



Published in [Nonprofits](#)

Philanthropy steps up to help as crisis hits nonprofits hard

BY [Jane C. Simons](#) Sunday, June 21, 2020 03:32pm

The announcement last month that five of the most influential U.S. charitable foundations would be substantially increasing their giving levels was met with gratitude by philanthropic leaders in Southwest Michigan.

The **Ford Foundation** led the effort with its announcement on June 11 that it will borrow \$1 billion to substantially increase the funding it distributes. The foundation will issue a combination of 30- and 50-year bonds, a rare financial maneuver among nonprofit groups. The Battle Creek-based **W.K. Kellogg Foundation** was among the foundations to increase its commitments.

The foundations' commitment to increase levels of giving came as a direct response to the coronavirus pandemic and the global fallout that has ensued.

“This major commitment led by W.K. Kellogg Foundation, Ford Foundation and other funders in the space echoes the calls from the charitable sector that we must be innovative, nimble and leverage partnerships to address the unique challenges facing nonprofits, especially those who serve our most vulnerable populations,” said Kyle Caldwell, CEO of the **Council of Michigan Foundations** (CMF).

A new analysis by **Candid**, the nonprofit formed by the merger of Foundation Center and GuideStar, found that while some foundations may be able to temporarily increase their payout rates, “the current situation is far more complex than what we experienced in 2008 and 2009. Philanthropic giving in response to this crisis could reach unprecedented levels.”

“Therefore, foundations will need to closely examine what’s viable for their continued philanthropic efforts to effectively support communities now and for years to come, recognizing there’s still great uncertainty about the support that will be needed long term,” Caldwell said.

According to Heather Eddy, president and CEO of Naperville, Ill.-based **Kistner Eddy Executive Services** (KEES), which offers a broad range of services to the nonprofit sector, the Ford Foundation’s step helped catalyze the philanthropic sector to take action.

“When the Ford story came out, it created a greater awareness for the need to increase giving levels,” Eddy said, noting that more than 760 foundations of all sizes have signed on and made a similar commitment in the ensuing period.

“There’s a recognition from foundations that this is not business as usual,” Eddy said. “While they may have given a grant for something specific, if that operating nonprofit can’t open its doors every day, that specific intent may get delayed. Funders want to see nonprofits continue and provide programs and services that they funded with that grant.”

From a strategic standpoint, “these foundations are realizing that if they made a two-year \$100,000 commitment and the nonprofit closes, they’ve lost that \$50,000,” Eddy said. “If the nonprofit doesn’t exist, then all of their historical investments get wiped away.”

Foundations throughout Southwest Michigan and other areas of the state mobilized their efforts shortly after the state-mandated closures went into effect and the far-reaching effects of the virus began to surface.

“There are dozens of pooled relief and response funds across the state led by or in partnership with foundations that are directly supporting nonprofits that are experiencing high demand for services,” Caldwell said. “In addition, more than 20 Michigan foundations have signed on to a national pledge committing to provide greater flexibility in their grantmaking and in their broader work with their nonprofit partners to best support them during and after this crisis.”

Filling gaps

On March 24, a coalition comprised of **The Community Foundation of the Holland/Zeeland Area (CFHZ)**, the **Grand Haven Area Community Foundation (GHACF)** and the **Greater Ottawa County United Way** announced that they had secured commitments of more than \$400,000 to their respective Emergency Human Needs Funds, established in response to the COVID-19 outbreak. That fund grew to \$900,000, which was distributed within eight weeks to area nonprofits working to meet basic needs, said Mike Goorhouse, president and CEO of CFHZ.

In late May, Goorhouse announced the creation of the Community Stabilization Fund, which was seeded with an initial \$200,000 from a local endowment. He said several generous local families and corporations joined the effort, enabling CFHZ to launch the fund with a total of \$800,000.

“We were spending a significant amount of time analyzing state and federal funds coming into our community and looking at what are those places that public dollars aren’t getting to or aren’t sufficient to meet needs,” Goorhouse said. “We used that analysis to strategize five areas where we could focus our funds to respond to places in the community that didn’t get money or didn’t get enough.”

Those areas include:

- Preventing individuals who are barely making it now from slipping into a spiral of poverty,

- Targeting resources for migrant and immigrant communities,
- Expanding mental health and substance abuse services,
- Helping the unemployed navigate the public health insurance system, and
- Providing additional education-focused assistance for children ages 5-8.

Goorhouse said the Stabilization Fund is a more planned and targeted approach. He said the foundation is currently identifying partners in the community.

“The plan is to have the funds distributed by October or November,” he said. “The funds will go to nonprofits. We are also exploring the possibility of a direct cash assistance program that would direct cash into the hands of individuals rather than running it through nonprofit organizations.”

Similar to the CFHZ and so many other foundations, the **Kalamazoo Community Foundation’s** response was swift and targeted. Senior Community Investment Officer Sandy Barry-Loken said the foundation increased its giving levels starting the second week of March.

“We have been working jointly with the United Way of Battle Creek Kalamazoo Region to jointly distribute dollars to the communities in response to COVID-19,” Barry-Loken said. “Early on, our combined donor relations teams began making outreach in the community and extensive outreach one on one to individuals and corporations and some private foundations as well.

“We jointly raised just over \$2.5 million for the response to the impact of COVID-19 on the most marginalized and vulnerable in our community.”

Families step up

Among larger family foundations, Caldwell said the Southfield-based **Max M. and Marjorie S. Fisher Foundation** has shared publicly that it has committed funds beyond its 2020 program grantmaking budget in light of COVID-19.

“That’s one example. We know family foundations have been engaging in deep listening with their nonprofit and community partners to understand their challenges and needs throughout this pandemic,” Caldwell said. “These partnerships — much like the missions and resources of each foundation — are unique; therefore, so are the response efforts. Foundations are deploying mission-aligned resources in a myriad of ways, leveraging the tools they have available.”

Keith Hopkins, president of Ada-based **Hopkins Fundraising Consulting LLC**, is unsurprised by the increased support from foundations of all sizes in Michigan in response to the pandemic. He said it’s “really good to see public and private foundations” stepping up at such a critical time.

“When the full impact of COVID-19 started to hit, major family foundations reached out to nonprofits they support and started cutting checks that were not the typical checks,” Hopkins said. “I know of a couple of family foundations in two counties that forwarded gifts ahead of time. They were going to send the checks in June and instead gave in April.”

If there’s a silver lining to any of this, Hopkins said it’s the size of the gifts that have been coming in.

“I’ve been really heartened and pleasantly surprised about the size of gifts to organizations I’ve been helping. I’ve had four or five campaigns where I’ve had six- or seven-figure gifts,” Hopkins said.

Addressing equity concerns

Caldwell said nonprofits and foundations are all being challenged and there are many facets to their economic concerns. However, nonprofits that serve marginalized communities are being further challenged as those communities are being disproportionately affected by the pandemic, he said.

“There are many challenges that have been emerging from our communities that philanthropy is working to address,” Caldwell said. “The digital divide facing students who may not have access to reliable, high-speed internet or connected devices is an equity issue that’s been central to conversations as we look ahead to what the return to learning may look like this fall. Data from the state has shown how the COVID-19 pandemic has disproportionately impacted communities of color throughout our state. Many foundations are working to deepen understanding of existing racial inequities and (take) action to advance racial equity to support justice for all.”

[Jane C. Simons](#)

Contributing reporter, covers nonprofits and philanthropy
Email: jsimons@mibiz.com