program expertise, they work across all program areas to avoid being siloed and so they can look for intersections among programs. For example, the foundation's recent shift to support more intergenerational organizing resulted in part from a recognition of the synergies between their youth organizing and economic justice program. From an operational standpoint, having staff work across programs means that the foundation can function more seamlessly when a staff member is out for an extended period, since they can each pick up one another's work.

Additional Resources at [www.hillsnowdon.org](http://www.hillsnowdon.org):

- *Transition and Work Plans*
- *Job Description Used to Hire HSF's First ED*
- *Discount Foundation Proposed Management Structure and Job Description*

# Chapter Five:

## Small Grants, Big Impact

The foundation embarked in 2005 on a process to clarify its mission, vision and strategic direction for the future. In keeping with the foundation's values, board and staff turned to their grantees to help them develop their funding priorities. They reasoned that the grassroots groups doing the work on the ground knew best what was needed to improve the lives of people in poverty, and how philanthropic dollars could catalyze that change.

Williams spent five months traveling the country and holding "listening sessions," or discussion groups, to better understand the landscape of the youth organizing focus area. All of the board members participated in at least one of these sessions. For the second focus area – economic justice – Williams interviewed all 17 HSF grantees plus other leaders and funders. Williams also met with DC-based funders and other nonprofits to determine the needs of HSF's new hometown. From these and other exploratory meetings in the field, the staff and board jointly developed a Strategic Clarification Report, a blueprint that continues to guide its work.

With \$27.6 million in assets as of December 31, 2008 and a grantmaking budget of around \$2 million, HSF funds approximately 65 organizations. Grants from the core budget are usually in the range of \$25,000 to \$30,000 a year, relatively modest compared with those of larger foundations. But such an amount can have a huge impact on small-budget nonprofits engaged in organizing and advocacy, especially when the pool of funders willing to support this kind of work – as opposed to direct services – is limited.

HSF has a long-standing policy that sets payout of grants at 5 percent of a 3-year rolling average of year-end asset values and then applies administrative expenses on top of this, resulting in an average payout rate in most years of 6 to 7 percent – higher than the 5 percent required by law. The Board set this policy because of its belief that the foundation's assets should be used to support the work of its partners, to the greatest extent possible.

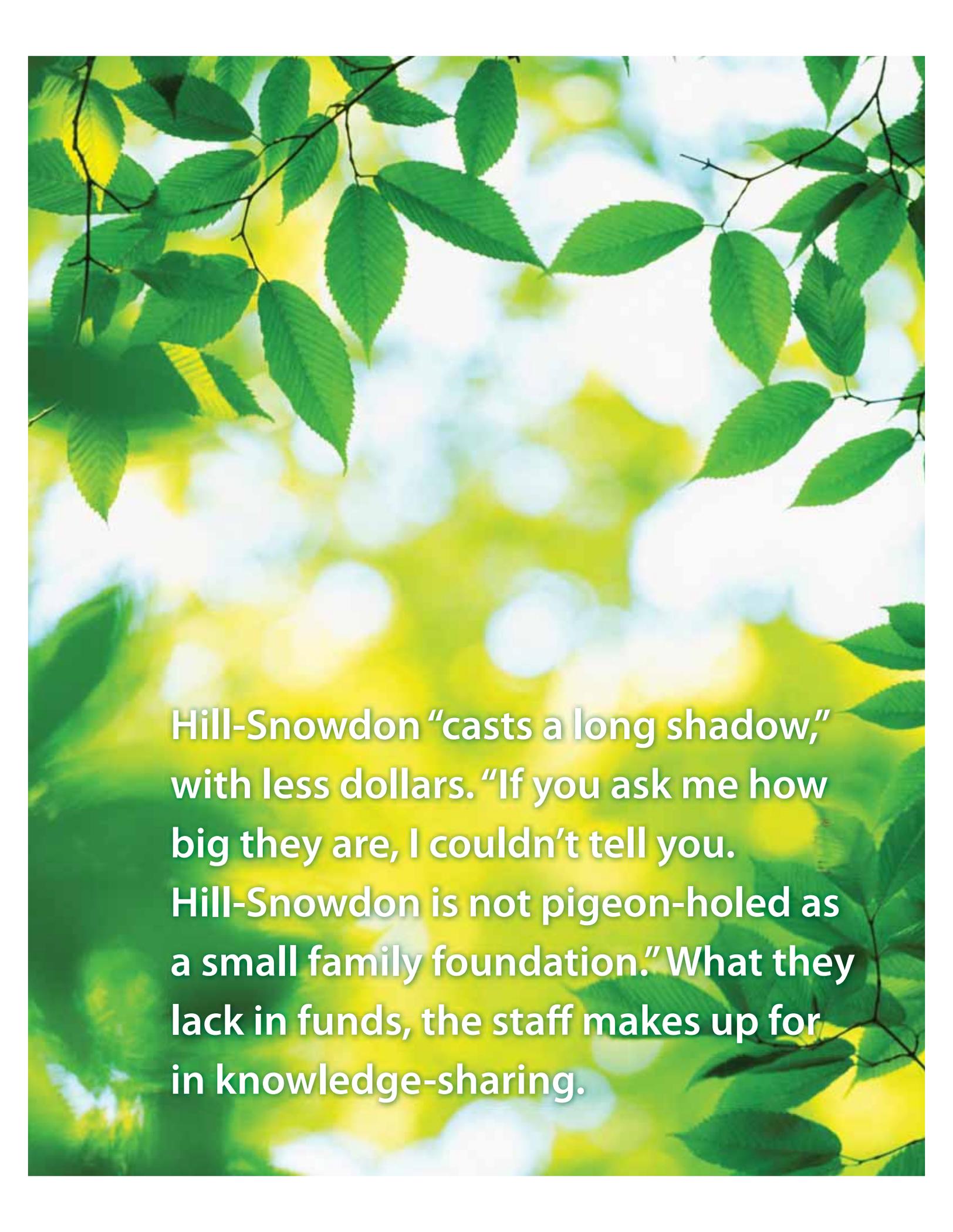
Board and staff try to ensure that the foundation's values are reflected in all aspects of its grantmaking. For example, HSF never uses the word "grantee." Instead, funded groups are called "grassroots partners." It's an important distinction to the staff and board. They recognize that the power dynamics between grassroots groups and their funders can be a major barrier to developing authentic relationships. HSF considers these groups to be their partners in social change, relying on them to learn and enabling HSF to achieve its mission.

Another value that HSF embraces is patience. As with many funders, this was not the trustees' natural inclination. The direct services funding in the early years had the immediate payoff of showing an increase in numbers of people served. But as the board members began to fund grassroots organizing and saw the small steps necessary to achieve victories, they grew in their understanding of what a long time movement building and social change take. In consultation with its grassroots partners, HSF decided to make its grants in one-year increments, and not to impose artificial time limits on how long a group can be supported. This arrangement allowed HSF to satisfy its goal of providing multi-year support and the flexibility to extend or shorten support on a case by case basis. Currently, the average length of HSF's grants are 5 years (with a range from 2 to 10 years).

### Seeking to Be Flexible and Nimble

Early on, the board agreed to make general operating grants. Based on their own experience working with nonprofit organizations, trustees recognized how challenging it can be to obtain operating funds when so many funders limit their grants to specific projects. The staff develop close working relationships with their grassroots partners, fostering mutual trust. The board, in turn, trusts the organizations to make the best use of the funds to achieve their missions.

In addition to the core grant budget, existing grassroots partners can tap one of two grants funds for up to an additional \$5,000 per year. The Opportunity Fund is for urgent, unexpected needs or special opportunities. The



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lack in funds, the staff makes up for  
in knowledge-sharing.

Capacity Building Fund provides grants for organizational or program development and technical assistance. The foundation put these programs in place as a way to be more nimble and address the reality of small organizations' need to respond to unanticipated events. In addition, a Rapid Response/Emergency Relief Fund enables the board to respond quickly to natural disasters and other urgent needs beyond the core grantmaking. In 2007, the foundation also shifted from a yearly grantmaking cycle to twice yearly in order to provide more flexibility to grantees and also even the load on staff.

Empower DC is a good example of how the small grants funds can make a huge difference. This tiny community organizing group was founded in the nation's capital in 2003 and brings people together and trains them to advocate for affordable housing, tenant rights, child care and the preservation of public property for community purposes. Empower DC had difficulty raising more than \$100,000 for its operating budget making HSF's annual grant of between \$20,000 and \$30,000 critically important. But with \$5,000 from HSF's Capacity Building Fund, the nonprofit hired a fundraising consultant who helped them double their revenues in 18 months.

The staff members also are sensitive to the paperwork burden experienced by small nonprofits. The foundation only asks organizations for information it considers essential. Grassroots partners applying for their next grant simply state what they accomplished with the last grant, and what they plan to do with the next one. The staff believes that their ongoing conversations with grantees tell them more than a multi-page grant proposal would.

### Leveraging and Learning

HSF's staff of four is relatively large for its asset size.<sup>1</sup> The decision to hire a larger staff was based on the trustees' view that an integrated strategy included not only grantmaking but also *leveraging* other resources to support its goals, and sharing its *learning* with other funders and grassroots partners. Board members consider it a core job responsibility for staff to be out of the office and meeting with grassroots partners and other

funders, learning from others and sharing what HSF has learned. And by making the case for its funding priorities to others, staff have been able to leverage additional dollars to HSF's causes and grassroots partners.

Inner City Struggle (ICS) in Los Angeles is a case in point. Executive Director Maria Brenes appreciates HSF's annual grant averaging \$35,000. But Williams has also made them known to other funders. "Nat knew the program officer at the Marguerite Casey Foundation, and that connection helped us with securing a grant of \$225,000 over three years," Brenes said. "He is seen as an expert in youth organizing," so other foundations look at who HSF funds as a gauge for where their own grants might best be used.

Another example of how HSF staff's expertise and external leadership has helped leverage additional funding is the Collaborative for Education Organizing. Set up in 2007 by the Community Foundation of the National Capital Region in Washington, DC, the collaborative has 10 local and national funders at the table, including the biggest in the country: the Bill and Melinda Gates Foundation. The collaborative seeks to engage students, parents and teachers in education reform in the city's schools. HSF's financial contribution is small, but its expertise and leadership are critical, according to Lee Parker of the community foundation staff. Williams and Coffey served as steering committee members, and Coffey now co-chairs the collaborative. Williams also has been critical to engaging funders "who normally fund direct services and are less comfortable spending over \$300,000 to build the capacity of a small set of nonprofit groups," Parker said. HSF "has been a strong voice" to keep foundations at the table.

HSF also exerts influence nationally, in part through its participation in a variety of funders' collaboratives and affinity groups such as the Funders' Collaborative on Youth Organizing, the Social Justice Infrastructure Funders Group, Neighborhood Funders Group, and Grantmakers Concerned with Immigrants and Refugees. By taking an active role in these bodies, staff members are able to exert influence among funders with far greater resources.

Jee Kim, a program director with the \$700-million Surdna Foundation, a partner with HSF in the Funders' Collaborative on Youth Organizing, said Hill-Snowdon "casts a long shadow," with less dollars. "If you ask me how big they are, I couldn't tell you. Hill-Snowdon is not pigeon-holed as a small family foundation." What they lack in funds, the staff makes up for in knowledge-sharing.

In terms of learning, HSF tries to share what they've learned with other funders. This practice evolved organically. The board didn't start out thinking that there was great value in commissioning reports, for fear that they could end up sitting on shelves. But as the foundation developed a depth of knowledge on its program areas, they came to believe that others might benefit from knowing about what HSF had learned during its work. And they came to recognize the unique power they have as foundation board and staff members to speak out on issues of importance to the foundation. HSF staff and board members have spoken at major conferences about their strategies and the family's involvement. They have testified on policy issues and published commentaries in newspapers.

In 2005, the foundation developed a website ([www.hillsnowdon.org](http://www.hillsnowdon.org)) that offers a rich resource of information for the field. Additionally, HSF has commissioned research to inform both its own grantmaking and that of its peers. For example, a major scan of social justice organizing in the South was conceived when the board was struggling to understand how the landscape had changed since their initial grants in the region in the late 1990s. Recognizing that others shared this same interest, HSF decided to invest in research. The report, co-produced by the New World Foundation and released in March 2009, has led to increased collaboration among southern funders and more visibility for the region among others.

In addition to sharing its own learning, HSF provides funds for its grassroots partners to participate in learning opportunities such as conferences and community dialogues with other nonprofits. And HSF places high value on listening to grassroots partners, asking what

they need to succeed and how they're adapting their strategies. For example, Inner City Struggle expanded its base of work in 2004 in its advocacy for school reform in Los Angeles. They decided to go beyond just organizing youth. "To achieve social change, we learned that we had to also engage adults," Brenes said. "Hill-Snowdon was one of the few funders that continued to fund us through the expansion. They were open to learning from our work. They helped other funders understand the connection, that we weren't abandoning youth organizing but were expanding on that." Given that the foundation's own board has multiple generations at the table, understanding the importance of engaging multiple generations was not a leap in thinking.

### The Board's Role

Hiring a professional staff can ease the workload of a family foundation board. But it can also cause trustees to become less connected to and involved with the work and less involved. When the family hired Williams, they made it clear that they wanted to stay engaged. Even though the board's role shifted from management to policy-setting and oversight, the members told him they wanted to continue learning and stay connected with the organizations and people they support. The staff works hard to make that happen, through site visits, speakers and other activities.



*New York site visit, October 2009*

Board members can participate in any site visits they choose, and every member is expected to attend at least one per year. To facilitate this, the board's annual meeting rotates among cities where HSF funds multiple organizations. The gathering always includes a day of site visits so that all board members can meet with grassroots partners working on common community issues in that city.

The board holds quarterly meetings, including one in-person full board meeting, one longer spring board meeting, and two board meetings focused more on learning (with a little business as needed). Committees meet as needed: the Grantmaking Committee meets at least twice a year, prior to board meetings to recommend a docket to the full board; the Finance Committee meets at least twice a year, more often if business warrants it; and the Executive Committee meets at least twice a year "formally" prior to board meetings, but more frequently on an ad hoc basis to discuss relevant issues. One of the benefits of a smaller board is that it keeps committee membership limited and people can meet relatively quickly if needed.

Over time, the staff has greatly streamlined the grant decision-making process. Board books used to be inches thick. Initially the board reviewed full proposals as well as 3-4 page staff summaries and had lengthy discussions about each grant. Gradually, as the board came to rely more on staff expertise and became more familiar with their funding areas, they reviewed proposals in less detail and requested more pointed write-ups. Now the docket is much slimmer. Each grant recommended by staff gets a two-page write-up briefly stating the organization's goals, progress and future plans, plus the staff analysis.

A section called "Critical Questions," helps the board explore not only how the grant will affect the organization but how it will further HSF's overall objectives. Trustees discuss only those grants about which they have questions or which staff choose to highlight because of their strategic relevance.

"The critical questions allow the board to focus on the policy and field implications, so we don't get bogged down in the minutia of the due diligence," explained Liz. "But we started out reviewing full proposals in great detail, and that was an important part of our learning process."

### Seeing is Inspiring

All the HSF trustees said they stay engaged because of the work done by the organizations they fund. They point to site visits as the most meaningful part of their work on the board. Ariana (Ari), the newest board member, recalled that her first site visit trip was one the family made to New Orleans in 2007, two years after Hurricane Katrina's devastation. Ari had known about HSF's grantmaking in the region, but hadn't seen first-hand the conditions their grassroots partners deal with. The trustees traveled to the Lower Ninth Ward, site of the worst destruction.

"When we got out, all we could see was acres of grass with nothing on it," Ari recalled. "We saw families digging foundations by hand. I was angry and absolutely inspired to want to help. You can read great proposals and read reports of site visits by the staff, but this drove it home to me. This is why we do this. We have the ability to do something to help, something tangible for people's lives, and it is a privilege."

Additional Resources at [www.hillsnowdon.org](http://www.hillsnowdon.org):

- *Sample grant write-up for the board*
- *Grant guidelines*
- *Strategic Clarification Document*

### Endnote

<sup>1</sup> According to the Association of Small Foundations 2009-2011 Foundation Operations and Management Report, released December 2009, foundations with \$25-49.9 million in assets reported having an average of 2.66 number of staff and a median of 2.0 number of staff at the end of 2008.

# Chapter Six:

## How the Board Governs

With any family foundation employing staff, a key requirement for success is having clarity of roles between the board and the staff. The Hill-Snowdon board avoids straying into matters that are staff responsibilities. “I think we try really hard to make policy decisions and stay out of staff’s way when it comes to executing them,” said Liz. On the other hand, when the board members are volunteers with busy lives, it’s an ongoing challenge to keep them engaged, especially with a strong staff of experts to rely on. Ashley sees one of her core roles as board president to work with staff to keep family members engaged.

A family foundation’s non-family staff face unique challenges because family dynamics are present in every aspect of governance. “We staff just have to let the dynamics play out,” Williams said. The HSF trustees “always get back to what’s good for the institution,” he added. “They do respect each other a great deal,” which is what gets them past the disagreements.

“The family has strong personalities,” Andrew agreed. “But no one is going to take their ball and go home.” The board also has to acknowledge ideological differences when making grant decisions. As Ted describes it: “Margot and I are old Lefties; Andrew and Dick are more conservative.” Board members can recall only one major vote in the past 10 years that was not unanimous, and everyone attends the annual fall board meeting and site visit. The bottom line is that the board members can get past the disagreements because they’ve all agreed that the foundation’s work must take priority over personal views.

### **Socially Responsible Investing**

A major job for any board is careful stewardship of the organization’s resources. For years, HSF’s J&J stock performed extremely well. But around 2004, the board decided to diversify. Advised by its Finance Committee (Dick, the chair, plus Andrew and Liz), the board worked with their investment managers to diversify the investment portfolio and also to institute social responsibility screening. The screen is designed to either prohibit or minimize certain types of holdings including

manufacturers of arms, alcohol or tobacco. There are some restrictions on energy companies whose practices endanger the environment. Given the foundation’s emphasis on social justice, the screen avoids companies with histories of labor and human rights violations. The foundation also has invested in Calvert Funds which support community investment; the return has been a relatively stable three percent.

The foundation’s values also play out in the vendors it uses. “When we travel, we avoid hotels that aren’t union-friendly,” Williams said. Other types of vendors are reviewed for their labor practices.

### **Succession Planning and Perpetuity**

Despite the many changes the foundation has undergone in recent years, the one thing that has remained almost unchanged is the board membership. From 1993, when the fourth generation joined the board, until 2008, the same six trustees governed HSF. In 2008, Margot’s daughter, Ari, who at the time was a college junior, turned 21 and became the board’s seventh member.

Next generation engagement inevitably raises the question of perpetuity. Board members express mixed feelings about the issue.

The pool of potential trustees is limited because the family is small, and board policy currently requires that trustees must be descendants of Arthur Hill. Dick’s son Alexander, the only other member of the fourth generation, was a high school student and too young to be a voting member of the board at this writing.

Dick said he’s not wedded to perpetuity but wants his youngest son to have the opportunity to serve. Andrew who has young children, favors perpetuity, but said his kids aren’t the reason. “I don’t see an end for the need for philanthropy,” he explained. Margot said her biggest concern is succession, because the family doesn’t yet have a lot of heirs. “I’ve always liked the idea of having

nonfamily board members with expertise in the areas we fund," she said. "There will be a number of issues ultimately, including who will do the work." She also wonders: "Will we be relevant in 50 years?"

At the Fall 2009 Board meeting, trustees discussed the issue of perpetuity. They agreed that, from a programmatic standpoint, the foundation's leadership could continue to have a significant impact on the issues of social and economic justice, which were not going away any time soon. They'd begun to see the payoff from the foundation's investment in leveraging and learning activities, and saw the potential for greater rewards ahead. As a family, they reaffirmed their enjoyment in and commitment to working together. They also agreed that they didn't want to make the decision only because of diminished assets, and agreed to revisit the topic in 2012. "If we're going to spend down, we need a reason and a plan," said Ashley. "Right now, we don't have that. We're still learning."

### Embracing Young Leaders from the Next Generation

Hill-Snowdon supports the development of young leaders, as evidenced in both its grants to youth organizing groups and in the way its board has operated. Dick was 26 when he joined his mother and grandfather on the board. As a trust and estate attorney, Dick had valuable expertise and assumed the responsibility for managing the foundation. The fourth generation became active in their teens and 20s when the second and third generations were starting to have conversations about professionalizing the foundation.

Some of the incentive to involve the next generation was pragmatic: with growing assets, the third generation trustees felt that they would need more fellow board members to get the work done. But most of the impetus was based on their belief that HSF should be a true family foundation, including all family members ready and willing to participate. In some foundations, the older generation is reluctant to cede decision-making to their children. Dick's view is the opposite. "I'm so proud to have

my children participate as adults in the foundation, as equals in the conversation."

From the perspective of the fourth generation, the desire to participate was motivated by the openness of the third generation to include them as equals. "I never felt like a token board member," said Liz. "From the first board meetings [I attended], my ideas were heard. I'm not sure I would have stayed involved if that hadn't been the case." She notes that it may be easier for this power sharing to occur among the third and fourth generations, and beyond, since "there is less sense of ownership [of the assets] than if the founder is in the room."

In 2004, the year the foundation hired staff, Ashley, then age 26, succeeded her Aunt Margot as president. Prior to that, the position had been more informal. That changed when the board realized a liaison between board and staff was needed. This was particularly true as HSF was setting up operations and there were myriad small decisions that didn't require the full board's input. Ashley was the logical choice. She already had been the de facto board administrator when HSF left Tides, working closely with the interim director until Williams was hired. "The family members said, 'Let's just put a title on what you've been doing,'" Ashley explained. "They also thought that, if we were going to focus on youth organizing, it would be a bold statement to have the youngest trustee serve as the board president." Andrew jokingly called his sister's appointment a "bloodless coup," but noted that she had the time, interest and skills to take on the responsibility.

To help train future trustees for board service, HSF created a trustee orientation process in 2006. Though the process had been very informal for the third generation, they realized that the foundation was very different than it had been when they became involved, and that a clear orientation process would help future trustees understand what was expected of them and how the foundation operated. The policy provides that family members can become non-voting members of the board at age 16, able to attend all board and committee meetings. They can be elected voting members at 21 if



they meet certain requirements: they must participate in the foundation for at least two years, and attend a specified number of board and committee meetings, site visits and other learning activities before they can be elected as full members.

Ari, the newest board member, already had experience in philanthropy even before she began her HSF board training. Her mother “completely ingrained in me that we were lucky to have money, and we needed to be humble and give back,” Ari explained. She started volunteering at age 8. As a high school sophomore, she was invited to sit as a youth advisor on the community foundation’s grantmaking committee in her hometown of Jackson, WY, a position she held throughout high school.

### **Governance Issues for the Future**

Board members agree that there are a number of issues they will need to address in the future, including board composition and perpetuity. “There are clearly some looming questions that we don’t have figured out,” Ashley acknowledged. “And they’re weighty questions—spending down, inviting on non-family trustees. I think we’re all just feeling like we’ve gone through so much change in the last five to ten years that we need to take a breath before we tackle them.”

Additional Resources at [www.hillsnowdon.org](http://www.hillsnowdon.org):

- *Selected Board Policies*
- *Trustee Orientation Guidelines*

# Chapter Seven:

## Looking to the Future

### Creating a Big Picture Fund

When thinking about ways to mark its 50th anniversary in 2009, HSF board and staff wanted to capture its history and evolution (resulting in this report), as well as to provide resources to the field that would go above and beyond its regular operating grants. The Big Picture Fund grew out of a survey of grassroots partners who were asked for ideas to commemorate HSF's 50th anniversary. The fund was created to help grassroots partners "step back and do the big picture thinking and strategizing with their allies that is necessary to fully seize this moment," Williams told them. The RFP was open only to HSF's current grassroots partners, but they were encouraged to collaborate with other organizations that were not. The fund was intended to foster new ideas that went beyond what an organization was currently doing or to solidify or strengthen existing relationships so as to enhance the current work.

The foundation received proposals from almost two thirds of its partners, affirming that there was a great need for groups to do collective "out of the box" thinking and strategizing. Most of the grant requests, however, were just slight extensions of groups' current work and/or did not reflect the kind of new or innovative thinking HSF sought. In the end, four projects were supported, and the foundation took two overall lessons from this endeavor. First, big dollars are likely needed to stimulate big ideas. The grants for the Big Picture Fund ranged from \$10,000-\$20,000, and although helpful, they were probably not of a sufficient size to stimulate really big ideas and plans. Second, stimulating big ideas may be a longer-term process of cultivation than anticipated, requiring multiple years of support for relationship building and idea creation. HSF board and staff still believe that with sufficient resources (i.e., time and money), truly innovative strategies for change can be created at the grassroots level and hopes to work with others to sponsor similar initiatives in the future.

### Rising to the Challenges of a Tough Economy

The large influx of assets HSF experienced in the early 1990s spurred the board to become more strategic. The same could be said of the economic downturn of 2008. That autumn, the stock market started a free fall that left most foundations' endowments roughly a third smaller by year-end than when the year began. HSF was no exception: Its endowment dropped 22%, or from \$35.4 million at the end of 2007 to \$27.6 million at the end of 2008.

The financial crisis led some foundations to cut back on grantmaking. Nonprofit grantees experienced a perfect storm – more demand for their services at the same time that individual and foundation grants dried up. However, that November's election of President Barack Obama gave social justice funders hope that his administration would partner with them and other organizations to move forward a social change agenda for the communities they serve.

Williams wrote to HSF's grassroots partners in December 2008, stating the foundation's intentions going forward: "...at this time and in this defining moment for the cause of social justice, we cannot let up or retreat. We have to at least equal our commitment over the last years and, where we can, increase it." Williams went on to explain that while HSF assets had dropped by nearly 25 percent, "the board has been very clear that this is not a time to retrench or cut back. This is a time to affirm our commitment to our current partners who are doing important work at this critical time in our history." Williams reported that HSF funding would remain steady for current grassroots partners whose work was proceeding well.

The staff and board partnered with other foundations to share what HSF was doing, and encourage others to seize the tough economy as an opportunity. Colleague Diane Feeney, director of the French-American Charitable Trust, invited Williams to co-author an opinion article with her for the *Chronicle of Philanthropy* in July 2009. In it, they urged philanthropic leaders to be bold.

“Do we exist only to ensure our perpetuity,” they wrote, “or do we exist to take risks at moments like these and help move our nation closer to fulfilling our essential values and create a thriving society? We believe philanthropy has an obligation to move beyond its comfort zone and seize the opportunity to do as much as we can to support nonprofits to meet the needs of their constituents and seize the opportunities of this historic moment. ...we argue that foundation assets, which grew and thrived over the last decade, should now be made available to help those who are most in need.”

In practice, the foundation's commitment to using its assets to support the work of its partners to the greatest extent possible effectively raised the payout rate for 2009 to 9 percent; the 2010 budget reflects a similar payout rate. While board and staff felt strongly that HSF not decrease its grants budget in 2009 and 2010 when so many of its grassroots partners were being hit with rising demands and reduced funding, this meant that HSF had to look at other places to economize. The board decided, among other measures, to hold staff salaries constant; reduce board discretionary grants and employee matching grants; and reduce office space by becoming a “partial virtual office” with more staff telecommuting.

Despite these efforts to minimize administrative costs, in the Fall of 2009 the board realized that adjustments in the grants budgets would also be required in order to stabilize HSF's assets over time, or else the foundation would gradually spend down its resources. This was a hard decision for the foundation's board and staff, but one that clearly had become necessary. As a result, in October they adopted a “rolling grant blackout” policy in which each of HSF's grassroots partners will be asked to “sit out” for a one year grant period during one of the four years between 2011 and 2015. After one year, groups will be able to reapply for funding, while the next cohort sits out. This will allow HSF to conserve and reinvest 25% of its grants budget each year for four years, thus helping to shore up finances so that the foundation may continue its work long term. HSF plans to start with the

organizations in its portfolio that have the largest budgets and hopefully will feel the least impact from a temporary loss of HSF funding. The theory is that these groups will be most competitive for other grants during harder economic times, and as the economy rebounds in the latter years, there should be more funds available for the smaller groups to replace HSF's grant.

In February 2010, HSF communicated its plans for the rolling grant blackout in a letter to its grassroots partners. Although it contained unfortunate news, the letter and the plan for the changes to the foundation's grantmaking were well-received by its partners. Andy Mott, Executive Director of Community Learning Partnership, wrote, “It is such a pleasure to see a foundation handle this tough situation so well...an excellent way of handling the cutback issue – clear and thoughtful explanation, lots of notice, very balanced approach, and the preference for smaller grantees.” N'Tanya Lee, Executive Director of Coleman Advocates for Children & Youth, shared a similar viewpoint when she stated, “Thank you for such a thoughtful letter and process....This is one of the only ‘bad news’ foundation letters that didn't make me groan, roll my eyes or tear my hair out. I can feel the sincerity of your efforts to be pragmatic and yet principled, and it is appreciated.”

### Leaving a Legacy

As board president, Ashley, too, spoke out. In a July 2009, interview in SmartLink, the newsletter of the Neighborhood Funders Group, she was asked what her hope was for philanthropy, given the stresses facing low-income communities. “I think we are very much at a time when the rubber meets the road,” she replied. “There are so many opportunities to shape things given the ability of philanthropy to be more responsive and flexible than public dollars. Certainly smaller family donors, if we got our acts together, could really influence how the economy is rejuvenated to help low-income families and reduce the gap between rich and poor.”

The goal of reducing that gap is what has kept the Hill-Snowdon family focused on its philanthropic work through four generations and is likely what will sustain it for future generations. At the end of the foundation history Ashley wrote in 2004, she addressed how the founder might have felt to see the foundation 50 years later:

“Those who knew Arthur Hill have no doubt that he would be thrilled both by the significant impact HSF has managed to have on the lives of young people across the country and the commitment of his descendents to the foundation he endowed. ‘I think he’d be very proud, and a little flabbergasted,’ said Margot. ‘I don’t think that it was his intent, but I think he’d be very happy that it gives us this chance to have a substantive conversation about our values. It has made us even tighter and even more compassionate to one another.’”

Additional Resources at [www.hillsnowdon.org](http://www.hillsnowdon.org):

- *50th Anniversary Grassroots Partner Survey*
- *Big Picture Fund RFP*
- *Chronicle of Philanthropy Op-Ed by Nathaniel Chioke Williams and Diane Feeney*
- *Hill-Snowdon Foundation Letter to Grassroots Partners Regarding the “Rolling Grant Blackout”*



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