



**SHERRY MAGILL
KEYNOTE ADDRESS
LISC NATIONAL STAFF MEETING
November 13, 2014
Chicago, IL**

We began this American experiment understanding full well the centrality of community--the commonweal--in the human enterprise. As John Winthrop, the first governor of the Massachusetts Bay Colony, said in a speech he delivered in 1630:

“Now the only way. . . to provide for our posterity is to follow the counsel of Micah: to do justly, to love mercy, to walk humbly with our God. For this end, we must be knit together in this work as one man. . . We must delight in each other, make others' conditions our own, rejoice together, mourn together, labor and suffer together: always having before our eyes our commission and community in the work, our community as members of the same body.”

For our very security and to provide for ourselves and those who come after us, Winthrop said “let's create community.” He did not say “let's create a police state, let's arm ourselves.” The only way the early Puritans would make it through a harsh Massachusetts winter was to work together for the common good--not against each other, and not to advance self at the expense of others. It's a refrain we recognize in the Preamble to the U.S. Constitution: “We the people . . .” Our early political theory and practice tells us that we created governments to “establish justice, insure domestic tranquility, provide for the common defense [and] promote the general welfare.”

It's almost 400 years since the Puritans landed in Massachusetts Bay. Individualism came to rule, supplanting the central importance of community--so much so that many of us now live alone in homes, apartments, and condos, disconnected from those who live nearby, but oddly connected through technology to folks we don't even know living all over the planet. We are very plugged in. Yet we seem to know so little about the places in which we live, we do not believe government in any way represents our collective will, nor do we think government can do anything good. In some places, it looks like we've given up on each other, that we're hell-bent on dismantling the basic functions of local government.

In Jacksonville, our local government postpones mowing parks, has dramatically cut back neighborhood library hours, and will not solve our local pension crisis, despite our bond rating having been downgraded by Fitch and Moody's. Why? Because local politicians will not raise revenue through taxation of any sort.

But a more fundamental reason is that people do not expect anything good to come out of local government, or from government at any level. And a secondary reason is that too many of those

with discretionary money are not dependent on things “public.” They might be readers, but they don't need the library system to gain access to a book; they do not need to use the computer in a public library to apply for a job; their children do not need to participate in after school programs held at the public library. They think they do not need anything the public has to offer. We see no need to promote the general welfare, which is a reflection of our deep disconnection from community.

Yet, the only way we humans are going to make it, the only way we are going to meet the daunting myriad challenges facing us at any level--family, neighborhood, town, city, state, nation, planet--is to rediscover our basic interdependence, to rediscover community, to do everything within our power to build and strengthen community rooted in local places. I have no faith that electronic communities will meet that challenge.

While I do think that nonprofits, by their very nature, build and nurture community, LISC actually places community at the heart of the work you do.

I've watched LISC Jacksonville up close and personal since its founding in the late 1990s. The work this tiny group of people has accomplished in short order is extraordinary: organizing and directing capital toward neighborhoods, building the expertise of ordinary folks to take control of their entire neighborhoods and the condition of housing, playgrounds, and public space in those neighborhoods, forcing local government to improve infrastructure, building safe places for children to play, reinvigorating commercial corridors, bringing inspiration and hope back. It's a remarkable story.

What I see is a disturbing movement by elected officials--especially those serving in local government--toward eliminating contracts with nonprofits complimented by requests to private funders to bail out public services. It's the local elected official's definition of public-private partnerships. In other words, we too often refuse to understand public and private dollars as complimentary to one another, but rather we want to believe private money will replace public money in the provision of public services.

The public has the need, but the private philanthropic sector provides the dollar. The new assumption is that local government, having privatized human services through nonprofits, having helped engineer private money toward public schooling, having succeeded at getting major American foundations to assist in Detroit's bailout of its public pension system, now has reduced its financial obligation to fund those services. And as local city budgets becomes tighter, this refrain will only grow louder. We are absolving the public from responsibility for the condition of our communities.

LISC nationally and locally has a great story and does extraordinary and absolutely necessary work if we are to live in a better world. But nonprofits such as LISC have a tough time telling their stories. They are rightly concerned to worry about foundations and their direction, and they are right to be concerned about shrinking public dollars invested in the things they know are essential to building healthy communities.

Foundation giving patterns and individual giving patterns are by definition idiosyncratic. We are not monolithic. The story of the Jessie Ball duPont Fund and Mrs. duPont's personal giving can

help illustrate how the wealthy and some foundations once saw the world in which they developed their giving.

The Jessie Ball duPont Fund is a private grant making foundation with roughly \$280+ million in assets and an annual budget of \$14 Million. Mrs. duPont was born Jessie Ball in 1884, graduated from college, became a teacher, and married Alfred duPont in 1921. Five years later, the couple settled in Jacksonville where they established new roots, built a new family fortune, and became philanthropists in what by then was becoming a great American tradition. Upon her death in September 1970, Mrs. duPont's will established the perpetual fund that carries her name.

On the giving side, Mrs. duPont was not inventing foundation initiatives, words and acronyms: there was no “piloting programs,” no “measuring results,” no “taking things to scale.” Rather, she gave money to organizations rooted in Southern places, especially in states she called home — Delaware, Virginia, and Florida — and in communities where she lived — Port St. Joe, Wilmington, Virginia’s Northern Neck, Jacksonville, and Richmond. She supported churches, colleges, universities, hospitals, organizations that preserve local history, serve children and elders, and even some that wanted to change systems, especially the child welfare, juvenile and criminal justice systems.

Her basic philosophy was simple: she understood deeply one’s human obligation to share one’s good fortune with those less fortunate, to give generously, to open one’s heart to his or her fellows. “I believe that funds should be spent for the benefit of society” she famously wrote. “I have always believed it. Don’t call it charity . . . I think it is an obligation.” Simple words to live by.

Her giving was rooted in community, reflected in major local institutions — the church, the school, the local nonprofit — in local stories, history and culture. In other words, in organizations rooted in basic American democratic narrative that binds local folks together with a sense of purpose and meaning, one that balances individual rights with one’s obligation to nurture communities and serve a larger public purpose.

Mrs. duPont represents a generation of wealth and obligation that I might call an “old form” of philanthropy, admittedly more focused on the charity side of giving and less on what we think of today as “the strategic intervention approach to solving tough social problems.” She was not attempting to change the world. Doing so would not have occurred to her. But she was compassionate and generous and she understood far better than many do today the extraordinary importance and power of folks bound together in community. She simply wanted to use her giving to help someone else live a better life. She did so by funding organizations’ operations costs. Today that seems quaint.

The point is this: while the world in which Mrs. duPont practiced her philanthropy was filled with its own complexity, it was in many ways a far simpler place, one much easier to understand and “do good works in” than the world in which we currently live. It was not a perfect world, no golden age, but on some level people understood the central importance of community, and one’s individual responsibilities to something larger than self. We saw government as an expression of our collective will, we believed citizens could solve problems and, for the most part, we thought we were in this together. And we understood nonprofit organizations in their community context, as essential to the work of helping less fortunate people do better.

Today, ironies abound. We read that giving is reaching new records. We know that the likes of Mark Zuckerberg are granting hundreds of millions of dollars in single events, that markets are up and that endowments have recovered from the economic collapse of six years ago. Yet we know that nonprofits operating at the local level, including LISC and local community development corporations, are not recipients of these dollars. So who is?

While I'm not absolutely certain of the answer, I do observe that some community foundation and higher education endowments are recipients of large gifts. In Jacksonville, much of the younger family foundation wealth has organized itself under the community foundation structure, which is not, of itself, a bad thing. We want to build the strength of local giving in local places and we should want to do that as efficiently as possible. The University of Pennsylvania recently completed a \$4 Billion capital campaign. That's a lot of money.

The larger question is this: what kind of nonprofit enterprise is the object of this giving? Much of it is education. Inventing local alternatives to the urban public school system we have built over many generations, whether by bringing Teach for America to town, KIPP academies, charter schools, improving reading and math scores, or developing teacher talent. That's fine. Not one would argue against strengthening and improving education.

But if it is true that nonprofit endowments--no matter what the form--are the recipients of major giving, then we need to ask a different question. We need to move the conversation away from just talking about grants and toward how best to think about investment capital. After all, that's where the real money lies.

The Jessie Ball duPont Fund established its program-related and mission-related investment strategies, a tiny part of our endowment, after the 2008 market collapse. The day the value of our portfolio dropped \$100M in 100 days, representing 28% of our pre-collapse value, was the day I started seriously asking questions about all the money under our stewardship, and how to direct some of the endowment capital to communities we care about.

That was also the time when we embraced the idea of using nearly \$20M of our endowment in purchasing and repurposing the abandoned public Haydon Burns Library. Today, its primary purpose is to rent space to local nonprofits to drive down their operating costs because funders don't want to fund those operating costs. If we cannot grow giving for operating costs, we have to find a way to reduce those costs without jeopardizing mission. Controlling rents and energy costs through shared space is one avenue.

As local and national LISC navigates the evolution of giving--increasing endowed capital and private giving in education, disconnected from decent housing and the condition of the neighborhood--this is what I suggest you do:

- Pay attention to your results but step up your game telling your basic story about people turning their lives around because LISC has helped improve the neighborhood; givers love rags to riches stories. That's has not changed. And givers do not fund data, no matter what we tell you. We will make you show results, but we fund success. Share your extraordinary success story through the voices of the people whose lives have improved.
- Embed local education issues in neighborhoods, drawing the connection between decent housing, safe neighborhoods, and children ready to learn.

- Build a conversation with anchor institutions that have lots of endowed capital-- foundations, hospitals, higher education--about redeploying a fraction of their endowments toward local program and mission-related investments, and in neighborhood redevelopment. Help them understand you are the partner of choice and that they too can invest their endowed capital locally.

Nonprofits that know what they value, that are led by people who act ethically, that inspire others by example, that have a large, promising vision of what human life can be are nonprofits that will win out. Most often, they are rooted in human community and enable the most ordinary people to accomplish the extraordinary. I'm positive of this.

It may be that your work is difficult to articulate because it is difficult to hear. We have lost the language of community.

But we cannot despair. Doing so is simply not an option. Remember this from the Reverend Martin Luther King's 1964 Nobel Peace Prize acceptance speech:

I refuse to accept despair as the final response to the ambiguities of history. I refuse to accept the idea that the "isness" of man's present nature makes him morally incapable of reaching up for the eternal "oughtness" that forever confronts him. I refuse to accept the idea that man is mere flotsam and jetsam in the river of life, unable to influence the unfolding events which surround him.

I have the audacity to believe that peoples everywhere can have three meals a day for their bodies, education and culture for their minds, and dignity, equality and freedom for their spirits. I believe that what self-centered men have torn down men other-centered can build up.

Like Reverend King, be audacious, maintain and instill hope, dream big dreams, tell local stories about people you know. You will build on your extraordinary success.