



# The State of American Philanthropy

Giving for  
Economic Justice  
Policy and  
Advocacy Work

# Table of Contents

## ABOUT INSIDE PHILANTHROPY

Inside Philanthropy is a digital media site that covers the world of charitable giving. We report daily on foundations, major donors, and trends in philanthropy. Through our GrantFinder resource, we also profile and track thousands of funders working across key issue areas and geographic regions. Inside Philanthropy is supported by reader subscriptions and advertising. We do not receive funding from any other source.

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## ABOUT THE STATE OF AMERICAN PHILANTHROPY

The State of American Philanthropy is a series of background papers on important topics and trends in U.S. philanthropy. The papers draw on past research and reporting by IP writers, as well as new interviews, grantmaking data, and other sources. Learn more at [insidephilanthropy.com/state-of-american-philanthropy](http://insidephilanthropy.com/state-of-american-philanthropy).

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Executive Summary .....	1
Introduction .....	4
The Lay of the Land .....	6
Who's Giving .....	6
Who's Getting .....	8
Giving and Getting Deeper Dive.....	10
The Big Issues and Beyond.....	12
Funder Trends and Strategies.....	15
Perspectives on Equity.....	20
A Closer Look at Funder Types .....	22
Private Foundations .....	22
Individual Donors .....	23
Community Foundations.....	27
Intermediaries and Associations.....	28
Corporate Funders.....	29
Fundraising Now.....	31
An Analysis of Opportunities and Challenges.....	35
Resources .....	40

# EXECUTIVE SUMMARY

Alleviating poverty has always been a core concern for philanthropy. But in more recent decades, skyrocketing wealth inequality has led more funders to lean into policy, advocacy and grassroots organizing approaches to the problem, strategies that often overlap. Though these can take many forms, their primary advantage is the way they can leverage expansive public resources and governmental powers to make a greater impact than philanthropic dollars could on their own.

At the same time, these strategies are far more politics-adjacent than traditional anti-poverty giving for food and shelter, and only a relative handful of grantmakers operate in this space. These funders support efforts like research on economic opportunity, advocacy for greater or more effectively targeted government spending on social programs, more progressive tax policy, Wall Street reform and the like. This paper examines how philanthropic funders are working in this space today. Key takeaways include:

## Who's Giving

- Only a small subset of philanthropic funders back efforts to combat poverty and inequality by influencing government decisions around social spending, budgets, taxes and the like. Those that do are often well-established private legacy foundations with liberal or progressive goals.
- Some of the biggest names include the Ford Foundation, the W.K. Kellogg Foundation, the Robert Wood Johnson Foundation and the Rockefeller Foundation.
- The vast majority of major living donors do not fund this work, but a few notable exceptions with longer track records include George Soros, Barbara Picower and Hansjörg Wyss. MacKenzie Scott, Jack Dorsey and Pierre Omidyar are newcomers to follow.
- Local and community foundations do support some state-based anti-poverty policy and advocacy work, but corporations are largely absent from policy advocacy here, and tend to prefer other avenues to address economic mobility.

## Who's Getting

- Think tanks operating in Washington, D.C., and in states and localities are one archetypal category of grantee in this area. Some major names include the Center on Budget and Policy Priorities, the Economic Policy Institute, the Center for American Progress and the Institute for Policy Studies.
- Research and demonstration projects, such as those around guaranteed income, tend to be more attractive to the major donors funding in this space.
- Watchdog groups and reform advocates in the corporate and Wall Street regulation space get some funding, but they are heavily outspent by their corporate-funded opponents.

## The Big Issues and Funding Trends

- Fiscal policy, including taxation and government spending, is a key lever in the fight against poverty, and many funders in this space focus their efforts there. However, the path to results isn't always quick

or straightforward, as illustrated by the headwinds faced by President Joe Biden’s Build Back Better plan, which moved through Congress haltingly, with only a few of its economic justice elements resurfacing in legislation like the Inflation Reduction Act.

- Progressive funders with anti-poverty agendas are leaning into movement-building even more these days, often using intersectional strategies that combine research and think-tank-style advocacy with grassroots power-building.
- Another area of interest for funders pushing the envelope are demonstration projects in which anti-poverty or economic justice concepts like child savings accounts, guaranteed income and cooperative ownership are funded on the ground, in part to act as models for wider public-sector implementation.

### **Equity in the Sector**

- Even though grassroots activists have always said organizing and policy are inextricably linked and that their successes are dependent upon one another (Martin Luther King Jr.’s combined efforts are a classic example), economic equity policy work (“class”) and social justice (race, gender, immigrant, LGBTQ and disability rights) were long siloed off from one another in the programmatic work of many foundations.
- That is changing as many funders acknowledge the intersectionality between economic justice and other dimensions of the wider justice movement, including the fight against systemic racism.
- Nevertheless, the policy advocacy and research field at large still lacks diversity. More women have grown influential in the academic and think tank space in recent years, but white people still predominate. Some funders have backed concerted efforts to change that.

### **Fundraising Now**

- In communications with potential donors over the past two years, fundraisers are more clearly connecting economic and racial justice, centering racial justice in a way that is new.
- Fundraisers are keeping a watchful eye on the trend toward more general operating support with a somewhat cautious uncertainty.
- Fundraisers say direct cash transfer programs are rising in popularity among funders, and positioning themselves to advance them or conduct research that provides greater insights on their effectiveness.

While liberal philanthropy’s many efforts to make on-the-ground improvements in the fight against poverty have helped many, they have not halted – or even slowed – a decades-long trend toward a more unequal American economy. Part of the reason is philanthropy’s relative puniness next to the sheer size of the problem, but right-wing efforts to uphold a “free-market” economy and most major donors’ tacit approval of those efforts haven’t helped.

Grantmakers will need to overcome their customary caution around anything vaguely “political” if they hope to make headway – and, to be sure, there has been some progress in that direction over the past several years. Nevertheless, the long and uncertain path to policy results can still discourage funders, as can vigorous opposition from both conservative and corporate funding interests.



Going forward, anti-poverty advocates have some grounds for hope in the growing society-wide critique of unchecked capitalism, which is no longer the sole territory of the “far left.” Public support for more robust government spending remains high, despite the fact that only a handful of the ambitious policy proposals of President Biden’s Build Back Better plan made it into the Inflation Reduction Act. And while most billionaires and other major donors still refuse to enter this space, the ranks of economic justice funders are growing.



# Introduction

The alleviation of poverty has always been one of philanthropy's core concerns. Whether supporting the [settlement movement](#) to lift up immigrants in the early 1900s, palliative approaches to poverty like emergency food and housing, or helping to develop the Great Society programs of the 1960s, the wealthy and their foundations have long dedicated resources to mitigating the effects of the capitalist system that produced their power. But in recent decades, a more focused frame around income and wealth inequality has garnered increasing attention as the very rich (both in the U.S. and abroad) have seen their wealth skyrocket while wages for most Americans stagnated and a traditionally expansive U.S. middle class shrank.

Since the 1970s, momentum toward reducing poverty has largely stalled, amid attacks on muscular federal spending and New Deal and Great Society policies beginning in the Reagan era. According to [data](#) from the Pew Research Center, the share of U.S. aggregate wealth held by upper-income households climbed from 60% to 79% from 1983 to 2016. Meanwhile, middle-income households' share plummeted from 32% to 17% and lower-income households' share dropped from 7% to 4%. Those numbers do not come close to telling the human toll of economic insecurity, which spiked during and after the 2008 recession and again during COVID-19. Economic insecurity – which can negatively impact nearly every aspect of human health and wellbeing – affects some populations in a disproportionate way, exacerbating and entrenching existing inequities.

But even the most basic statistics are stark. [Recent research](#) has found that over 1 in 4 U.S. households, including 1 in 3 with children, experienced "an

inability to afford adequate food, shelter, or utilities" during the years 2014 through 2016. The pandemic didn't help. In late 2020, the Census Bureau's Household Pulse Survey [estimated](#) that close to 83 million adults, or 34% of the U.S. adult population, had experienced recent difficulty covering basic expenses. These hardships exist despite some important victories that anti-poverty advocates have achieved in recent decades – most notably the expansion of tax credit programs to lift millions out of poverty.

Back in the 1990s, when rising inequality first became a major national issue, forceful critiques emerged examining why decades of grantmaking by leading foundations to fight poverty and promote shared economic prosperity had yielded so few gains. Decades later, the inequality situation is even worse, prompting big questions for the sector. Where has philanthropy gone wrong in its quest for a more equitable economy? Next to the enormous heft of public budgets and private business, how, exactly, can civil society take on this challenge with any hope of success? And what, if anything, are grantmakers doing right?

This brief explores giving for policy and advocacy focused on reducing poverty and inequality (a separate State of American Philanthropy brief will take on funding for direct services for poverty alleviation). There are existing SAP briefs on the related topics of giving for [housing and homelessness](#), [community economic development](#), and [workforce development and labor rights](#). This paper takes as its starting point the idea that direct charitable aid to the less fortunate, while crucial in so many other contexts, cannot alone shift the economic systems underlying rising inequality, nor can it correct philanthropy's failure to halt or even slow those trends.

Instead, this brief zeroes in on funding centered on the oft-neglected realm of political economy – the range of public policies and power arrangements that govern economic life. Most, but not all, of the grantmaking discussed here seeks to influence public policy in some way and can thus be considered “politics-adjacent.”

The ranks of funders backing this arena of work on topics like fiscal policy, regulatory policy and relevant research are sparse. They consist mostly of a core group of established left-leaning foundations and a few interested major donors willing to buck the tendency among the ultra-wealthy to bypass these strategies.

This paper will look at the ways these grantmakers approach that work, including: research into poverty and opportunity in the U.S., fiscal spending at the federal and state level, advocacy for tax credits and other tax solutions, addressing racial wealth disparities, basic and guaranteed income advocacy, attempts to reform Wall Street, anti-monopoly efforts, and other policy work to support economic justice movement-building.

# The Lay of the Land

## Who's Giving

Set against the sector as a whole, the subset of nonprofits seeking to combat inequality by influencing government decisions around budgets, taxes and the like is small. The same is true of the funders backing them. Many equity-minded funders don't engage in grantmaking to influence federal, state or local policy around fiscal spending. Those that do are often well-established private foundations with progressive goals, funders who have been in the space for a long time.

In addition to these foundation supporters, many of which are legacy organizations whose founders are long gone, think tanks and policy groups focused on inequality draw funding from a handful of major living donors and their foundations. This is a minuscule group among the far upper class, from whom most philanthropic giving stays well clear of any overtly anti-capitalist or aggressively redistributive policy goals.

Think tanks and advocacy groups operating in the fiscal realm often draw portions of their funding from smaller donors, making them largely but not wholly dependent on private donations, rather than revenue coming from a mix of grants, government contracts, earned income, etc. To an increasing extent, opaque donations through donor-advised funds (DAFs) and to the 501(c)(4) affiliates of these advocacy groups make up a notable proportion of their revenues, though this varies from group to group. It is therefore impossible for observers to gain a full picture of who's giving in this space – policy advocacy of all stripes often attracts unaccountable support, masking otherwise noteworthy donors.

Even so, we can form a general outline of some of the most prominent givers taking on poverty and economic inequality right now.

On the foundation side, the Ford Foundation is a standout grantmaker. Its stated intention to take on inequality "in all its forms" has long encompassed long-term support for liberal and progressive policy advocates. Based on IP's analysis of Ford Foundation's publicly disclosed grantmaking data from 2018 through 2022, the foundation classifies approximately \$610 million worth of grants as benefiting "fair economies" work in the U.S. (Ford's database has other relevant categories, such as "economic justice," "public policy," and "economics," but adding all of those together would likely include grants more closely associated with other State of American Philanthropy briefs on giving for workforce development and labor rights and giving for community economic development, etc.)

As another example, the Robert Wood Johnson Foundation – which supports these strategies via its public health lens – devoted about \$222 million to advocacy and research toward "reducing disparities" during the same period. Funding from the William and Flora Hewlett Foundation, the Annie E. Casey Foundation and the W.K. Kellogg Foundation has also flowed to economic justice work.

Some other well-established foundations, notably the Rockefeller Foundation, have backed advocacy around tax credits in recent years. For key nonprofits like the Center on Budget and Policy Priorities, the Center for American Progress and Prosperity Now (formerly the Corporation for Enterprise Development), the federal earned income tax credit (EITC), its state-level equivalents, and similar mechanisms like the child tax credit

have long held an important place in fiscal policy's equity arsenal.

Open Society Foundations funding since 2014 has included nearly \$6 million to CAP, \$10 million to CBPP, \$1.3 million to EPI, \$3.6 million to Demos and \$2.6 million to the Roosevelt Institute. Like Ford, OSF has channeled money into a large array of progressive policy shops with interrelated social justice concentrations, as well as large sums of money through left-leaning pass-through funds.

There are also a few standout names among the foundations of living donors. George Soros' Open Society Foundations, for instance, contributed millions from 2014 through 2018 (the exact sum is difficult to estimate because of similar database categorization challenges described for Ford above) toward nonprofits advocating for more equitable

economic policies. Others to note are the JPB Foundation, founded by Barbara Picower; the Sandler Foundation, now led by the late founding couple's children; and the Wyss Foundation, named after its founder, the Swiss-born billionaire Hansjörg Wyss. MacKenzie Scott has made some overtures toward progressive policy groups, but it is still hard to say whether that support will be a feature of her long-term grantmaking.

Billionaire givers with gargantuan fortunes tend to shy away from directly backing progressive think tanks and policy advocates (though there are some exceptions on a grant-to-grant basis). More common is support from places like the Gates Foundation, Bloomberg Philanthropies, the Ballmer Group and the Chan Zuckerberg Initiative for research-based grantees like Opportunity Insights.

## A Sampling of High Profile Funders

Funder	Funding Interests
Ford Foundation	Racial equity, fiscal policy, movement, building, labor rights
Open Society Foundations (George Soros)	Fiscal policy, labor rights, movement building
Rockefeller Foundation	Tax credits, food equity
Annie E. Casey Foundation	Child poverty, tax credits
Robert Wood Johnson Foundation	Health benefits, think tanks, social determinants of health
William and Flora Hewlett Foundation	Think tanks, research, cross-ideological funding
Sandler Foundation	Racial equity, fiscal policy, think tanks, journalism
JPB Foundation (Barbara Picower)	Health equity, think tanks
Hansjorg Wyss	Policy and think tanks
Omidyar Network (Pierre, Pam Omidyar)	Labor rights, financial sector regulation
Ballmer Group (Steve, Connie Ballmer)	Child poverty, benefits
Jack Dorsey	Guaranteed income, cash relief

Meanwhile, a few big donors with more of a maverick mindset have backed specific projects or realms of work relevant to the inequality problem and the questions of political economy that underlie it. For instance, there's Pierre Omidyar's developing support for financial reform, Jack Dorsey's notable backing of guaranteed income experiments, hedge fund manager Michael Masters' solo support for Wall Street watchdog group Better Markets, and Chris Hughes' work to set up the Economic Security Project.

Corporate grantmakers are essentially absent in this sphere – given their interests, they tend to prefer less policy-oriented approaches to anti-poverty work in their giving, like efforts to encourage entrepreneurship, promote “financial literacy” and train workers for higher-income jobs instead of policies that would raise wages for all workers. Though corporate grantmakers often tout these efforts as systemic approaches to the problem, their effectiveness on any level beyond the local is questionable.

And despite the funders discussed above, the vast majority of individual and institutional grantmakers in the U.S. also engage in little to no systemic anti-poverty policy work. Though the tendency to paint this funding as “political” dissuades many, it’s hard to deny that philanthropy could have been doing a lot more over the years to bolster equity-oriented fiscal policy. After all, government decisions about taxes and spending shape the playing field on poverty and inequality, not to mention a great many other issues. Policies favoring low-income communities from the start reduce the need for philanthropy to fill service gaps downstream.

## Who's Getting

The struggle against poverty is nothing new for the nonprofit world – addressing economic inequality is implicit in the missions of a wide array of nonprofit organizations. This brief focuses on the much smaller segment of the nonprofit universe dedicated, first and foremost, to pursuing policy solutions to inequality. Those organizations’ work is cross-sectoral by nature, seeking by indirect means like research and advocacy to influence government behavior and government spending. And since government budgets are orders of magnitude larger than anything philanthropy can bring to bear, success in that endeavor can be a very cost-effective lever to pull.

### Dynamic Grantees to Watch

Americans for Tax Fairness

Center for American Progress

Center for Law and Social Policy

Center for Popular Democracy

Center on Budget and Policy Priorities

Demos

Economic Policy Institute

Institute for Policy Success

Opportunity Insights (research lab at Harvard University)

PolicyLink

The archetypal nonprofit grantee operating in this domain is the think tank. Often characterized as “liberal” or “progressive,” key groups advocating for economic egalitarianism in the war of words over inequality include the Center on Budget and Policy Priorities, the Economic Policy Institute, the Center for American Progress, the Institute for Policy Studies and Demos. While their programmatic emphases do differ somewhat, all of these groups

engage in significant research and advocacy around policies like more extensive social spending, higher taxation of corporations and the wealthy, better-regulated financial markets, a just transition away from fossil fuels, and closing race- and gender-based wealth gaps.

These groups, for the most part, are headquartered in Washington, D.C., and their output is often cited in the media and by policymakers, often as a backstop to arguments for greater federal (and state and local) spending and a more progressive tax system. A major recent example was the collective prominence of these groups in the push to implement and maximize social spending under the Biden administration’s “Build Back Better” agenda, consisting of a COVID-focused American Rescue Plan, an infrastructure and jobs-focused American Jobs Plan, and a childcare and education-focused American Families Plan. (The fact that some tax reforms made it into the Inflation Reduction Act illustrates the central role political victories can play in turning all this research and advocacy into actual policy.)

In addition to the think tanks, which often pair research with advocacy, grantees also include initiatives with a sole research focus. For instance, one major draw for big-donor dollars in recent years has been Opportunity Insights, a research lab based at Harvard University and founded by Raj Chetty. Funding has flowed from the giving vehicles of top billionaires like Gates, Bloomberg and Ballmer to support its work, which involves collecting and presenting neighborhood-level data on economic opportunity.

Although they don’t necessarily enjoy the same high-profile philanthropic backing as places like Opportunity Insights, a variety of research centers

affiliated with academic institutions across the country study poverty and solutions to poverty. Often but not always, policy think tanks and anti-poverty advocacy groups will draw upon that research. In turn, the researchers draw upon philanthropic backing both from major foundations interested in poverty alleviation—like those discussed above—as well as from some smaller funders with a social science research focus, like the Russell Sage, W.T. Grant, and Smith Richardson foundations, among others. Some dedicated academic poverty research centers have also benefited from federal funding.

There are also a number of think tanks and advocacy groups working in the policy sphere in specific states and localities. The State Priorities Partnership, encompassing over 40 nonprofit research and policy institutions, is coordinated by the Center on Budget and Policy Priorities, but the groups involved focus their efforts on policy specific to their locations. These organizations draw funding from local progressive-leaning foundations, community foundations and individual donors. However, their budgets are often limited, especially compared to similar groups operating on the right.

Local and state-based funding also flows to national economic justice organizations with local branches or local projects. These include think tanks like PolicyLink, the Center for Law and Social Policy, the Center for Popular Democracy and Americans for Tax Fairness, as well as workers’ rights groups like Jobs for Justice, National Day Laborer Organizing Network, National Employment Law Project and the U.S. Federation of Worker Collaboratives. See our State of American Philanthropy brief on [Giving for Workforce Development and Workers’ Rights](#) for more detail

on who's backing that ecosystem and how. Funders also support ground-level demonstration projects related to guaranteed income, cooperative ownership and other progressive economic arrangements. Often, these projects serve a dual focus, both aiding in the economic security of the small group of community members involved, and serving as a practical advocacy tool in the hopes of convincing local and national policymakers to adopt experimental practices. For instance, that has been a strong motivation for Mayors for a Guaranteed Income, a coalition of municipal leaders currently undertaking local guaranteed income experiments with support from Jack Dorsey and others.

Watchdog groups and reform advocates in the corporate and Wall Street regulation space represent another noteworthy category of grantee. Compared with the progressive think tanks, which themselves only receive a modest share of philanthropic resources, the stream of money flowing to organizations like Better Markets, Americans for Financial Reform, and the Center for Responsible Lending is a pittance. And yet, opposing industry lobbyists in the realm of regulatory rulemaking and federal legislation is a key ingredient in preventing events like the 2008 recession from recurring, thus safeguarding the wealth of low and middle-income families.

Philanthropy to support movement-building is a crucial component of funders' efforts against poverty. Much of that work is intersectional, and focuses on the empowerment of lower-income people across the board, including in the political arena. Other briefs, including our briefs on [workers' rights and workforce development](#) and [democracy and civic life](#) touch on the many ways movement groups pursue economic justice, and

who funds them. While this brief doesn't dive as deeply into the movement organizing side of philanthropy, keep in mind that in the strategies of many anti-poverty funders and nonprofits, policy work and movement-building are inextricably linked.

## Grantee Spotlight



Better Markets describes itself as an independent, nonpartisan nonprofit fighting for the economic security of the American people. Often referred to as a "Wall Street watchdog," the group works to enact reforms in financial markets to prevent significant financial crashes that result in government bailouts. The Greater Washington Community Foundation, Spring Foundation, and Silicon Valley Community Foundation are among Better Markets' supporters.

## Giving & Getting Deeper Dive

For the most part, major philanthropic funders seeking to influence the policy debate around inequality have aimed to do so on the federal level. That is, they have funded liberal and progressive think tanks over many years, or even provided the means to start new ones, with an eye toward shifting the stances of Congress and presidential administrations. From national funders, at least, there has been a marked disparity between the comparatively plentiful resources dedicated to anti-inequality policy advocacy in D.C. and the small remainder filtering down to the states and localities.

Even as the revenues of places like the Center on Budget and Policy Priorities (CBPP) fail to measure up to analogous think tanks on the right — say, the

Heritage Foundation – the resource scarcity for state-level progressive policy is even more acute.

Take, for instance, the State Priorities Partnership (SPP), a network of 42 state-level policy shops dedicated to addressing poverty and inequality. Founded in the early 1990s, SPP is a liberal foil to the better-funded conservative state policy infrastructure, a well-resourced apparatus including the American Legislative Exchange Council (ALEC) and the State Policy Network, another coalition of state-level advocacy groups.

### Funder Spotlight



The William T. Grant Foundation funded its first major initiative, the Grant Study of Adult Development at Harvard University, in 1938. The foundation focuses its grantmaking on research regarding policies and practices reducing inequality in youth outcomes. In addition to its grantmaking, the foundation offers its grantees capacity building resources. This includes connecting investigators with scholars, policymakers and practitioners.

While liberal philanthropy as a whole commands billions in grantmaking dollars every year (to conservatives' envy, one might add), SPP's combined revenues stood at \$36 million in 2020, according to Nick Johnson, a senior vice president at the Center for Budget and Policy Priorities who advises and helps coordinate SPP's work. That's for all 42 groups, putting the median budget for a single group at around \$500,000 to \$600,000.

Part of the problem is that much of the revenue for SPP groups comes from local sources—about two-thirds—while national funders focus on national policy groups. That said, SPP has attracted funding

from places like Ford, Annie E. Casey, OSF, Robert Wood Johnson Foundation, Kellogg, Sandler Foundation, Mary Reynolds Babcock Foundation, Stoneman Family Foundation and Spitzer Charitable Trust.

Nevertheless, even at the national level, liberal and progressive think tanks and policy advocates have been at a resource disadvantage compared with their right-wing rivals. For instance, while CBPP may be the flagship organization advancing policies to benefit low- and modest-income Americans in Beltway fiscal and budgetary fights, its revenue in 2020 stood at about \$43.5 million – showing some growth during the Trump years, but still well below that of flagship organizations in other issue areas, like the ACLU and NRDC. On the right, the Heritage Foundation – which opposes CBPP on most fiscal issues – had revenue in 2020 of around \$76.7 million. Americans for Prosperity, the anti-tax behemoth, and its foundation had combined revenues of \$77.4 million in its more recent filing; American Enterprise Institute, a think tank on the right, had 2020 operating revenues of \$43.5 million; and Cato Institute had revenues of \$48.5 million in its most recent fiscal year ending March 2021. In addition to being eclipsed by the combined donations to right-wing think tanks, CBPP's budget also pales in comparison to the massive flow of philanthropic dollars directed to service groups and other more typical “charitable” destinations.

Much has been written about the effectiveness of conservative philanthropy in the policy sphere, including in areas relevant to inequality—budgets and fiscal policy, taxation and trade, judicial appointments, corporate regulation—the list goes on. Liberal and progressive attempts to match or recreate the conservative policy infrastructure have long come up short.

Part of that has to do with another tension affecting donor behavior in this space: the tension between funding movement organizing on the ground or backing wonkier policy shops in D.C. In tandem with progressive grantmakers' long-standing tendency to silo funding by issue area, this balancing act is one of several handicaps that have prevented liberal policy funders from deploying their money as effectively as their conservative counterparts – even though major liberal funders are often far larger in raw dollar terms.

The Trump years saw the overall level of resources available to progressive advocates soar, both in terms of philanthropic and political dollars. Also ascendent was—and is—a new norm in philanthropy's left-leaning precincts favoring ground-level movement funding for communities of color. Though much of that funding has yet to materialize at the levels advocates hoped for, it is a major priority for many progressive funders large and small.

With limited budgetary leeway, many progressive grantmakers are left with a choice – favor think tanks and policy experts laying out a case against the policies promoting inequality, or back the social

## Inside Philanthropy

August 2020 Survey

*"[The philanthropic sector is neglecting] income inequality, with a broad, intersectional approach that recognizes this issue as both impacting and impacted by the work of sectors from education to economic development to health, to the environment. Income inequality funding should not be primarily directed through siloed economic development or housing grant programs but should be an underlying consideration throughout grant funding."*

—Fundraiser, Portland, Oregon

justice movements galvanizing grassroots support. Of course, it isn't actually an either-or dichotomy: Both funding streams are necessary in the battle to move policy.

## The Big Issues and Beyond

During the latter decades of the 20th century, a broad – but hardly unanimous – policy consensus arose to unite both Republicans and Democrats around an appreciation for “free markets” and a general suspicion of governmental intervention in those markets. That consensus, often referred to as “neoliberalism,” coincided with calls for scaling back the “big government” programs established in the New Deal and the Great Society eras, and also with a widespread belief in the full American ascendancy on the world stage as the Cold War came to a close.

Conservative and libertarian philanthropy played a crucial role in developing the intellectual and policy infrastructure for [neoliberalism](#), a process that played out over the long term. In each of the following issue areas, policy work to combat inequality often involves challenging and unraveling economic theories advanced by free-market conservatives. Another priority is examining how neoliberal policies have reinforced a social order that privileges some demographic groups while holding others back.

**Government spending.** The COVID-19 pandemic had profound repercussions on fiscal policy debates – the question of how much, and for what purposes, governments should tax and spend. On the spending side, the onset of the pandemic prompted a massive relief bill, the CARES Act, which passed with Republican President Donald Trump in the White House. The beginning of Joe Biden’s presidency saw the rollout of truly groundbreaking

plans for public spending at scales unprecedented since the New Deal era.

For progressive policy advocates taking on inequality, the breadth of Biden's proposals reflected years of work behind the scenes to challenge prevailing neoliberal norms around fiscal policy. The push to enact Biden's sweeping fiscal reforms stalled, but it reflected a real challenge to prevailing neoliberal assumptions about how the federal government should engage with the economy to protect the economic interests of the American public. Anna Wadia, senior program officer for the Future of Work(ers) program at the Ford Foundation, called Biden's proposals "a sea change." Biden's American Families Plan, for instance, centered what Wadia called the "care agenda" in a way that would never occur under a neoliberal consensus.

"I think this is the first time that care has been a plank in an economic agenda," Wadia said. "These packages understand that care workers deserve living wages, and that by improving these jobs, we will also improve the quality of care and the quality of early education that we all receive, while producing millions of new jobs that will improve the economy. So it's really a virtuous cycle."

In addition to spending on social priorities like education and caregiving – which, as Wadia alluded to, can translate into economic gains for low-income people – grantmakers in this space also tend to back greater public spending on more traditional notions of "infrastructure." That includes the physical infrastructure and economic opportunity supports present in the Infrastructure and Jobs Act, based in part on Biden's (larger) American Jobs Plan and passed in 2021 with some bipartisan support.

Finally, a growing collection of grantmakers and the advocacy groups they support are favoring more assertive proposals like universal basic income (UBI) and other forms of guaranteed income. Intended as a kind of floor beneath which low-income Americans would not be permitted to fall, guaranteed income is something of a favorite among left-leaning tech philanthropists as far as anti-inequality policy proposals go, and is by no means universally favored by advocates. Other related issues that philanthropy sometimes supports include increasing subsidies for food, health, housing and other basic necessities, and/or programs that seek to ensure people eligible for those supports actually get them.

### Network Spotlight



The State Priorities Partnership (SPP) is a network of over 40 independent nonprofit research and policy organizations. SPP uses evidence and analysis to reduce inequality and fight poverty by helping ensure states have the resources necessary for "working people to get the assistance they need to build a better life." SPP has helped improve state policies in a number of areas including taxes, poverty and inequality, economic development, workforce and wages, and civic engagement.

**Taxes.** The other pillar of fiscal policy, taxation, is also a key issue for grantmakers looking to reduce inequality. Generally speaking, advocates in the space favor higher taxes on corporations and the wealthy – although that stance is much more commonly expressed by nonprofit advocates, and considerably less common among grantmakers themselves, especially high-net-worth donors.

Several major philanthropists have spoken favorably about potential tax increases on their peer group – Warren Buffett is one notable example. But investigations from ProPublica and elsewhere have found that despite that rhetoric, top billionaires tend to pay far lower effective tax rates than the average American. The tax exemptions available to nonprofit organizations, as well as the charitable deduction itself, make the subject of taxation somewhat sensitive, even in liberal philanthropic circles.

Nevertheless, the groups leading the charge on anti-inequality policy work most often favor a far more progressive tax system, as well as a crackdown on the extent to which wealthy interests can use fancy accounting to minimize their tax bills. Specifically, some progressive policy shops have made the case for beefing up the tax responsibilities of the very rich via policies like a wealth tax, increased taxes on capital gains, and heftier corporate tax rates – as well as policies to prevent major corporations from dodging federal and state taxes.

**Tax credits.** Mechanisms like the Earned Income Tax Credit (EITC) and the Child Tax Credit, giving low-income families some leeway when tax day comes around, have long been a pillar of redistributive fiscal policy. Numerous foundations have backed advocacy to expand the size and scope of tax credits as an anti-poverty tool. A landmark expansion of the Child Tax Credit, put into effect via Biden's American Rescue Plan during 2021, reduced child poverty in the U.S. by an estimated 30% before the expansion was allowed to lapse.

The Annie E. Casey Foundation has long focused on alleviating child poverty, including through influencing policy channels. When the expanded child tax credit was instituted, Michael Cassidy, the

foundation's director of policy reform and advocacy, called it "a real game changer," and said it "will help not only put money in the pockets of working families, it will also make huge strides in reducing poverty."

Numerous philanthropies see tax credits as a valuable policy strategy for taking on inequality – so many, in fact, that there is an entire networking group, the EITC Funders Network, dedicated to grantmakers interested in the issue. While the network does not make its membership list public, some funders with known interests in tax-related asset-building include Rockefeller, Kellogg, Kresge, Levi Strauss, the Walter and Elise Haas Fund and the Silicon Valley Community Foundation.

**Housing, health and food.** The broader lens of poverty intersects with many of the specific issue areas philanthropic funders care about, including affordable housing, healthcare and nutritious food. While a much greater quantity of philanthropic resources goes toward nonprofits directly serving those needs in communities, attention to those issues on the policy front is in shorter supply. Funders can, for instance, support advocacy for the expansion of federal food aid through the Supplemental Nutrition Assistance Program (SNAP), as the Robert Wood Johnson Foundation did during the onset of COVID.

Other bedrock federal anti-poverty programs like the U.S. Department of the Treasury's Emergency Rental Assistance (ERA) program and Medicaid are also in perennial danger of being hollowed out, and can benefit from philanthropic research and advocacy funding. Other State of American Philanthropy reports go into greater detail about funders' efforts on priorities like housing and health, but it's worth mentioning that advocating

for greater and more effective government attention to those issues can be a powerful anti-poverty lever to pull.

#### **Financial and corporate regulation.**

Grantmakers interested in tackling economic inequality can also delve into the realm of corporate oversight, including the oversight of Wall Street and the financial sector. This is a crucial piece of the puzzle. The 2008 financial crisis showed the fragility of wealth gains by lower- and middle-income households in the face of downturns stemming from elite malfeasance.

Back then, numerous Black households and other households of color—not to mention lower-income white households—saw a large proportion of their wealth gains over the past several decades wiped out. A big reason that took place is the continual rollback throughout the 1980s and 1990s of regulations governing banks and other Wall Street firms.

Many believe reinstating lapsed checks on corporate power, which further eroded during the Trump years, is a vital part of any campaign to reduce inequality. But with the exception of a limited list of funders, liberal philanthropy has largely ceded this terrain to much better-funded industry lobbyists and free-market advocates. The funders of Wall Street watchdog groups like Better Markets and Americans for Financial Reform, as well as those funding anti-monopoly efforts by organizations like the Economic Security Project, are among the few exceptions.

**Minimum wage laws.** Another State of American Philanthropy paper covering workforce and workers' rights goes into greater detail about the funding landscape around advocacy to raise the

minimum wage, including the efforts of Fight for 15. But that work is worth mentioning in the context of combating inequality.

#### **Program Spotlight Future of Work(ers)**

The Ford Foundation's Future of Work(ers) program focuses on securing labor rights and protections for all workers regardless of status. Its overall goal is to ensure that workers help "shape the policies and economic systems that affect their lives." The program has a national annual budget of around \$12 million and an international budget of \$6 million. Recent program grantees include the Action Center for Race and Economy Institute and the Center for American Progress.

#### **Funder Trends and Strategies**

Policy advocacy around economics and fiscal spending tends to stop at the edge of political activity that many foundations believe might be legally prohibited, perhaps more than in any other philanthropic arena besides democracy work (see IP's brief on [Giving for Democracy and Civic Life](#), which delves deeply into funding for community organizing). While private foundations are barred from lobbying and partisan politics or endorsing candidates, their efforts to support nonprofits advocating for economic justice often cut across a broad range of activities that are perfectly legal, even if the average joe might consider it "political."

There are, of course, many avenues for private foundations and other funders to deploy resources to great effect in this space, and to do so fully within the law. But the politics-adjacent nature of this work is likely a significant reason the wider philanthropic community does not generally support policy and advocacy for economic justice.

Other critiques, especially from grassroots advocates, hold that members of the donor class are the beneficiaries of the system as it stands, and most foundations simply aren't truly interested in systemic approaches to poverty alleviation that would cut into their own families' wealth and power.

Funders' differing comfort levels with these political and quasi-political undertones factor into the strategies they use to approach the issue of inequality. Below are several key strategies philanthropies have adopted.

**Think Tanks and Research.** Private foundations (but not community foundations, corporate givers or individual major donors) are barred from directly lobbying policymakers on issues not directly affecting their own foundation's existence. For the major legacy foundations working on economic inequality and tax policy

issues, the next-best option in many cases is backing research that they hope will be used by receptive lawmakers and executive branch officials – not to mention the media and the voting public at large.

The more progressive cadre of grantmakers in this space – which tend to be legacy foundations rather than living donors – fund research specifically tailored to policy goals by backing projects at think tanks and providing those institutions with general support. For instance, funders like Ford and OSF have provided a steady stream of support to the Economic Policy Institute (EPI), which advances numerous research reports and policy briefs that substantiate the positive effects of increased social spending and empowering low-wage workers.

Another organization worth noting is the Washington Center for Equitable Growth. A grantmaker as well as a grantseeker, the Washington Center was founded in 2013 by John Podesta, who also founded the Center for American Progress. The center funds research focused on, among other things, the question of whether and how inequality affects economic growth. Contrary to neoliberal assumptions, some experts have advanced arguments that inequality hinders long-term economic growth by hollowing out the middle class. The Washington Center's work involves finding young scholars specializing in relevant lines of inquiry and funding their research, a strategy adopted to great effect by conservative foundations. The center's own funders include the Sandler Hewlett, Ford, JPB and Wyss foundations.

While research at think tanks tends to be more policy-oriented and often ideological in nature, grantmakers also support research initiatives designed to reveal poverty and inequality's broader trends in the United States. This work is more likely



According to the Hewlett Foundation, the “free-market, anti-government, growth-at-all-costs approach to economic and social policy,” has “outlived whatever usefulness it might have once had.” Its Economy and Society program aims to combat this outdated approach through the development of new policy ideas that are “better suited to address the biggest challenges of the 21st Century.” In 2021 Hewlett awarded \$51 million in grants out of the program.

Grantees include New Venture Fund’s Powering for a New Economy and Carry on the Fight funds; Columbia University’s Center for Political Economy, and Brookings’ Opportunity after Neoliberalism Project.

to involve academia, as is the case with one of the standout examples in recent years: Opportunity Insights at Harvard University. Opportunity Insights, which accesses and curates local and national data to reveal geographic disparities in economic opportunity at a granular neighborhood level, illustrates another important point: This more general brand of research is often more palatable and even preferable to big billionaire donors who are usually less eager to fund places like EPI.

Similarly, academic work can be attractive to foundations looking to fund research through a less solely progressive lens, or one focused less on specific policy prescriptions. The Hewlett Foundation, for instance, has dedicated over \$40 million through its Economy and Society initiative to establish five academic centers, part of its quest to foster a successor paradigm to neoliberalism – a project the foundation sees as intentionally cross-ideological. Recipients include the Santa Fe Institute, the Harvard Kennedy School, Howard University, Johns Hopkins University and MIT. Meanwhile, additional funding for academic research into poverty flows from a number of foundations with a specific social science research focus, including the Russell Sage Foundation and the W.T. Grant Foundation. Other funds come from local grantmakers interested in backing region- or locality-specific research.

**Policy advocacy infrastructure and public education.** There is some overlap here with research, but it's worth unpacking what funders are doing to back a progressive policy infrastructure that can provide intellectual and nuts-and-bolts heft to anti-inequality policy proposals headed to Washington D.C. and state capitals. Coupled with the political will that can come from movement

organizing and other strategies, standing up this policy infrastructure is arguably an essential step for funders looking to effectively pull the levers of power.

As mentioned previously, conservative and libertarian funders generally have a better track record here. Providing patient, general support over decades to places like the Federalist Society, the Heritage Foundation, the State Policy Network (SPN) and the American Legislative Exchange Council (ALEC), they have built up a solid apparatus to funnel free-market policy through the halls of power and into practice. Liberal grantmakers, on the other hand, have spread their money over a far wider variety of strategies and priorities.

## Inside Philanthropy August 2020 Survey

*"I think the sector needs more education to understand how to invest in advocacy and movement-building- there is a "knee jerk" assumption that advocacy is off limits for philanthropic support. And because few funders have first hand knowledge of advocacy and organizing, we lack expertise to develop effective investment strategies in these areas. This is another reason why diversity is critical."*

—Foundation professional, Philadelphia, Pennsylvania

Nevertheless, funders are backing some efforts to build and sustain intellectual and policy infrastructure focused on economic equity. For one, there is the State Priorities Partnership (SPP), whose member organizations counter those of SPN by pushing for greater anti-poverty spending and progressive economic policies on the state level. Its funders include Ford, Annie E. Casey, OSF, the Robert Wood Johnson Foundation, Kellogg and the Sandler Foundation.

The William and Flora Hewlett Foundation, meanwhile, is a funder to watch on the intellectual side. Through a two-year, \$10 million exploratory effort called Beyond Neoliberalism, Hewlett set out in 2018 to discover whether philanthropy could seed a new political-economic paradigm now that free-market-centric neoliberalism is no longer working for most Americans (if it ever did).

Beginning in 2020, Hewlett has been redoubling its efforts with \$50 million for a new five-year program, its Economy and Society Initiative. Like Beyond Neoliberalism, the focus is on seeding the intellectual space for new economic thinking rather than direct policy advocacy. The new initiative is also pointedly cross-ideological, funding some work by conservatives willing to question neoliberal dogma. As mentioned in the previous subsection, in early 2022, Hewlett rolled out \$40 million in grants to five academic institutions to fund, in the foundation's words, the "establishment of multidisciplinary academic centers dedicated to reimagining the relationships among markets, governments and people."

**Movement-building.** While this brief focuses on the world of policy advocacy because that's where the majority of interested funders put their dollars to address economic inequality, most of the funders backing such brainy work acknowledge that without political will and voter buy-in, many anti-inequality policies will remain outside the realm of political possibility as long as neoliberal assumptions about the economy remain dominant. The scaling back of Biden's ambitious Build Back Better agenda in a deadlocked Congress is one major illustration of that fact. So are any number of "pro-business" policies enacted at the state and local level.

That's where movement-building comes in. It is a strategy common to most progressive funding agendas these days, and in concert with movements for labor rights, racial justice, gender justice, LGBTQ+ justice, environmental justice and the like, funders in this space frequently back movement groups pushing for economic justice and a fairer economy.

For instance, the funders of racial justice movement players like the Movement for Black Lives (M4BL) are helping to advance that organization's advocacy for policies like free universal healthcare or free universal college education, which organizers argue would especially benefit Black Americans and other historically marginalized groups.

Occupy Wall Street, which started as a series of 2011 protests in New York City but quickly grew nationwide and internationally, stands as a seminal movement for economic justice, directly challenging the political and business actors who brought about a crash that eliminated decades of wealth gains by lower and middle-class households. While Occupy itself did not receive much support from institutional philanthropy, it did bring together many figures now influential in social and economic justice philanthropy. They include the founders of the progressive donor organizing group Solidaire.

**Demonstration projects.** Another strategic path for funders looking to take on economic inequality is to back ground-level projects that demonstrate new economic practices. In addition to their own intrinsic value, these projects can be a form of policy advocacy as funders hope they will galvanize wider adoption by policymakers.

Several notable examples pertain to guaranteed income. Of course, the most famous guaranteed income “demonstration,” Alaska’s Permanent Fund Dividend, did not arise with philanthropic backing of any kind. But some more recent demonstrations, including the Stockton Economic Empowerment Demonstration (SEED) and the Magnolia Mother’s Trust, depended on philanthropic support, primarily through the Economic Security Project (ESP). ESP’s funders include Facebook co-founder Chris Hughes, the Omidyar Network, the Hewlett Foundation and Mike and Kaitlyn Krieger’s Future Justice Fund.



The Magnolia Mother’s Trust offers \$1,000 a month to Black mothers living in extreme poverty in Jackson, Mississippi. Inaugural funds were disbursed in December 2018 and a second year of the program began in March 2019 with 110 moms participating. Magnolia is funded by the Economic Security Project and led by Aisha Nyandoro’s Springboard to Opportunities.

One of the biggest funders of guaranteed income demonstrations, however, is Twitter founder and CEO Jack Dorsey. Through his COVID-era giving vehicle Start Small, Dorsey is the leading backer of Mayors for a Guaranteed Income, a networking and advocacy group that emerged from the efforts of former Stockton, California, Mayor Michael Tubbs, who presided over the SEED demonstration. Incubated by ESP, Mayors for a Guaranteed Income now includes over 80 mayors or former mayors in its ranks, 43 of whom are presiding over local guaranteed income pilots in their respective cities.

Besides guaranteed income, economic justice funders have supported local efforts around cooperative ownership and power-sharing. For instance, the Kataly Foundation, founded by Regan Pritzker, funds several such endeavors via its Restorative Economies Fund, including the Boston Ujima Project, the East Bay Permanent Real Estate Cooperative and Seed Commons. In addition to their potential advocacy value as demonstrations, part of what Kataly seeks to achieve by funding these projects is the direct transfer of wealth from its typical parking spaces—in this case, a Pritzker fortune—and into communities.

Transferring wealth to community-owned and governed organizations “allows us to build up the financial sustainability of those communities, of those projects,” said Nwamaka Agbo, Kataly’s CEO. “Rather than the returns coming back into Kataly, returns are distributed and moved out into the community.”

#### **501(c)(4) and other non-c3 funding.**

Throughout philanthropy’s liberal and progressive precincts, the past several years have seen an uptick in funding flowing through non-c3 channels, including for more direct political lobbying via 501(c)(4) organizations. Economic justice work—including advocacy around fiscal policy and federal benefits—is one part of what c4 advocacy umbrella organizations like Tides Advocacy and the Sixteen Thirty Fund support with backing from often-anonymous donors. Because of c4 organizations’ limited donor disclosure requirements compared with 501(c)(3)s, it can be difficult to discern exactly where these resources are coming from.

What we can say for certain is that liberal mega-donors (and left-leaning smaller donors, as well) are one key source of this support. Billionaire

philanthropists like Pierre and Pam Omidyar, Laurene Powell Jobs, and Mark Zuckerberg and Priscilla Chan have all embraced an all-of-the-above mentality when it comes to giving through ultra-flexible LLCs, and that can include more ostensibly political funding.

## Perspectives on Equity

Patterns of poverty and economic inequality in the United States have always been bound up with other systemic inequities, including disparities according to race, gender, immigration status, LGBTQ+ identity and disability. Social justice advocates have long been aware of that fact. In a 1967 speech to the Southern Christian Leadership Conference, Martin Luther King Jr. said, “And one day we must ask the question, ‘Why are there 40 million poor people in America?’ And when you begin to ask that question, you are raising questions about the economic system, about a broader distribution of wealth.”

Nevertheless, for the better part of the late 20th century and the start of the 21st, a divide of sorts existed in the liberal political agenda between questions of economic equity—largely being asked by white scholars and researchers at think tanks and academic institutions—and questions of social justice, being pursued by a more diverse set of activists. Part of the reason for that divide has been liberal philanthropy’s siloed funding approach, in which “issue areas” tended to segregate economic equity work from demographic group equity work.

Today, that is changing. Both funders and grantees working in the anti-inequality space, for the most part, tend to acknowledge the intersectionality between economic justice and other dimensions of the wider justice movement—racial, gender, LGBTQ+, environmental—and increasingly

consider differing abilities and the disability rights movement. Leading up to and especially during the COVID era, liberal philanthropy’s enthusiastic embrace of equity priorities and rhetoric has normalized that intersectional view. Nevertheless, both philanthropy and the policy grantees it funds still have some way to go before their funding—and their organizational profiles—live up to that rhetoric.



*“The spirit of reparations is that those who hold the bulk of ill-gotten resources and influence must hold responsibility for repairing the harms done. Collectively, American foundations have approximately \$1 trillion in assets. Rather than waiting for Congress to act, or leaving the work of reparations to spread on a small, local level, finance and philanthropy could work in tandem to drive wealth into the hands of Black and Native Americans today.”*

— Edgar Villanueva, author of *Decolonizing Wealth* and founder, Liberated Capital

The macroeconomic policies that advocates in this space favor—more social spending, fairer taxation, better-regulated markets and the like—can be said to have some positive effects across the board in terms of equity. The Biden administration’s expanded child tax credits, for instance, reduced the percentage of households experiencing food insecurity by a significant margin—down 3.5% according to the latest Census Bureau Household Pulse Survey. Because Black households, say, or households headed by women, tend to have less

wealth on average and experience higher rates of economic insecurity, these broad-based policies can reduce those disparities. The same goes for policies like an increased minimum wage.

Amid increased attention to systemic racism, gender inequity and other systemic injustices, more grantmakers are also talking about deliberate efforts to give historically marginalized groups an economic leg up. The conversation around reparations, for example, gained additional traction following George Floyd's murder.

"The spirit of reparations is that those who hold the bulk of ill-gotten resources and influence must hold responsibility for repairing the harms done," wrote Edgar Villanueva, author of "Decolonizing Wealth" and founder of Liberated Capital, in an [op-ed](#) for Inside Philanthropy. "Collectively, American foundations have approximately \$1 trillion in assets. Rather than waiting for Congress to act, or leaving the work of reparations to spread on a small, local level, finance and philanthropy could work in tandem to drive wealth into the hands of Black and Native Americans today."

## Grantee Spotlight

### Center for American Progress

The Center for American Progress is an independent, nonpartisan think tank that develops ideas for policymakers that have the potential to lead to progressive change. CAP receives wide support from a number of institutional and corporate funders including the Annie E. Casey, Sandler, and Hewlett foundations as well as, Google, ImpactAssets and Levi Strauss & Co. In 2021, the organization received a reported 96% of its funding from individuals and foundations.

There are many forms that process could take, from direct aid to support for historically underfunded organizations that help women and BIPOC people gain a foothold in an unequal economy. MacKenzie Scott's large-scale funding of historically Black colleges and universities (HBCUs) is one example of the latter.

Though it is less often couched in the language of reparations, similar policy prescriptions are on hand for inequities around gender, LGBTQ+ identity, disability and the like. By advocating for legislation like an Equal Rights Amendment on the federal level and pushing for equity-oriented employment and economic policy in the states and localities, funder-backed organizations can improve the likelihood that policies increasing equity will be adopted.

Despite all of that, it is still the case that the policy advocacy and research field at large lacks diversity. More women have grown influential in the academic and think tank space in recent years, but it is still a field led for the most part by white, cisgendered men from relatively affluent backgrounds – as progressive as they might be themselves. Changing that may involve directing more resources toward up-and-coming women and BIPOC scholars and advocates.

One high-profile example of that process taking place in the academic realm was the decision of the Knight, Ford and MacArthur foundations to back a new program at Howard University to the tune of \$20 million, which will serve as a landing place for 1619 Project founder Nikole Hannah-Jones after her departure from the University of North Carolina.

# A Closer Look at Funder Types

## Private Foundations

Private foundations, particularly ones where no living donor is present, play a predominant role in funding for anti-poverty policy work. A few mainstay liberal funders are the top grantmakers backing most of the bigger Washington, D.C., think tanks pushing for progressive fiscal policy, and they're also some of the leading funders for more movement-oriented approaches. Meanwhile, smaller, private foundations also play a role.

Leading the pack in dollars and influence is the Ford Foundation. After Darren Walker assumed leadership of Ford in 2014, the progressive grantmaker pledged to take on inequality "in all its forms," raising the concept's profile in philanthropic circles. The foundation is a stalwart supporter of both policy advocacy and movement-building to tackle economic inequality. In addition to providing broad-based support to nonprofit movement advocates pushing for racial, environmental, gender and LGBTQ justice, Ford is a pillar of funding for progressive think tanks and research. Since 2014, Ford has been the largest foundation supporter of the Center on Budget and Policy Priorities (about \$30 million), the Economic Policy Institute (about \$10 million) and Demos (about \$21 million), among others.

The Robert Wood Johnson Foundation's storied public health focus has slowly broadened in recent years to encompass a funding strategy now common in health philanthropy, and one it led the charge on: funding around the social determinants of health. Factors like housing, education and employment are part of that, and they all intersect

with broader questions of inequality and who has a voice in economic decision-making. To that end, RWJF has been a major backer of top progressive think tanks, giving around \$19.3 million to CBPP since 2014 and \$3.5 million to EPI. It also supports policy shops seeking equity for particular communities, like Color of Change and the National Women's Law Center. RWJF was a significant supporter of groups backing the Affordable Care Act, which had an important, documented [impact](#) on income inequality.

The William and Flora Hewlett Foundation, another prominent funder of nonprofits focused on economic inequality, typically takes a macro-level approach to inequality issues. On one hand, Hewlett has led the charge around challenging the intellectual basis of neoliberalism itself, initially through its Beyond Neoliberalism exploratory grant program, and now, through a \$50 million, five-year Economy and Society Initiative. On the other, Hewlett generally steers clear of more politically charged grantees, including movement grantees, and has sought to advance a cross-partisan approach in its funding, including by engaging with and funding organizations often thought of as economically conservative or libertarian.

W.K. Kellogg Foundation is another widely recognized progressive grantmaker, and its policy grantmaking includes support to anti-inequality advocates. On the think tank side, Kellogg is a key backer for most of the major progressive policy shops, including the Center for American Progress, CBPP, Demos, EPI and the Roosevelt Institute.

Unlike some of the other funders on this list, the Rockefeller Foundation is not a longstanding backer of economic equity policy work. But during the pandemic, the foundation began resourcing

work to expand equity and economic opportunity in the U.S. In an interview from early 2020, Rockefeller's president Rajiv Shah spoke of "a nation that has so much to offer the world, but has taken a very large percentage of its own population and really suffocated their sense of hope and optimism around their economic and community prospects going forward." As one part of its \$65 million Equity and Economic Opportunity commitment, Rockefeller has supported advocacy work around the EITC and the Child Tax Credit.

The Herb and Marion Sandler Foundation has played a crucial role in progressive philanthropy's efforts to build up a policy infrastructure to fight inequality. Taking their cue from conservative philanthropy's patient approach, Herb and Marion Sandler (who passed away in 2019 and 2012, respectively) put the money on the table to found the Center for American Progress, now one of D.C.'s headline progressive think tanks. The Sandler Foundation is also a major founding supporter of ProPublica, the progressive investigative journalism outlet, as well as the Center for Responsible Lending, which they first bankrolled in 2002. Significant Sandler money has also made it to CBPP over the years. As the Sandler Foundation continues its grantmaking, the couple's daughter Susan Sandler has entered the field in a major way through her Susan Sandler Fund, whose priority is to take on systemic racism.

Founded in 1907, the Russell Sage Foundation is generally considered America's oldest private foundation. It may lack the budgetary heft of some other funders on this list, but Russell Sage Foundation has long maintained a dedication to tackling the problem of inequality. The foundation's Social, Political and Economic Inequality program dates back to 2001. Since then,

Russell Sage has funded a steady stream of research linking skyrocketing wealth and income inequality to a host of other social problems in the U.S. Over time, the foundation has funded more research at the intersection of economic inequality and other systemic inequities. Just a few topics its current research grants cover include Black socioeconomic mobility, guaranteed income, racial wealth gaps and the consequences of climate disasters on economic security.

## Inside Philanthropy

August 2020 Survey

*"Funders are missing the ball completely. They would, almost 100% of the time, fund a small org that purports to speak up for an underserved population with little concern for true impact of effectiveness, over something like a 21st civics program that could train thousands of youth to develop real systems change through more effective advocacy."*

— Fundraiser, Long Beach, California

## Individual Donors

Most major living donors are not interested in backing anti-poverty work that leans too heavily into advocacy for massive government spending or greater regulation of the capitalist economy that made them wealthy. However, there is a small but growing roster of billionaires willing to fund systemic anti-poverty work, including policy approaches. Others back things like research, demonstration projects and other policy-adjacent causes.

Barbara Picower is the **founder** of the relatively young JPB Foundation, which has become a huge funder supporting a wide variety of economic justice projects. Picower's wealth derives from a fortune associated with the Bernie Madoff scandal. However, the focus of her JPB Foundation is on

long-term, systemic approaches to economic and environmental justice that are rooted in the priorities of community leaders closest to the issues. Since it got up and running in 2011, the JPB Foundation's interest in alleviating poverty has led it into the top ranks of grantmakers backing policy responses to inequality. JPB is in the top echelon of funders backing CAP (about \$21 million since 2014) and CBPP (about \$16 million since 2014). Picower's foundation also frequently moves money through progressive-oriented intermediaries like the New Venture Fund, Windward Fund and NEO Philanthropy, among others.

Hansjörg Wyss's foundation is also becoming a major player in U.S. economic inequality circles. Wyss is a Swiss-born billionaire whose fortune derives from the success and subsequent sale of medical device manufacturer Synthes. The Wyss Foundation has emerged as a key backer of progressive policy groups in the U.S. Known

grantees that fit the bill include the Center for Popular Democracy, CBPP, Demos and the Washington Center for Equitable Growth. Wyss has also channeled significant sums through the New Venture Fund, as well as the 501(c)(4) Sixteen Thirty Fund, pass-through groups associated with the prominent consultancy Arabella Advisors. Aside from his policy giving, Wyss is a big backer of conservation work.

Pierre Omidyar, the founder of eBay, and his wife Pam started the Omidyar Network, and are among the few major billionaires who have openly embraced economic justice funding. Once noted for their "philanthrocapitalist" approach to giving, the Omidyar Network has advanced an effort called Reimagining Capitalism that covers a number of anti-inequality bases. Those include "seeking a new economic paradigm" – in the vein of Hewlett's Beyond Neoliberalism – building worker power, challenging monopolies and reforming financial sector regulation. The idea for this work predates the pandemic, but the Omidyar Network got it all running in 2020 as COVID-19 hit. Grantees so far include many familiar names in this space – CAP, CPD, Demos and the Roosevelt Institute, as well as places like the Economic Security Project's c4 affiliate and Americans for Financial Reform.

MacKenzie Scott, the ex-wife of Amazon founder Jeff Bezos, is now the nation's largest individual donor (having not established a private foundation), moving around \$12 billion out the door to date. Scott has also advanced a strengthening critique of plutocracy. In one of her highly anticipated Medium posts, she wrote, "Any wealth is a product of a collective effort that included [people struggling against inequities]. The social structures that inflate wealth present obstacles to them. And despite those obstacles, they



The Omidyar Network's Reimagining Capitalism campaign aims to "shape a new, inclusive economy where markets serve the interests of all people and society." Main funding programs of the campaign include Seeding a New Economic Paradigm, Building Worker Power, Curbing Monopoly Power and Corporations, Capital Markets, and the Common Good. Recent grantees include the Action Center on Race and Economy Institute and Americans for Financial Reform. Omidyar is also exploring how to engage in elections, economic policy and advocacy, and building grassroots organizing.

are providing solutions that benefit us all.” Scott’s grantmaking so far includes large quantities of general support for organizations led by and serving historically marginalized groups. It’s still too early to say whether her giving to anti-poverty policy advocacy groups will remain a feature of her groundbreaking philanthropy going forward – recipients that fit the bill so far include PolicyLink, the Decolonizing Wealth Project and the Center for Law and Social Policy. Benefits Data Trust, a Philadelphia-based nonprofit that helps people access government benefits, also received \$20 million from Scott, nearly doubling its budget. But with a colossal fortune remaining in the bank, Scott has a lot of room to continue diversifying her grantees in the policy realm.

George Soros’s long-term support of economic and grassroots organizing in the U.S. through his Open Society Foundations has earned him the enmity of the far right and spawned a whole array of antisemitic conspiracy theories – a clear warning to other billionaires who might stray from the orthodoxy of unbridled capitalism. Open Society Foundations funding since 2014, has included nearly \$6 million to CAP, \$10 million to CBPP, \$1.3 million to EPI, \$3.6 million to Demos and \$2.6 million to the Roosevelt Institute. Like Ford, OSF has channeled money into a large array of progressive policy shops with interrelated social justice focuses, as well as large sums of money through left-leaning pass-through funds.

Jack Dorsey, the Twitter and Square founder, pledged \$1 billion for COVID relief in early 2020, channeling the funding through a new LLC, Start Small. In addition to typical relief and humanitarian causes, Dorsey’s subsequent giving has embraced no small amount of progressive advocacy, including support for groups affiliated

with the Black Lives Matter movement. More directly focusing on economic justice, Dorsey is primarily interested in direct cash and guaranteed income. His giving includes numerous contributions to back the unconditional cash relief programs of places like Give Directly, the One Family Foundation and Expecting Justice. Andrew Yang’s Humanity Forward has also received Dorsey cash. And at the end of 2020, Dorsey came in even stronger for the idea – he uses the term UBI – with \$30 million to kickstart Mayors for a Guaranteed Income (MGI) and the Open Research Lab’s Basic Income Project.

## Grantee Spotlight **GiveDirectly**

GiveDirectly is a direct cash transfer nonprofit that has delivered more than \$550M in cash to families living in extreme poverty since 2009. In its early years, much of the organization’s work was focused in least developed countries such as Rwanda and Yemen. In 2017, GiveDirectly provided emergency relief to over 6,000 families in the U.S. following Hurricanes Harvey and Maria. In 2021 it officially launched its U.S. program with the goal of supporting millions of families across the country. Funders supporting GiveDirectly’s work include Blue Meridian, the George Kaiser Family Foundation, Google.org, and the Schusterman Family Philanthropies.

Steve and Connie Ballmer back economic mobility work through the Ballmer Group with a focus on children and families. Although the greater part of that funding goes toward direct services, including in the couple’s focus regions of Washington state, Los Angeles County and Southeast Michigan, forms of anti-poverty advocacy are also a component of their grantmaking. For instance, the Ballmers have committed hundreds of millions to

scale up the collaborative funding of Blue Meridian Partners. Blue Meridian's Justice and Mobility Fund (see below) is one aspect of that. Funded projects through Blue Meridian also include groups working in health, workforce development and justice reform, as well as Code for America's Safety Net Innovation Lab, which aims to remove barriers preventing low-income people from accessing government benefits for which they qualify. That support is typical of the Ballmer approach – rather than funding a lot of liberal Beltway advocacy groups per se, the Ballmers often back efforts to make existing anti-poverty infrastructure more efficient, including public-sector programs. It's fitting that getting a handle on where public spending is going (though not necessarily from a place of criticism) is another of Steve Ballmer's philanthropic interests, which he has backed through the organization USAFacts.

Chris Hughes, a co-founder of Facebook who reaped a fortune from its soaring stock, has dedicated some of his charitable dollars to getting the Economic Security Project off the ground. ESP has played a key role in guaranteed income advocacy and demonstration projects, including through the Stockton Economic Empowerment Demonstration, the Magnolia Mothers' Trust and Mayors for a Guaranteed Income. Hughes has also backed anti-monopoly work through ESP, a choice

that hasn't endeared him to his former roommate. "The more that I've learned, the more I've engaged in activism with others, the more I've come to understand that there are structural decisions within the economy itself that have been made to concentrate power in the hands of corporations, and increasingly, monopolies," he said in a 2019 Inside Philanthropy article. "And this disempowers everyone else."

Michael Masters isn't well-known, but like the late Herb Sandler, he is a financial industry insider willing to critique the field that made him rich. Through Better Markets, a 501(c)(3) policy and advocacy group for which he's the main funder, the hedge fund manager has supported financial reform from behind the scenes for the past decade. Alongside Americans for Financial Reform, Better Markets is one of the only philanthropy-backed organizations targeting the problems of lax Wall Street regulation and the financialization of the economy. Those factors prefigured the 2008 crash and recession, and represent macroeconomic risks that have the capacity to hurt lower-income and middle-class Americans the most.

Donor-advised fund management firms like Fidelity Charitable and Schwab Charitable – which help a range of donors, from everyday givers to billionaires – are distributing billions of dollars

## Collaboration Spotlight



The Justice and Mobility Fund is a collaboration between Blue Meridian Partners and the Ford Foundation with support from Schusterman Family Philanthropies. With an initial \$185 million commitment, the fund focuses on helping people involved with the criminal justice system gain greater access to employment, educational opportunities and housing. Current grantee partners include the Alliance for Safety and Justice and the Center for Employment Opportunities.

every year. They are an increasingly important source of revenue for economic justice nonprofits. The privacy and anonymity of DAF funding makes it particularly attractive to donors who may fear reputational or even physical reprisals for giving that is perceived as “political.” Relevant in this case are left-leaning donors, but it should be noted that conservative donors use DAFs in much the same way, choosing either one of the big ideology-neutral sponsors like Fidelity or places like DonorsTrust and the National Christian Foundation. DAF support through Fidelity, in particular, has been an important part of the funding picture for numerous progressive policy groups. That includes CAP (about \$22 million since 2014), CBPP (about \$22 million), EPI (\$2 million), Roosevelt Institute (\$2.6 million) and Demos (\$2.7 million).

## Community Foundations

Community foundations are a significantly smaller piece of the funding picture for national policy groups and think tanks compared with large private foundations accustomed to funding on the national level. Some notable exceptions include the Silicon Valley Community Foundation and the San Francisco Foundation. In SVCF’s case, wealthy Bay Area donors often use the foundation as a conduit for policy giving in the national arena, which ends up at many of the usual destinations – CAP, CBPP, EPI and the Roosevelt Institute, to name a few.

As for the San Francisco Foundation, the same applies to a lesser degree, while that foundation has charted a progressive course in its own grantmaking that both distinguishes it from most of its community foundation peers and has it backing unconventional grantees in the local grassroots advocacy space.

Most community foundations engage in anti-poverty policy work, fittingly enough, on the local and regional level – but there are ways in which that support can have national relevance. For instance, in 2021, the EITC Funders Network’s Community Outreach and Opportunity (CO-OP) Fund backed two dozen community foundations working with community groups on the ground to ensure that families received the full Child Tax Credit and Earned Income Tax Credit balances they were eligible for. The CO-OP Fund, in turn, received some backing from national funders, including the Schusterman Family Philanthropies, the Rockefeller Foundation, the Annie E. Casey Foundation and the Gates Foundation.

Another COVID-era community foundation initiative to note is the Connecticut Urban Opportunity Collaborative (CUOC). Formed as a joint effort between the Community Foundation for Greater New Haven, the Hartford Foundation for Public Giving, and Fairfield County’s Community Foundation, CUOC has placed emphasis on fighting structural racism. As is the case in regions across the country, Connecticut has a significant racial wealth gap. Positioning themselves against that status quo, rather than as a reflection of it, has been one goal for the community foundations behind CUOC.

Across the country, resources flow from individual donors giving to and through community foundations – including through DAFs hosted at community foundations – for both local and national anti-poverty advocacy. At the same time, funding for organizations that progressive advocates argue are holding back economic justice, including libertarian and free-market think tanks, flows through many community foundations, as well.

## Intermediaries and Associations

Pass-through and fiscal sponsorship entities like the 501(c)(3) funds associated with Arabella Advisors (the New Venture Fund and the Windward Fund) are important in the economic justice space. While private foundations channeling money into these groups need to disclose those amounts in their 990s, New Venture Fund and its peers are not obliged to disclose all of their funders. Therefore, we can assume that numerous donors are funding progressive policy advocacy through these organizations, backing them via their own DAFs. Transparency issues aside, this is an increasingly powerful stream of support, totaling hundreds of millions in recent years.

Economic Opportunity Funders, founded in 1992 as the Grantmakers Income Security Task Force (GIST), is one of the main funder groups working in and around this space. Public policy – mainly around fiscal issues – is only one pillar of the group's work, which also encompasses protecting and supporting workers as well as galvanizing opportunity in more direct ways. With a membership of over 450 individuals hailing from over 200 foundations, EOF is a diverse network. Only some of the foundations involved back anti-inequality policy work directly. In partnership with the EITC Funders Network, EOF has hosted the EITC Pooled Fund (named for the tax credit) since 2012 to promote tax fairness and advocate for the expansion of federal and state tax credits. The pooled fund distributed roughly \$7.3 million and counts among its supporters the Rockefeller Foundation, the Annie E. Casey Foundation, the W.K. Kellogg Foundation and the Bernard and Anne Spitzer Charitable Trust.

Like EOF, the Asset Funders Network includes grantmakers that fund policy advocacy as well as many more pursuing other strategies to advance economic opportunity for low-income families. As the name suggests, this funder affinity group focuses for the most part on philanthropic strategies for household and community asset building. Its membership exceeds 120 and includes corporate grantmakers and public-sector institutions, as well as foundations. AFN does not distribute its own grant funds.

### Inside Philanthropy August 2020 Survey

*"If the workers of the US were paid living wages, the need for philanthropy would be dramatically reduced, and the accumulation of wealth that begets institutional philanthropy would be eliminated in any case. That is a real movement towards justice."*

—Fundraiser, Wilmington, North Carolina

EITC Funders Network is a group specifically interested in advocacy around the EITC and other tax credits. It started off as a working group under Economic Opportunity Funders (then GIST) and later established itself as an independent affinity group. Today, the EITC Funders Network boasts a membership of nearly 300 charitable foundations. The network also partners with EOF to make its own state and local advocacy grants through the EITC Pooled Fund. Foundation supporters of that work – which has amounted so far to about \$5.3 million total – include Rockefeller, Kellogg, Annie E. Casey and the Bernard and Anne Spitzer Charitable Trust.

Funders for a Just Economy (FJE), hosted at the Neighborhood Funders Group, brings together philanthropic funders around economic justice and equity in the workforce. Labor rights, worker

power and related advocacy is a core focus for FJE (see our brief on funding for workers' rights [here](#)), and the funders involved include many of those backing anti-poverty advocacy. They include national funding leaders like Ford, regional players like the James Irvine Foundation, community foundations like the San Francisco Foundation and under-the-radar progressive heavyweights like the Wellspring Philanthropic Fund.

In keeping with an ongoing trend toward more-frequent collaborative funding across the sector, several collaborative funds include elements of anti-poverty advocacy in their work. One big name, Blue Meridian Partners, joins together support from numerous leading grantmakers – including major living donors like Steve and Connie Ballmer, MacKenzie Scott and Laurene Powell Jobs – to place big bets on a variety of national anti-poverty initiatives. Although many of those don't engage in "advocacy" in a strict sense, funding avenues like Blue Meridian's Justice and Mobility Fund include an advocacy component – in that case, funding with a racial equity lens to break down barriers to job opportunities for people with criminal records.

### Network Spotlight



**EITC  
Funders Network**

There are close to 300 national, regional, corporate and family foundations that participate in the EITC Funders Network. Focusing on the protection and expansion of the federal Child Tax Credit (CTC) and the EITC at the state and federal levels, the network organizes its work around improving health outcomes, tax code equity, financial empowerment, free tax preparation, and policy and research.

Another collaborative effort, Liberated Capital, is a part of author Edgar Villanueva's Decolonizing Wealth Project. Drawing on contributions from over 400 individual donors and several foundations, it funds with a strong racial justice lens, aiming to move "untethered" resources to Black people, Indigenous people and other people of color. While many of the anti-poverty advocacy funders discussed in this brief have made some overtures toward racial equity and justice in their grantmaking, Liberated Capital has specifically sought to position its funding as a form of advocacy for reparations. As one example, Liberated Capital extended direct cash assistance to 2,100 Native American families during the onset of COVID.

### Corporate Funders

Corporate philanthropy is chock-full of efforts to boost the economic fortunes of lower and middle-income Americans. However, corporations are all but absent in the realm of advocacy for anti-inequality public spending, more progressive tax policy, higher minimum wages and related policies that would put more power in the hands of working families. That makes sense, since their profit interests often align them in the opposite direction. So while there is much to say about corporate funders' attention to things like workforce development, entrepreneurship, community development, housing and disaster relief, they are not at all prominent in this context.

Readers of this brief may recall the vast number of corporate pledges that were made following the 2020 uprisings for racial justice, many of which aimed to increase economic opportunity in Black communities. Analysts are now examining these pledges more skeptically, since little of those resources seem to have been directed to organizations advocating for systemic changes or

tax policies that would significantly attack racialized economic inequality. Upon further inspection, most pledges were not actual donations of cash, but rather changes in business practices that would supposedly benefit communities of color in the future.

An Associated Press [article](#) nearly a year after George Floyd's murder detailed just how suspect many of the major corporate pledges for Black economic justice were. It noted that JPMorgan Chase had committed \$2 billion over five years "to support the recovery of Black, Latino and other underserved communities," but of that, most was for internal business practices and only \$42.5 million was "in grants and low-cost loans" to expand its Entrepreneurs of Color Fund, which helps minority-owned businesses "attract capital." This is not the kind of work racial justice leaders define as justice work.

Citi's CEO Michael Corbat was widely quoted saying that closing the racial wealth gap and addressing racism is "the most critical challenge" in creating an inclusive society. Citi pledged to donate \$25 million in profits from its participation in the government's Paycheck Protection Program to the company's foundation, but rather than giving it to nonprofits advocating for systemic change, it would instead give "to nonprofits assisting minority-owned businesses." Outside of changes to internal practices, backing entrepreneurship efforts in affected communities is one of the main ways corporate funders seek to make good on their equity pledges. While that can be impactful work, it rarely gets at the systemic drivers of inequality, especially on a national or regional scale.

There are a few corporate exceptions. Levi Strauss & Co. and Ben & Jerry's have strong track records of

supporting real economic justice work. The liberal think tank Center for American Progress lists several corporate funders — although few of them would be considered significant supporters of economic justice — but they are notable nonetheless: Amazon, Bank of America, Google, Mastercard and Microsoft. It tends to be easiest to enlist corporate support for discrete research projects on economic justice.

## Program Spotlight



### INDIGENOUS EARTH FUND

Liberated Capital launched the Indigenous Earth Fund with an initial \$1M investment in 2021. Focusing on movement-building efforts of indigenous-led organizations. The fund awarded its first cohort of grants in January 2022. Grantees include the Affiliated Tribes of Northwest Indians, Native Organizers Alliances, and the Seventh Generation Fund for Indigenous Peoples.

# Fundraising Now

Organizations working toward economic justice are finding their work has [taken center stage](#), as the pandemic exacerbated and exposed deep financial insecurity among many Americans, and as concerns over [income inequality](#), racial injustice and our frayed social safety net loom larger than they have in years. At the same time, funders and nonprofits alike are increasingly aware of just how complex and intersectional these issues are.

For fundraisers in the field that we spoke with, these developments have ushered in new opportunities, as donors and foundations are more aware of the problems at hand, and in some cases, more open to stepping out of their comfort zones. It has also introduced new challenges, as nonprofits work to educate funders about the scope of the solutions needed, and the interconnectedness of economic justice with many other causes. Some of the strategies fundraisers are leaning on include leveraging stories from the pandemic to fund movement-building, diversifying fundraising streams, pointing out shared goals across issue areas, and harnessing public, in addition to private, funding.

**Clearly connecting economic and racial justice.** Mirroring national trends, and trends in other areas of philanthropy, fundraisers working on economic justice find themselves centering systemic racism in their work more than ever. Jennifer Broome, vice president of philanthropy at Prosperity Now, described a distinct organizational shift from treating racial justice as a programmatic branch to centering historically marginalized people in the fabric of all their work. While related

to current events, it actually began under the leadership of CEO Gary Cunningham when he joined the team in 2019.

"Since 1979, we've always been focused on creating an economic system that allows low- to moderate-income people to have stability and mobility. Over the course of time, it became clear that without a focus on economic justice, and specifically addressing racial inequities, that we were never going to solve the larger issue of lower- to moderate-income people," Broome said.

As Prosperity Now is applying a racial equity lens to all facets of the organization, it is engaging corporate and foundation funders in that process. "We've seen some real interest from funders to engage in racial equity issues and what's driving those issues," she said. "Since the murder of George Floyd and the spotlight on police brutality against Black and brown people, this has highlighted systemic injustice in our society, and part of that (arguably one of the cornerstones that keeps that in place) is our inequitable economic system."

Broome and her team are speaking openly with funders, being candid that the economic system is working as it was designed to, and as a result, is an exclusionary system that we must re-envision to create an economy that can benefit everyone.

Another common theme in fundraising conversations is the idea that the pandemic disproportionately impacted marginalized people, opening the eyes of many to the interconnectedness of the economy and race. This came up in conversations with Benefits Data Trust (BDT), Americans for Financial Reform, and the Center on Budget and Policy Priorities (CBPP).

"In almost every donor call, grant report and funding proposal we have written in the last two years, we have pointed out that the health and economic crises brought about by the pandemic exacerbated and shined a light on the existing inequities in this country," said Sharon Parrott, president of CBPP. The organization supports policy tools that raise revenues from high-income, high-wealth people and profitable corporations in order to improve well-being and expand opportunity. "Much of our work is building the case for why creating more robust and equitable tax systems then investing in people and communities is a win-win strategy for the nation – a strategy that the nation can ill afford not to pursue."

**Pointing to achievable action within complex systems.** Trooper Sanders, CEO of Benefits Data Trust, pointed out that when making the case for funding, outcomes are most important, and the outcomes funders care about often overlap several philanthropic categories, including economic justice and racial equity. BDT is a national nonprofit that works to improve access to benefits and services.

### Fundraising Spotlight

#### PROSPERITY NOW

Prosperity Now aims to help build economic power that is free from structural racism. The organization focuses on systemic change to the current economic environment by prioritizing partnerships and collaboration. Prosperity Now receives funding support from foundations, corporations, the public sector, and individual donors. Funders include the Gates Foundation, Robert Wood Johnson Foundation, Citi Group, and Kaiser Permanente.

Sanders posed the example of investing in education for girls of color as a way to improve economic opportunity and thereby break the cycle of racial inequality and poverty. At the same time, support from a grandparent could play a large role in a young girl's education, meaning that funders interested in the health and wellbeing of older populations have a role to play in that outcome. "How you brand that doesn't really matter, it's more about what is the impact of the dollars, and are you handling it in ways that lead to smart outcomes."

This blurring of the lines between race, the economy, health, caregiving and more is part of the broader socio-political moment, and the philanthropy community is reckoning with its complexity. In addition to putting a fine point on the need to address racial inequity as part of the conversation, the fundraisers we spoke with commented on this complexity at large.

As concern sharpens around the pandemic-fueled recession, rising interest rates and inflation, Jennifer Broome from Prosperity Now mentioned lessons learned from her long career as a fundraiser. "I've always heard discussions about needing to pull back on fundraising and making philanthropic investments in challenging times. A lesson to pull from past recessions is that philanthropists who doubled down and continued making investments secured gains much more quickly than those who chose to slow down their efforts."

Sanders from BDT pointed out that philanthropists and funders seem to be taking a long-term view of the many intersecting challenges they face. "I think there has been a searching, a pushing, a challenging within philanthropy that's essentially asking, what are we doing? And to what end? And does the sum

total of what we're doing meet the moment for the next few decades?" Sanders said. "So I think that has meant, in some cases, a greater interest in stepping out of comfort zones and considering issue areas that may not have been considered before, or considering ways of putting money and resources to work that may not have been the case before."

Still, the close intersection of these progressive issues is something that funders must be aware of, said Parrott at CBPP. "All of these debates are fights about power, and all of them have enormous implications for who has the resources they need to thrive – healthcare, good schools, job opportunities, and affordable housing – and who systematically gets left behind."

She specified that not every group must engage in every issue or embrace a single strategy, but "understanding how these issues intersect is important for all of the groups doing the work to design and advance policies, build coalitions, engage communities in these debates, and mount winning campaigns. A key task moving forward for us is helping funders and donors better understand how the various issues and debates intersect and how they can play an important role in ensuring that the full ecosystem is resourced across individual policy areas."

**Hoping the trend of increasing general operating support continues.** Some fundraisers do worry about changing priorities from funders, especially foundations, which tend to be more siloed in terms of interest areas. In contrast, BDT was one of many organizations to receive a windfall from MacKenzie Scott, a [\\$20 million unrestricted grant](#) announced in March. "To what extent is there an efficacy gap between broad-based, largely unrestricted philanthropy that does its due

diligence, identifies organizations, and lets them get on with it, in contrast with some of the more narrowly cast philanthropy?", asked Sanders.

The need for general operating support is an issue Broome referred to as a perennial one in philanthropy that remains important for organizations across the board. In thinking about shifting perspectives from funders, Broome spoke to the fact that many foundations are the systemic beneficiaries of historic structures that are now being reckoned with. She cited the Ford Foundation as an example of a philanthropy focusing on equity, seeking to reconcile where this institution came from and the world the foundation is working toward. "I feel like there is a willingness now [from funders in general] to do that work that is really refreshing and a little bit new in the last decade."

## Inside Philanthropy August 2020 Survey

*"I think the philanthropic sector is ignoring the critical need for operating funds no matter what the programmatic issue is. Non-profits cannot effectively help the most vulnerable populations if they are constantly worried about how to pay the electric bill."*

—Fundraiser, Highland Park, Illinois

**Direct Cash Transfers Increasing in Prominence.** One area of funding that's seen a surge in interest in recent years is the practice of giving cash to people in need. That includes [direct giving](#), in which individuals experiencing poverty receive relatively small amounts, but we've also seen a lot of traction around [guaranteed or basic income](#).

Mayors for a Guaranteed Income (MGI), a network of 85 mayors across the nation, is an initiative that's caught the eye of some big donors, including

Jack Dorsey's [Start Small Project](#). Executive Director Sukhi Samra said they see guaranteed income as a tool for racial and gender equity, and that as we wrestle with the pandemic and rising inflation rates, it is a good time to reimagine the social safety net. MGI has been particularly successful administering guaranteed income pilot programs funded by private donors. "People were wanting to provide direct cash release seeing the amount of suffering and the way in which the pandemic disproportionately impacted Black and brown folks and essential workers," Samra said.

MGI experienced a shift in funding during the pandemic, as funders previously more open to backing research and storytelling work became much more interested in paying direct disbursements to get cash in people's pockets. While MGI will continue with pilot programs, Samra describes their next phase as getting back to more movement-building and policy work. By leveraging stories from pilots, MGI will focus on the hearts and minds work that gets at policy more broadly, including raising more 501(c)(4) funds.

Broome at Prosperity Now also said her team is looking to diversify revenue streams in a few ways. Before 2016, a third of the group's revenue was funded through government grants. Those have since dried up and the organization is building back government revenue. On the corporate side, they're trying to diversify within the corporate sector in order to broaden the scope of industries represented, such as real estate and manufacturing partners. "We are building a bigger table to make sure there's a place for everyone to play a role," Broome said. In addition, they're adding an individual giving program, which is relatively new to the organization. Not only will this allow for

more unrestricted funds, but the opportunity to build a movement that draws in people who share dedication to their cause.

"Making sure we have people who are committed to joining that mission is a larger, more important element to the work than just the fundraising element – making sure at some point, we will achieve this mission."

### Funder Spotlight

## #startsmall

#StartSmall is an initiative of Twitter and Square co-founder Jack Dorsey. An LLC rather than a traditional nonprofit, it has disbursed over \$460M to hundreds of organizations around the country. Though funding pivoted to relief efforts during the COVID-19 pandemic, universal basic income (UBI) remains a strong funding interest. #StartSmall has donated around \$55 million to UBI related programs since 2020.

# An Analysis of Opportunities & Challenges

In 1997, the National Committee for Responsive Philanthropy published a [report](#) by Sally Covington titled “Moving a Public Policy Agenda.” In it, Covington laid out a strategic contrast that was already apparent at the time and remains salient today. “Conservative funders see themselves as part of a larger movement to defeat ‘big-government liberalism’ and they fund accordingly, but mainstream foundations prefer to make modest, on-the-ground improvements in specific neighborhoods,” Covington wrote. “As a result, mainstream foundations increasingly operate within the larger policy assumptions and parameters that conservative funders help shape.”

Liberal philanthropy’s many efforts to make “on-the-ground improvements” in the fight against poverty and wealth inequality are praiseworthy, but they have not halted – or even slowed – a decades-long trend toward a less-equal American economy. Part of the problem is that there’s only so much philanthropy and the nonprofit sector can do to rebalance a \$19 trillion economy and secure the livelihoods of 330 million people. There just isn’t enough money in philanthropy’s coffers for charity alone to suffice. Besides, while they may support specific anti-poverty efforts, most big donors do not support reforming American capitalism or government’s role in the economy, having done well under the status quo. Throughout the broader ranks of big donors, there is little questioning of the basic formulation that some jobs and some people’s forms of labor naturally should be rewarded with exponentially more resources and power than others, and few donors are willing to substantially decrease their wealth to ensure that every American has the resources they need to live healthy, productive lives on their own terms.

In alliance with philanthropic support for movement-building, the work outlined in this brief –policy giving to influence government actions– represents one of the most powerful levers private funders can pull to make relatively constrained grantmaking budgets go a long way toward reducing inequality. Nevertheless, funders’ attention to this sphere is limited, despite some positive developments since the late 1990s. Here are some of the key factors behind this dearth of support, as well as several opportunities for funder action as national sentiment shifts in favorable ways.

## Challenges

**Fear of being branded “political.”** Having spent decades nurturing reputations as “apolitical” institutions that stand above and apart from partisan mudslinging, liberal philanthropies often steer clear of any funding avenue that smacks of politics. That includes most forms of fiscal policy work. One concern, besides the reputations of individual grantmakers, is the fear that philanthropy at large could lose the trust of the public by operating too close to politics. There’s also the fact that extreme caution is the default stance for foundations’ legal teams, whose prime concern is often maintaining the organization’s tax-exempt status.

Nevertheless, there are numerous fully legal avenues that philanthropic funders can and do take to influence public policy, outlined earlier in this brief. But that does little to change the fact that as a rule, equity-minded funders prefer not to venture too close to the line of “political” activity. An increasing number of funders are sidestepping this

perception by channeling funds through DAFs. But given the opaque nature of DAF funding, it's impossible to know exactly who's giving to what.

#### **Difficult to guarantee or quantify results.**

Getting at the systemic drivers of inequality may be crucial, but it can be difficult or downright impossible to measure the impact of grant dollars in the realm of policy. Compared to, say, funding college scholarships, backing policy advocacy around federal spending and taxation doesn't guarantee a positive result. And if a positive result does arise, the degree to which philanthropic spending contributed to it cannot be ascertained with any precision. This puts grantmaking in the policy arena squarely at odds with the organizational culture prevalent at many liberal foundations.



Established in 2020, Mayors for Guaranteed Income is a network of mayors around the country advocating for guaranteed income at the local, state and federal levels. Currently, there are over 80 mayors involved in MGI with many participants having launched pilot programs in their cities. MGI partners include the Economic Security Project, Accelerator for America, and the Center for Guaranteed Income Research at the University of Pennsylvania.

To make matters worse, policy change is slow, with a pace largely set by the outcomes of elections and the decisions and deals of policymakers. Setbacks can occur. That can dissuade foundations locked into strategic plans with limited time windows, or with overly linear expectations for results.

**Well-funded conservative/corporate opposition.** The hard truth for progressive philanthropy is that in the realm of policy, the other side has a definitive head start. Much has now been written about the role that conservative and libertarian philanthropy played in the buildup to neoliberal policy predominance. But despite a large influx of progressive dollars in recent years, including in the policy space, that effective conservative infrastructure is still going strong.

Prospective funders of pro-tax, "investing-in-people" fiscal policies, for instance, enter an arena where they will encounter stubborn opposition on many fronts. Unfortunately for advocacy groups, a battlefield, "political" or otherwise, is often not what philanthropists feel they have signed up for.

Even progressive givers willing to pick ideological fights often cannot match conservatives' level of coordinated funding. "We have tried to do this, but it is like herding cats," said Gara LaMarche, (now former) president of the left-leaning Democracy Alliance, in a [2020 report](#) on the state and local policy space. "Whenever we poll our members, everyone says we need to have fewer options and get more strategic, but it is hard (for them) to make the cut."

**Balancing federal and state-based strategies.** Another challenge for funders of economic policy work is deciding where to focus advocacy efforts – D.C., the states, or even local advocacy. From a purely objective standpoint, advocacy in Washington, D.C., promises the greatest reach if giving translates to influence over national lawmaking and regulations. But in a decentralized federal system, there is also great need for state-specific advocacy and even work at the local and municipal levels. In particular, smaller or more

locally focused funders – even those open to policy advocacy spending – may prefer efforts closer to home. That can limit the flow of support to national think tanks and other D.C.-based groups.

## Opportunities

**Growing public critiques of unchecked capitalism.** Over the very long term, the neoliberal consensus around free markets and limited government that set the stage for today's skyrocketing wealth inequality may continue to erode. Already, COVID-19, the climate crisis and a host of other factors have moved sweeping New Deal-esque fiscal policies back toward the realm of the politically possible, despite continuing congressional headwinds against their enactment.

For philanthropy, one path forward is to augment these large-scale shifts in the mood of the body politic with efforts designed to give them intellectual heft. In a sense, that means updating mid-century paradigms for the current era. After all, leaning into think tank funding and fostering the careers of sympathetic scholars was a key component of conservatives' funding strategy in the run-up to the neoliberal era. While academic exercises may not be interesting to every funder, they can be an accessible way to advance public understanding of economic justice issues for grantmakers less inclined to publicly support movement-building strategies.

The Hewlett Foundation's Beyond Neoliberalism program and its current Economy and Society Initiative are good examples. One opportunity Hewlett has embraced is to fund the work and careers of specific intellectuals, another hallmark of the longstanding conservative approach. "It's usually people that have ideas, not organizations," said Jennifer Harris, who leads Hewlett's Economy and Society Initiative. "We need to do a healthy amount of both this time around, but the piece that's not intuitive for most of philanthropy today is backing individuals."

**Public support for massive public spending in the COVID era.** Rapid changes in the era of COVID and during the beginning of the Biden administration suggest at least some kind of paradigm shift taking place around wealth inequality and economic justice. On the fiscal side, massive federal relief spending – unprecedented in recent history – began in the last year of Trump's term and continued through the start of Biden's. While some components of Biden's multitrillion-dollar Build Back Better plan proved unable to make their way through Congress, the American Rescue Plan, the Infrastructure Investment and Jobs Act and the Inflation Reduction Act did. Over the medium to long term, support for equity-focused policy advocates could still go a long way, given the present climate.

## Funder Spotlight



Established in 1991 by Herb and Marion Sandler, the Sandler Foundation takes a multi-pronged approach toward advancing policy change. Major areas of focus include policy development and advocacy, exposing corruption and abuse, systemic reform and strengthening research networks. Sandler has helped launch groups such as the Center for American Progress, ProPublica, and the Washington Center for Equitable Growth. Since its founding, it has awarded over \$1.1 billion in grants.

COVID-19 has also broadened the conversation around direct aid to lower-income people, including in the form of cash. Federal stimulus checks and enhanced unemployment during the pandemic are a manifestation of that conversation in the public sphere, but the pandemic years have also seen a spike in attention to philanthropic cash relief, general support and guaranteed income. The long-term impact of these programs remains to be seen, but there is already a massive trove of data accumulating on the effect of these historic experiments in public spending.

**More big-donor support.** Private foundations have been leading the way in progressive grantmaking, especially in the economic justice space. But bear in mind that an uptick in attention from recently minted billionaires and corporations can indicate that a progressive priority has the potential to “go mainstream.” As of this year, only a handful of big individual donors support policy work to curtail inequality — the vast majority of the super-rich do not. But the ranks of those who do have expanded in recent years.

Newcomers to this work include some big names: MacKenzie Scott, Pierre Omidyar and Jack Dorsey. Then there are folks like Barbara Picower, Hansjörg Wyss and the late Herb and Marion Sandler, who’ve been active policy givers for a somewhat longer time. Another, larger group of big donors frequently backs economic opportunity work on the margins of progressive policy giving without actually backing progressive advocates in a consistent way themselves. Some examples include Michael Bloomberg (place-based and data-centric projects like Opportunity Insights), Melinda French Gates (gender equity and women entrepreneurs), Mark Zuckerberg and Priscilla Chan (housing issues and research) and Steve and

Connie Ballmer (place-based education and racial justice work).

Still, it is hard to infer a trend from only a handful of examples. The prevailing mindset among the richest is to shun this realm of work, and even anti-poverty philanthropy in general, in favor of more traditional gifts to universities, hospitals and the like. As philanthropy scholar Rob Reich pointed out in his book “Just Giving,” wealthy taxpayers who take the charitable deduction give the least to help those at the bottom: “The higher up the income ladder, the less likely donors are to direct their giving to the poor.”

## Inside Philanthropy

August 2020 Survey

*“It’s not always clear that commitment to racial justice goes beyond the symbolic or performative. And my worry is that intersectionality is not so evident, and that issues about long-term poverty, rural under-served populations, gender-related disadvantage are being overlooked as philanthropic organizations scramble to position themselves as racial justice champions.”*

—Nonprofit consultant, United States

**State-based policy.** Policy advocacy on the state level is a particular area of opportunity for anti-inequality funders. While state policy lacks the breadth of federal legislation and rulemaking, decisions made in state capitals around topics like minimum wage laws, other employment law and discrimination can affect the livelihoods of millions. And on the civic side, state rules around voting and representation help determine who gets a seat at the table. State policy can also have an indirect effect on the nation at large — policies enacted in one state may open the door to similar ones elsewhere.

For funders, backing organizations like the 40-plus members of the State Priorities Partnership is a good place to start. Perennially outmatched on the budget front by the right-wing advocacy groups that make up the State Policy Network, SPP's members focus mainly on fiscal matters.

What ALEC is to the State Policy Network, the State Innovation Exchange (SiX) may be to SPP. Like the right-wing ALEC, SiX is a 501(c)(3) nonprofit that focuses its efforts on creating and disseminating model legislation – but from a progressive standpoint rather than a free-market one. It also suffers from a funding handicap compared with its rival, though it does draw some support from members of the Democracy Alliance, the Public Welfare Foundation, and funding streams from SVCF and Rockefeller Philanthropy Advisors.

**Cross-movement building and recognizing intersectional identities.** Most of this brief focuses on specific ways to support the economic policy advocacy arena, either on an intellectual or practical basis. But progressive funding outside of strictly economic policy can also advance those aims. Current critiques of liberal philanthropy – that it's too siloed, for instance, or that it favors white-led institutions – have called on funders to support grassroots leaders from communities and with overlapping identities that have been historically marginalized.

By supporting the intersectional justice movement, including by backing progressive civic engagement, funders can increase the likelihood that restorative, redistributive policies will be implemented. That can mean confronting “indirect drivers” of economic inequality, like a lack of political representation.

Xavier de Souza Briggs, who led the Ford Foundation’s grantmaking around inclusive economies and markets through 2019, cited voting rights as one area where “although there’s no direct line to [economic] inequality, we have seen very clearly that if people are not able to make their voices heard, inequality will continue to grow.”

Wrangling over federal anti-poverty legislation took place over most of President Biden’s first year in office, illustrating the prime difficulty policy advocacy funders face in this area. In the end, philanthropy can make a case to government, but it still remains separate from government. For grantmakers, this means accepting a state of affairs in which progress is slow, halting, prone to reversals, and never guaranteed. The only way to guarantee impact in this space is to fund patiently and over the long term. Although that is not a path preferable to all funders, the ever-escalating problem of wealth inequality in the U.S. is exerting pressure on the sector to reexamine that stance.

# Resources

## Websites & Individual Pages with Key Information:

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# Thank You

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## Feedback?

The State of American Philanthropy is an ongoing project. Each SAP brief will be updated periodically to integrate new information, additional data and evolving perspectives. This brief was originally posted to Inside Philanthropy in August 2022. It has not yet been updated. If you have comments or information you'd like to share with us, please email us at [managingeditor@insidephilanthropy.com](mailto:managingeditor@insidephilanthropy.com).