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Foundation Puts Emphasis on No-Strings-Attached Grants

By Drew Lindsay



David Zentz, for The Chronicle

A \$325,000 grant allowed the Center for the Pacific Asian Family, in Los Angeles, to train seven times as many volunteers as it had before. That, in turn, helped it expand its employment counseling and housing services.

This story is part of “[Built to Last](#),” a look at how some recession-battered nonprofits emerged stronger and more resilient.

Fred Ali is the rare foundation chief who knows firsthand the vagaries of life as a grantee. From an early career as a volunteer teacher and counselor in an Alaskan village, he went on to lead a community college as well as a large service organization for the homeless and at-risk youths. Over time, he grew frustrated that general operating support — a key, he thought, for groups to be nimble — was hard to come by.

In 2008, now the chief executive of the Weingart Foundation in Los Angeles, Mr. Ali moved to change that. Although Weingart traditionally backed programs and capital projects for health, education, and human-service groups, it began to sprinkle unrestricted funding into the mix to test a new strategy for its grant making.

With the economy's collapse in late 2008, Weingart's board decided to accelerate the plan and turn this trickle of general operating support into a fire hose. Within a year, the foundation had awarded \$11.5 million in what it calls "core support" funding to 90 recession-battered organizations. The program continued and grew; since 2008, Weingart has awarded nearly \$100 million and fundamentally changed its grant-making principles. The foundation still supports programs and capital projects, albeit with fewer dollars, as core support now makes up nearly 60 percent of its funding.

A \$175,000 Lifeline

Grants are typically made for two years and average \$175,000. They have evolved as Weingart's program staff — all of whom have worked at nonprofits, one of Mr. Ali's hiring criteria — have studied how organizations put the no-strings-attached money to use. In the crisis of the downturn, many groups used it as a lifeline to pay bills, make payroll, and maintain programs. Later grants were structured to help groups build up operating reserves that had fallen dangerously low.

Over time, Weingart grew worried that organizations were gutting staff needed for long-term stability, including financial-management and development positions. Through the grant process, however, it has helped nonprofits understand the risks of such cuts, Mr. Ali says. "That has been the big shift. Nonprofits are now using our money to help build infrastructure that over time goes to healthy organizational effectiveness."

The Center for the Pacific Asian Family, a Los Angeles group that fights domestic violence and sexual assault, tapped core-support grants to build a short-term answer to the recession crisis and a long-term growth strategy. With the downturn hurting government contracts and individual giving, it aimed to reach into the city's increasing pool of unemployed workers to find more volunteers to staff its 24-hour hotline and emergency shelter. With the help of \$325,000 in Weingart grants over four years, it expanded its volunteer program almost sevenfold. Today, it has 140 volunteers who log more than 10,000 hours. With this new manpower, the organization has expanded its services to offer employment counseling and housing help, among other services.

The Weingart support, says the center's executive director, Debra Suh, proved to be "the R&D money that nonprofits never get. It gave us breathing room to make this pivot. It was really a turning point."