



Central Minnesota Community Foundation:

# Creating a Community Leadership Compass

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“Community leadership is not a spoke of the wheel; it is the hub.  
It is absolutely core to our mission, to who we are.”

Mimi Bitzan  
Board Member, Central Minnesota Community Foundation

## Doing good work

Created in 1985, the Central Minnesota Community Foundation (CMCF) came of age during the heyday of donor advised funds. Following conventional wisdom, CMCF concentrated primarily on excelling at donor services. Community and board members brought forth an abundance of worthy projects to compete for the foundation’s limited unrestricted funds, and most fit within the broad context of “good for the community.” There was not, however, a principled basis for choosing one meritorious project over another, nor was there a conscious effort to leverage other funds or measure impact. In short, like most of its colleagues around the country, CMCF was doing good work in key areas such as youth and families, nonprofit infrastructure, and advancing diversity, but without a high degree of intentionality and without an overall vision for the community.

## Becoming more strategic

That began to change in 2003 when the Grants Committee became the Leadership Committee which, in late 2004, evolved into the Community Programs Committee. The Committee’s name changes were more than semantic: they reflect a shared board and staff commitment to be more strategic in the foundation’s decision-making and to understand the impact of the foundation’s actions. In each iteration of the Committee’s responsibilities, CMCF has been more explicit about what its community leadership role entails. Committee composition extends beyond

CMCF’s board of directors, and its members have included the head of the local United Way and Chamber of Commerce.

CMCF’s CEO, Steve Joul, who joined the foundation in 1996, says the CMCF Board is a dedicated board with a learning organization mindset. Joul describes the board as “hands-on in

ways that are constructive and appropriate” while respecting the boundaries of its policy and governance roles. It is important to Joul that each board member “owns something within the organization.” The “aha” moment on community leadership, Joul said, came not in the context of promoting change, but rather a discussion about the community foundation’s competitive advantage over charitable gift funds. “For us, it became a melding of development and program, and ultimately a different way of being involved in the community,” he said.

Like many of his colleagues, Joul was influenced by a feature

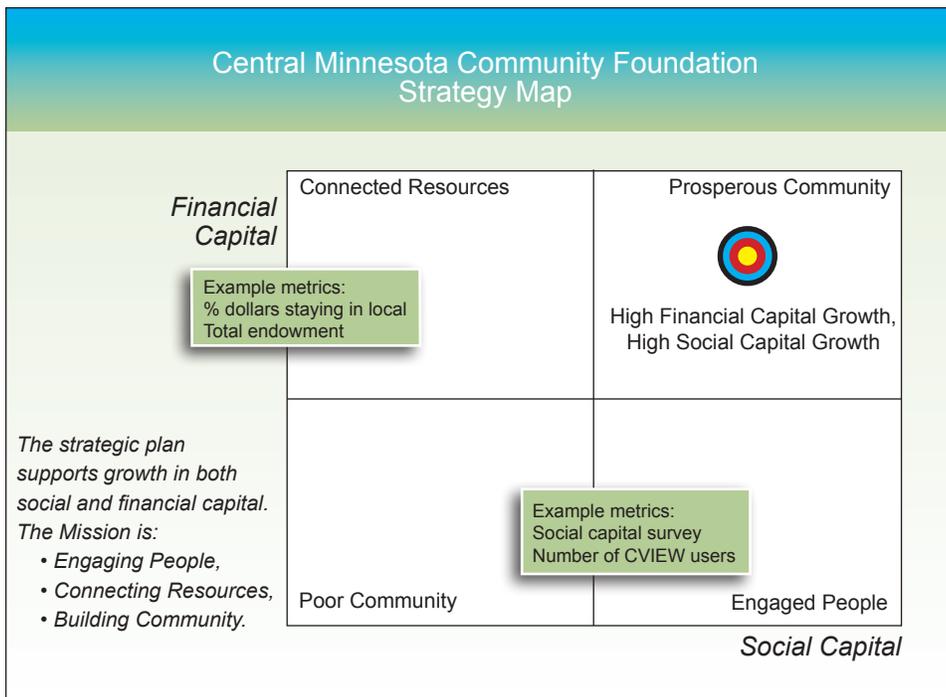
article in the now defunct *Foundation News and Commentary* called “The Cost of Sticking Your Neck Out.”<sup>1</sup> Author Stuart Appelbaum<sup>2</sup> noted that during his long tenure in development at The Minneapolis Foundation, he witnessed a shift from the time-honored role of neutral convener to the foundation tackling such controversial issues as the “Minneapolis community’s cold shoulder to recent immigrants, the [then] governor’s program-cuts-only approach to balancing the state budget and restoration of

### Central Minnesota Community Foundation: Community Programs Committee

1. Provides the vehicle by which the Foundation exercises leadership on the key important issues facing the community.
2. Assess and monitor community needs and assets as well as maintain inventory of who is doing what in the community.
3. Recommend community foundation involvement on key community issues and determine approach of being observer, participant or catalyst.
4. Recommend priority focus areas for the unrestricted grants of the Foundation
5. Recommend grants from the Community Foundation

1. Foundation News and Commentary, Vol. 46, No. 5 (September/October 2005), also found at <http://www.foundationnews.org/CME/article.cfm?ID=3437>.

2. Stuart Appelbaum retired as the Vice President of Development at the Minneapolis Foundation in January 2008 after more than 16 years of service.



the prelude to a social capital benchmark survey in 2000 designed by the Saguaro Seminar<sup>3</sup> at Harvard and sponsored by three dozen community foundations and a few other funders.

Simply stated, the ties that bind people together in relationships of trust and reciprocity are “social capital.” Putnam’s thesis is that social capital is correlated with everything from the safety of the streets to the quality of public education to the integrity of democratic institutions. Communities high in social capital thrive and those low in social

ex-felons’ voting rights.” During the ten-year period from 1995 to 2005, when the foundation was taking stands on issues that “a fundraiser might think toxic to development,” Appelbaum said that assets grew from \$196 million to almost \$600 million, with grant distributions totaling \$286 million.

### Creating a vision, a lens, and yardstick

Intrigued by the prospect that exercising leadership on tough issues and growing philanthropy might be mutually beneficial instead of mutually exclusive, CMCF’s next challenge was determining when and on what to exercise leadership. The community foundation landed on social capital as both the lens through which it would view its work and the yardstick it would use to measure impact. Building on Appelbaum’s article, CMCF board member Shelly Bauerly Kopel developed a strategy map that illustrates the foundation’s vision of simultaneously increasing financial capital and social capital to produce a prosperous community.

The concept of social capital gained currency in the community foundation field when Harvard professor Robert Putnam, author of *Bowling Alone: Collapse and Revival of the American Community*, delivered a plenary address at the Council on Foundations’ fall conference in 1999. This became

capital do not. There are two forms of social capital networks, bonding and bridging. Bonding networks are composed of people who share some affinity, such as members of the same religion or fraternal order, while bridging refers to networks composed of diverse individuals who find common ground, such as those who participated in the civil rights movement. Bonding is easier to achieve than bridging, but both are essential to healthy communities. Social capital is not a substitute for other forms of capital, but it tends to make other forms of capital work well.<sup>4</sup>

### Launching into the spotlight

The community foundation did not participate in the national survey for price tag and other reasons, but rather elected to sponsor its own survey in March 2004 using the Saguaro Seminar design. In a stroke of genius, the foundation partnered with the local newspaper, the St. Cloud Times, which picked up half of the cost<sup>5</sup> with the proviso that it have full rights to the data. The foundation saw no downside to the newspaper’s condition, and considerable upside in terms of building awareness and understanding of the importance of social capital as an indicator of community health and well being.

The publicity was astounding. In August of 2004, the paper ran a six-part series on six consecutive

3. For more information about social capital and the Saguaro Seminar: Civic Engagement in America, visit <http://www.hks.harvard.edu/saguaro/primer.htm>.

4. Xavier de Souza Briggs, “Social Capital and the Cities: Advice to Change Agents,” Presented at an International Workshop on Community Building, The Rockefeller Foundation, Bellagio, Italy (October 1997).

5. CMCF had an equally successful partnership with the newspaper in Brainerd, MN.

days, starting with an overview, followed by religion, recreation, volunteering, politics, and solutions. The series launched with a two-part editorial on social capital, crediting the community foundation as the driving force behind the survey. Every article included an inset that described the partnership between the community foundation and the newspaper, and one of the articles extensively quoted a CMCF board member. In addition, the newspaper created “dinner for eight” as its own social capital building enterprise. The idea was to encourage people from all walks of life to meet on a monthly basis for a year. The Times agreed to match those who signed up on-line and appoint a “first-dinner” coordinator. In addition, the Times challenged employers and employees to participate in the 13th annual “Make a Difference Day” on October 23, and pledged to publicize the efforts, large and small, of those who called in or emailed their stories.

**Creating a compass**

As Joul explained in the lead editorial, “the intent was not just to find out how connected people are now, but to use survey results to determine how and where the area’s social capital should be strengthened.”<sup>6</sup> With an overarching goal of a prosperous community, and social capital as the keystone metric, in September 2005 the community foundation developed a list of 13 criteria by which to gauge its leadership efforts (see table below). The criteria contemplate three potential levels of involvement: Observer, Participant, or Catalyst. The criteria themselves are framed as questions and

the seminal question posed is “How does CMCF’s involvement add value?” Consistent with the goal of producing a double bottom line, two of the criteria ask how the effort will stimulate philanthropy and how it will engage other resources. Joul said that the criteria were used initially to determine “what to start doing, what to stop doing, and what to continue doing.”

**Setting course by the compass**

The practical application of the criteria has yielded a few surprises. For example, the community foundation managed an agro-forestry grant fund for the state aimed at increasing the supply of hybrid poplars. “It’s a wonderful cause,” Joul said, “but it didn’t fit our criteria so we sent a \$200,000 check back to the State of Minnesota.” In contrast, the Women’s Fund, which did not enjoy unstinting support at the board level, has received an enhanced level of support because of how well it scored against the criteria. Perhaps the most controversial issue on which the community foundation has played a prominent role is on race, and the criteria have influenced decisions at more than one juncture.

St. Cloud neighborhoods and St. Cloud State University have experienced racist and anti-Semitic incidents – ranging from graffiti to harassment to assault – as the area evolved from a relatively homogeneous farming community to a more diverse urban environment in the 1980s. It experienced a steady influx of African refugees throughout the 1990s. In response to escalating tensions, the mayor created a Racial Harmony Team in 1998. “It started people talking,” Joul said, “and talking is good, but the

**In determining Central Minnesota Community Foundation involvement, we will use the following criteria:**

<b>CMCF’s Role:</b>	<b>Build Community:</b>	<b>Address Community Needs:</b>	<b>Impact, Results &amp; Sustainability:</b>	<b>Resources &amp; Philanthropy:</b>
1. How does CMCF’s participation add value?	3. Does it build Social Capital?	6. How does it address community needs?	8. To what extent is the plan clear, sound, measurable, and well developed?	12. How does it stimulate philanthropy?
2. To what extent does CMCF have the resources to support the level of involvement chosen?	4. How does it create opportunities for individuals and families to successfully engage with the St. Cloud area economic, political, and social life?	7. How does it build the capacity of the community to be responsive?	9. To what extent is the impact on the community broad-based and long term?	13. How does it engage other resources?
	5. How does it expand knowledge and understanding in the community?		10. To what extent are the results measurable?	
			11. What is the potential for sustainability?	

6. St. Cloud Times, August 15, 2004.

issue of ‘systemic’ kept coming into view.” In 2003, the Racial Harmony initiative transitioned into Create CommUNITY with an explicit goal of measurable change in key sectors and services such as business, government, faith, health care, and education. The community foundation is both fiscal host and an active participant in Create CommUNITY. It has been instrumental in moving the group to focus on narrowing the gaps between whites and minorities in the areas of educational attainment, housing, and health care. It has not only supported anti-racist training, foundation staff and board members have been among the trainees. The foundation’s efforts to increase its own understanding and awareness led one CMCF board member to comment that it was disingenuous to talk about “racial harmony” when, in fact, the issue confronting the community was “systemic racism.”

Some board members, however, questioned the wisdom of putting so many eggs in one basket, and this basket in particular. It is in uncomfortable moments like this that a principled basis for decision-making, such as CMCF’s criteria, can prevent a board from splintering. When Create CommUNITY was scored according to the social capital criteria, it received the highest score of all options before the board, affirming the foundation’s deepening involvement in what is arguably the most contentious issue in American life.

The criteria have made the board a more cohesive body that acts as a whole, Joul says. “If a board member is passionate about an issue, it’s run through the criteria. The criteria help everyone stay on the same page – the criteria drive the outcome,” Joul said. The criteria had a more recent test when the recession hit. Good arguments could be – and were – made to re-direct resources to basic services. Leaders on the board, however, made impassioned pleas to stay the course and, in the end, they carried the day.

### Using the compass to guide grantees

The foundation has remained true to social capital as a priority for its unrestricted grantmaking, and intends to repeat the social capital survey in 2010 to determine where the community stands relative to 2004. In February of 2008, CMCF issued a new request for proposals (RFP) focused on “bridging” social capital. Within its thoughtful explanation of

social capital, the RFP describes bridging social capital as “unlike groups of people” working together and cites as an example “when distant acquaintances that move in different circles gain value from knowing each other and use that value in getting ahead.” Embedded within the RFP are the foundation’s criteria; thus, for example, each prospective grantee has to define how the community foundation’s participation will add value, and how the proposed project will address community needs, stimulate philanthropy, and so forth. The use of CMCF’s criteria in its grant guidelines is both economical and potentially insightful:

- 1) economical because it obviously facilitates the comparison and scoring of proposals, and makes it easy to gauge a proposal’s consistency with what the foundation itself is trying to achieve; and
- 2) potentially insightful because grantee proposals may reveal new and thought-provoking interpretations of the criteria as well as new metrics by which to measure progress and impact.

The community foundation is continuing its community leadership journey. In its ongoing quest for greater clarity, the community foundation re-visited its mission two years ago. Joul credits board member Gary Marsden with wordsmithing a new mission: “Engage People, Connect Resources and Build Community.” Not only does it signal the foundation’s unwavering commitment to community leadership, it has the added virtue that “everyone can remember it,” Joul notes with a smile.

### Lessons Learned

*Use community leadership criteria as a compass for the foundation and a tool to promote board cohesion.* Community leadership criteria operationalize the community foundation’s values and breathe life into its mission. Community foundations can only address a fraction of the challenges their communities face and meet a fraction of the demand for their resources. Criteria bring discipline and focus to the process of resource allocation, both human and financial, and channel the board’s energy toward thoughtful analysis instead of pet projects. Criteria can either be framed as metrics or broader outcomes that are then used as the basis for metrics; in either instance, they are a pre-requisite for measuring impact. Of equal import, criteria can assist staff and board alike in finding the

courage of their convictions when faced with difficult issues and tough choices. In sum, a principled basis for decision-making, and fidelity to those principles, are essential to improving effectiveness and impact.

*Use your own grantmaking criteria as a basis for developing community leadership criteria for your foundation.* Community foundations have a wealth of thoughtfully tailored, community-specific criteria included in their grantmaking guidelines and requests for proposals. These can jump-start the process of developing criteria for the foundation because they already reflect the foundation's culture and values. Used as a mirror, examining how well the foundation is equipped to meet the demands it makes on its own grantees can also be an opportunity for self-reflection and, if warranted, adjustment of expectations externally as well as internally. In short, having the shoe on the other foot is a worthwhile exercise on its own merits.

*Embed criteria in RFPs and Grantmaking Guidelines.* It is worth reiterating that grantees are a potentially rich source of innovative ideas on how to interpret and measure the criteria the foundation has developed for itself. Embedding criteria in RFPs and grant guidelines keeps the foundation on course while providing an important feedback loop on how understandable and realistic the criteria are. While the criteria other foundations use or develop may not

be as readily adaptable as CMCF's for this purpose, community foundations should be intentional about reflecting their criteria, in whatever form is most appropriate, in RFPs, grant guidelines, and other communications with grantees. The more transparent the community foundation is about the aspirations reflected in its criteria, the more likely it is that prospective and current grantees with compatible objectives will align their work in ways that increase the potential for positive impact.

*Consider partnering with media on research.* All foundations have miniscule communications budgets compared to their ambitions for dissemination and application of their research results. Having the media as a partner dramatically increases the likelihood of community-wide reach through hard news coverage and editorials. The fear of adverse publicity is minimal compared to the potential for impact, yet foundations often agonize over whether and how to release potentially sensitive data. To the extent the research may be perceived by some constituencies as "bad news" or biased, media involvement in the research itself may deflect negative attention from the community foundation. Finally, a media partner is more likely to aid in the identification of those in the community passionate about the issue and those already doing something about the issue.

## Central Minnesota Community Foundation

*Engaging People, Building Community*

[www.communitygiving.org](http://www.communitygiving.org)