

African American Philanthropy

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Introduction

Despite what many believe, African Americans have maintained a rich tradition of philanthropy. From as early as the eighteenth century to the present day, African-Americans have donated their time and resources to a variety of philanthropic organizations and causes, whether they be community-based mutual aid organizations, churches, or major political movements. According to Emmett Carson, three major strains have dominated the patterns of African American philanthropy: humanitarian aid, designed to ameliorate individual and community hardship; institutional development or self-help regarding the establishment of churches, schools, and commercial enterprises for black communities; and movements for social change "from the abolition of slavery to the elimination of all legal, educational, and economic barriers to racial equality."

Surprisingly, few African-Americans define their traditions of giving as "philanthropy." Surveys indicate that many African Americans see their donations of time and money as unremarkable, and believe that "philanthropy" is a term reserved for multimillionaires, many black donors would not describe their behavior as philanthropic and are uncomfortable with the term. Consequently, many development officers and board members argue that educational programs must be at the forefront of black philanthropic efforts for the twenty-first century.

Researchers predict several new trends in the charitable giving patterns of the African American population that will result from political, social and demographic transformations that first began in the 1960s. These changes include:

- * The growth of the black middle and upper classes
- * The end of legalized segregation and subsequent dispersal of the black population.
- * The economic empowerment of predominantly black communities
- * Changes in the role of the federal government
- * A growing interest in black philanthropy among mainstream organizations and corporations

The impact that these changes have made on African-American philanthropy will be discussed in the following updates.

Trends and Developments in African American Fundraising: Endowment Building

Trends and Developments in African American Fundraising: Endowment Building Many African-American communities are moving beyond struggles for social, economic, and political survival to campaigns for social, economic, and political expansion. With the growth of the black middle and upper classes, individual African American donors have more resources to give. Thus, endowment building seems to be the next major step in the development of the black philanthropic tradition.

Researchers agree that there are serious impediments to making endowments a central feature of black philanthropy. To begin with, surveys have found that the majority of African Americans view endowments as something specific to large, wealthy, mainstream foundations.

Traditionally, African-Americans have supported their community-based philanthropic enterprises through specific fund raising campaigns and benefits. Researchers say that it is because of this tradition that most African Americans continue to prefer to donate to individuals and organizations in immediate need rather than making more formal planned gifts to open-ended funds and charities. Consequently researchers highlight education as the first step toward encouraging the growth of endowments.

The Detroit-based African American Legacy Program, a joint venture with the Community Foundation for Southeast Michigan, is one such program. The organization teaches affluent African Americans how to build endowment programs into their retirement plans. The program hopes to expand the African-American tradition of charitable giving in the Southeastern Michigan area by increasing the awareness of charitable giving options among African American individuals, organizations, and legal and financial advisors, by increasing the financial capital of new programs and projects, and creating permanent endowments. In New York City, the United Way federations have begun reaching out to minority donors to build permanent endowments. And the Associated Black Charities has invested \$50,000 from its own grant fund.

New Patterns for Old Traditions of Giving: The Black Church

The church has long remained a central focus of African-American philanthropy, both as an institution supported by the time and money of its congregations, and as "the primary intermediary for charitable giving" to the other institutions and people in its community. (James A. Joseph "Black Philanthropy: The Potential and Limits of Private Generosity in a

Civil Society," 7 Association of Black Foundation Executives, 1993.) In fact, in addition to being a focal point of black institutional development, the black church has historically served as the center for all aspects of African-American philanthropy. Through the church, African Americans have worked to provide humanitarian aid by feeding the hungry and providing housing for the homeless. Furthermore, by providing funds, volunteers, and leadership for civil rights campaigns, the black church has served as a springboard for African-American political activity. According to James A. Joseph, the philanthropic practices of the black church stem from "the overriding belief among African Americans that service to God is linked to service to humanity. " (Joseph Remaking America, 81-82)

As recently as 1986, a Gallup Poll conducted for the Joint Center of Political Studies found that 75 percent of philanthropy dollars in the black community are funneled through religious institutions, and that most volunteer activities of blacks are centered around the church. (Joseph Remaking America, 83) With this in mind, the Pew Charitable Trusts and the Philadelphia based Public/Private Ventures, a national research and social policy organization, created a survey to measure the impact faith-based organizations have on their communities. Their preliminary findings demonstrated that of the 401 congregations surveyed, 363, or 91 percent offered at least one social service program, from food pantries to summer camps to substance abuse prevention programs. The survey estimates that if all of these religious organizations were suddenly to eliminate their outreach programs, it would cost more than \$200 million to replace the social and community services they provide. The survey also found that one-third of the congregations that provided social services said they faced financial difficulties.

Today's political and demographic changes are now creating new opportunities for faith-based African-American philanthropy. In this age of government downsizing and greater skepticism about the ability of elected officials to solve complex and unwieldy societal ills, there has been a nationwide search for new institutional models to help reach the needy. In this climate, the relationship between black churches and government has become increasingly complex, with the churches frequently offering community services in cooperation with government agencies. This may mean distributing food in government programs; participating in counseling, referral and social service networks; as well as receiving public funds to operate Head Start, day care, and summer youth programs. The Balm in Gilead, an organization funded by the Center for Disease Control, is an organization that facilitates such a partnership.

The Balm in Gilead operates the nation's only HIV/AIDS technical assistance center designed specifically to serve Black churches as well as public agencies and community-based organizations that wish to work with Black churches on AIDS-related issues. The organization provides technical assistance to support HIV education and prevention activities within Black churches, and helps establish collaborations between African-American faith-based organizations, and state and local departments of health, medical and social service providers, and community-based organizations. As long as legislation like the 1996 welfare bill, which gives states the option to fund church groups in place of welfare agencies, continues to dominate public policy, relationships like the ones promoted by the Balm in Gilead will continue to expand in the next century.

Another important recent development in African-American church-based philanthropy is the growth of the mega-churches which first emerged during the 1980s. These churches, which generally have over 3,000 members, have the potential to have a dramatic impact on community economic development. To date, these churches have continued to maintain the black church's philanthropic tradition by building homes, creating schools and providing health and human services in their communities. Now, because of their tremendous capacity to raise funds, many are establishing foundations, and endowments.

In general, black churches of all sizes are becoming increasingly sophisticated in their fundraising appeals and long-term investment strategies. Churches are also increasing their ties with grantmaking foundations. The five-year old Philanthropy and the Black Church Project, a Washington, D.C., organization, tries to facilitate this trend by creating relationships between foundations and churches, and training church staff in proposal writing and research.

The Demographics of African-American Philanthropy

Up until the Civil Rights era, much of the black population remained politically, economically, and socially segregated from mainstream American life. Thus, it is not surprising that most black philanthropic efforts were community-based examples of ethnic philanthropy focused on strengthening and empowering African American communities. Now, the current growth of the black middle class is beginning to transform this pattern. According to Cheryl Hall Russell in *African American Traditions of Giving*, as the black middle class continues to grow, more African Americans will move away from mutual aid to more formalized philanthropy, from African-American to more universal giving, and from church to more secular giving.

Currently, African American social organizations act as a major vehicle for the charitable giving of middle class African Americans. Virtually all black collegiate fraternities and sororities make annual contributions to black educational charities like the United Negro College Fund, Civil Rights Organizations like the National Association for the Advancement of Colored People, and local community welfare endeavors. They also provide volunteers for community activities, and are particularly involved with mentoring programs for young African Americans. Even the most exclusive African American social organizations like the Links, Inc., maintain programs that direct philanthropic efforts toward black communities. One such organization, 100 Black Men of America, Inc., was founded in 1963. It is a national alliance of leading African American men of business, industry, public affairs and government who devote their skills and resources to confronting problems facing African American communities. 100 Black Men currently has 82 chapters in the United States and 2 chapters abroad. In 1995, the organization began an initiative called Four the Future, that channels the organization's resources toward youth mentoring, anti-violence, education, and economic development programs. As increasing numbers of professional African Americans join these collegiate, social, and professional organizations, researchers expect the membership of older black fraternal orders to continue to decline.

The elimination of legal barriers to African American economic achievement has also facilitated the growth of the affluent black population. These wealthy African Americans are often the best-known examples of contemporary black philanthropy. Prominent African American entertainers and athletes like Oprah Winfrey, Bill and Camille Cosby, and Michael Jordan have been highly visible African American donors whose philanthropy has encouraged others to give as well. Some, like Tiger Woods, have established foundations, while others like the NBA athlete Alonzo Mourning sponsor annual charity events that raise funds for the non-profit organizations in their community.

Researchers have found that among these and other less prominent affluent African Americans, tax advantages seem to play a lesser role in their charitable giving than the desire to "give back" and share their success with those in need. Researchers suggest that as more African-Americans amass estates of a sufficient size to place them in jeopardy of wealth tax penalties, the tax implications of charitable giving will become an increasingly important aspect of African American philanthropy.

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New Vehicles for Black Giving

Recent years have seen a variety of new vehicles for African American giving. These include mainstream community foundations that reach out to black donors, corporations that promote volunteerism and fund projects in African American communities, and federations of African American charities. These institutions promise to provide more options for African American donors, and promote the spread of Black philanthropy.

Federations of Black charities have been instrumental in changing the way that black giving is practiced. Two of these, the United Black Fund, and the Black United Fund are the earliest organizations of this type. The Washington D.C. branch of the United Black Fund of America was founded in 1969. It works with the United Way of the Capital area during an annual payroll-deduction campaign with the area's private employers. In 1985-86 the organization distributed \$1.68 million. And in 1990 it distributed \$2.6 million.

The National Black United Fund sees itself as an alternative to the United Way. Organized in 1977, the organization's affiliates raised over \$5 million for local non profits. For example, in its 1998-99 drive, the Philadelphia Black United Fund raised \$98,000 for dozens of the area's charities including the Black Women's Health project and the John W. Coltrane Cultural Society. The fund also offers technical assistance to a variety of area organizations.

Alternative funds can be a useful means of promoting African American giving, and distributing resources to a variety of community organizations. In addition, alternative funds like the Black United Funds may encourage United Ways to become involved with a greater variety of donors and agencies. In addition, these alternative funds also provide money to social justice and economic development projects often overlooked. Today,

alternative funds like the Black United Funds account for about 15% of all workplace contributions.

Corporations are also making it easier for African Americans to practice ethnic philanthropy. Corporations are establishing relationships with mainstream and alternative foundations for payroll-deduction programs. And large corporations are also creating foundations that are willing to fund and support African American philanthropic efforts.

The AT&T Foundation, created in 1984, helps extend the reach of its employees' community involvement efforts by matching employee contributions to educational and cultural organizations and by providing grants to recognize employee volunteer efforts. In 1998 and 1999, At&T's total contributions amounted to over \$123 million in cash and product donations. \$82 million of this total came directly from the AT&T Foundation. The foundation invests in undertakings that focus on education, civic and community service, and arts and culture. It funds projects and learning and initiatives that use technology, as well as those that promote diversity and advance equal opportunity.

The Bell Atlantic Foundation, the philanthropic arm of the Bell Atlantic corporation, supports its communities in a variety of ways. In 1999 the Bell Atlantic Foundation gave \$38 million in grants to community organizations from Maine to Virginia. The Foundation also promotes employee volunteerism through its "Good Citizen Programs," and in 1999, Bell Atlantic employees donated over seven million hours and \$11.7 million to a variety of local organizations. [[?including minority communitiy organizations?]] The Bell Atlantic Foundation also runs payroll deduction programs, and a Matching Gifts Program that matches contributions to nonprofit organizations in the areas of education, arts, culture, and the environment.

Community foundations are also emerging as new vehicles for African American giving. The Twenty-First Century Foundation, New York's first endowed black foundation, has given \$2.4 million to 250 nonprofit programs since 1971. The amount of money donated to community foundations by minorities or for minority-specific programs has been increasing over the past decade. For example, in New York City the number of program funds established by or for people of color increased from 100 to 639 between 1990 and 1998. To encourage these contributions, organizations such as the Cleveland Foundation and the Philadelphia Foundation have developed minority advisory panels that court black professionals.

Addressing Inequities in the Twenty-first Century: Health, Education and Technology

Historically, education has been a major aspect of black philanthropy. Since the early nineteenth century, African-Americans have created schools and colleges to serve the young people of their communities. Today, the United Negro College Fund has grown to become the nation's oldest and most successful African American higher education assistance organization. It is a consortium of 39 private, accredited four-year historically black colleges and universities. It is committed to providing financial assistance to deserving students, raising operating funds, and providing technical assistance to member institutions..

African American fraternal and social organizations also demonstrate a commitment to giving toward educational ends for black youth. 100 Black Men has sought to provide leadership for the youth of the African-American communities through mentoring programs, educational programs, and anti-violence programs for young people. Over the last three decades, 100 Black Men chapters have touched the lives of over 60,000 young people. AKA maintains a program called "ON TRACK" designed to keep 20,000 at-risk children in grades 3-6 achieving academically, and promoting self esteem through after school and weekend programs. The National Urban League runs a Campaign for African American Achievement, designed to address the widening educational "performance gap between white students and students of color." And the National Urban League's 21st Century Teachers initiative focuses on teachers working with five other colleagues throughout the school year to help them become more proficient in the use of technology to improve teaching and learning.

Health care is another growing concern that is being met by African American philanthropy. Research indicates that African-Americans have less access to health care than other Americans. Africans Americans also have higher rates of heart disease, diabetes, and certain types of cancer. Furthermore, African Americans who comprise 13 percent of the U.S. population now account for 40 percent of all people with AIDS in the United States and are being diagnosed with AIDS at a rate six times faster than that of whites.

A variety of black philanthropic enterprises, both old and new, are working to address this situation. Studies have found that during times of illness, the informal financial and spiritual support and caregiving assistance offered by African American churches is second only to the support

provided by the actual family. The nurses of the National Black Nurses Association act together to investigate and better define the healthcare needs of African Americans. The National Office provides annual scholarships for students and educational programs for nurses and other health professionals. The Association of Black Cardiologists (ABC), headquartered in Atlanta, GA, is a non-profit organization comprising approximately 700 members. ABC's mission is to make exemplary health care accessible and affordable to all in need, while dedicating itself to lowering the high rate of cardiovascular disease in minority populations. The ABC Capital Campaign team raises funds for facilities and programs to fight cardiovascular diseases. A recent gift (March 14, 2000) from the Bristol-Myers Squibb Foundation to the ABC of \$2.2 million dollars will support the Foundation's philanthropic activities, specifically a new International Library, Research and Education Center to study cardiovascular diseases and their impact on African Americans. The facilities will include: Centers for Epidemiology, Clinical Trials, Research Physician Training Conference activities, and a Hall of Fame to recognize and honor African American pioneers in cardiovascular research and treatment.

Black philanthropy is also becoming increasingly concerned with issues of technology. According to one study cited by the NAACP, 46 percent of whites have computers in the home, but only 23 percent of African-Americans and 25 percent of Hispanics have computers in their homes. Only 15 % of students at UNCF institutions own a computer, compared with 55 % of college students nationally. To combat this, African American organizations are implementing a variety of programs and partnerships to promote technological growth and understanding in African-American communities. The National Urban League has worked with the Small Business Administration to provide information and technical assistance on Y2K compliance to 2,000 small businesses. The organization also runs a Computers for Learning Program that places computers in classrooms.

The United Negro College Fund has announced a Technology Enhancement Capital Campaign and partnerships valued at more than \$130 million with Microsoft Corporation, IBM Corporation, and AT&T to bolster the technology infrastructures of UNCF, member institutions and improve computer access for students and faculty members at historically black colleges.

Innovative Partnerships

With this current age of government downsizing and greater skepticism about the ability of elected officials to solve complex and unwieldy societal

ills, there has been a nationwide search for new institutional models to help reach the needy. This search has spawned a variety of new partnerships that are redefining the meanings of African-American philanthropy. These partnerships involve new relationships between black philanthropic organizations, corporations, mainstream foundations, and public agencies.

The Pew Charitable Trusts have initiated one such partnership with the African-American religious congregations of Philadelphia. Called the Community Serving Ministries Initiative, the four-phase program, which will start with a \$4.5 million contribution from Pew over the next two years -- aims to work with congregations to tackle illiteracy, violence, insufficient day care, and inadequate job training. Pew could spend \$14 million over the next 7 to 10 years. Other phases of the initiative call for the creation of 19 Youth Education for Tomorrow centers offering literacy programs. Another phase of the initiative, aimed at reducing youth violence, would create a partnership with the National Prison Fellowship, which would work with congregations to provide outreach to juvenile delinquents or children whose parents are in prison. Congregations would also receive funds to enlarge the capacity and improve the quality of its child-care programs and provide job skills and placement services.

The Lilly Endowment gave the National Urban League \$25 million dollars to use for scholarships. Twenty Urban League affiliates will receive \$100,000 per year for the next five years to support the League's African American Achievement Campaign which fosters academic achievement among minority and urban students.

The Department of Commerce's December 1999 conference on the "digital divide" has inspired a number of technology companies to announce programs aimed at broadening access to technology. Currently IBM sends volunteers to help automate school libraries and to teach teachers how to use technology. And the United Negro College Fund has announced a Technology Enhancement Capital Campaign and partnerships valued at more than \$130 million with Microsoft Corporation, IBM Corporation, and AT&T.

The 1996 welfare reform legislation encouraged partnerships between public organizations and private non-profit institutions. One such project, called Education Zone Partners, gives tax incentives to lenders that make no-interest loans to New York City Public schools. The loans will be used for school repair, equipment purchases, materials or teacher training. Participating schools are also required to form partnerships with private

institutions -- corporations, mainly -- which in turn contribute expertise, goods and training, to help the schools improve student performance.