

JUST TRANSITION FOR PHILANTHROPY

More Extractive → Less Extractive → Restorative → Regenerative → Transformation!

Underlying assumptions on the role of capital

Individuals and institutions have the right to endlessly accumulate capital and make decisions on how it should be allocated for the public good. The preservation of wealth and power must be prioritized over the needs of people and the environment.

Individuals and institutions have the right to accumulate capital, but also have the responsibility to give away wealth for the public good. The preservation of wealth and power can occur alongside making positive social and environmental impacts.

Individuals and institutions have a moral obligation to redistribute their accumulated capital in support of communities most impacted by economic inequality. Positive social and environmental impact must be prioritized over preserving wealth and power.

Rather than being accumulated by individuals and institutions, capital must support the collective capacity of communities most impacted by economic inequality to produce for themselves, give to and invest directly in what their communities need, and retain the returns generated from these investments. All aspects of collective wellbeing must be prioritized over the wealth and power of a few.

Wealth is redistributed, power is democratized and economic control is shifted to communities in a way that is truly regenerative for people and the planet.

Underlying approach to philanthropy

Philanthropy that perpetuates power dynamics between givers and receivers, with the expectation of a financial return to the ultimate benefit of the investor, even at the expense of communities. Foundations should maintain control of and grow their resources indefinitely to exist in perpetuity.

Philanthropy that addresses symptoms of social and ecological problems without tackling root causes of injustice.

Philanthropy that repairs the harms of the past endured by communities who have been subjected to exploitation within the extractive economy. Foundations are rooted in and accountable to the organizing and visions of historically marginalized communities.

Philanthropy that actively builds new economic systems that transfer the management and control of financial resources away from institutions and towards communities who have been impacted by wealth accumulation and the extractive economy.

RELATIONSHIP TO GRANTEES & COMMUNITIES

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Foundations wield power over grantees in paternalistic and controlling ways that are based in risk-aversion, scarcity and fear.

Grantees are expected to be responsive to foundations' desires for programmatic activities and requests for time, knowledge and other resources.

Grantees' knowledge, expertise and lived experiences are acknowledged and respected.

Authentic partnership where grantees retain the right to design the solutions for their lives rather than have approaches imposed on them.

LEADERSHIP

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Leadership reinforces a culture and systems in which those in organizational positions of power uphold the status quo.

Leadership creates mechanisms for decision-making to be informed by the communities impacted by extractive systems, but those in organizational positions of power are the ultimate decision-makers.

Leadership supports the belief that communities can effectively steward assets, and transfers some resources to be managed by community-based grantmaking and investment vehicles.

Leadership views its role as one that helps to facilitate the effective stewardship of all philanthropic resources into community control.

OPERATIONS

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Operational processes prioritize "serving wealth" by carrying out the wishes of the donor, family, trustees. Organizational systems focus on due diligence in order to "prove" that a potential grantee is worthy of support.

Operational processes are primarily oriented around how to serve the wishes of the donor, family or trustees while being cognizant not to cause undue harm to grantees and communities.

Operational processes are considerate of making sure that the needs of grantees and communities are prioritized just as much as the needs of the foundation.

Operational processes are primarily oriented around how to best support grantees and communities in achieving their vision of social change.

ENDOWMENT

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Endowments are invested in for-profit companies that cause social, economic and environmental devastation to communities around the world in order to maximize financial returns for the foundation.

Endowments are invested in companies, organizations, and funds that generate positive social or environmental impact, but maximizing financial returns for the foundation is prioritized over community benefit.

Endowments are invested in companies, organizations, and funds that generate positive social or environmental impact, while prioritizing community benefit as much as financial returns for the foundation.

Endowments are invested in local and regional efforts that replenish community wealth and build community assets – like worker cooperatives and community land trusts – in ways that emphasize transformative impact while rejecting the need to maximize financial returns for the foundation.

5% payout rule for grantmaking is the standard.

Payout rates are increased depending on what the foundation deems necessary to make the impact it seeks. 5% payout rule for grantmaking is considered the floor, not the ceiling.

Grantmaking payout is set to a rate at which the foundation no longer continues to accumulate additional wealth (i.e. holds steady).

Grantmaking payout is set to a rate at which the foundation actively reduces its accumulated wealth (i.e. spends down).

GRANTMAKING STRATEGY

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Foundations have their own unique grantmaking strategies according to donor interests rather than addressing community needs or causes of systemic injustice. Grants are siloed into program or issue areas.

Grantmaking strategy takes community needs into consideration as well as current social, political and economic conditions, but is ultimately decided by the foundation's leadership.

Grantmaking strategies are deeply informed by community needs and movement priorities, and are developed in collaboration with other grantmakers to create a shared strategy.

Grantmaking strategies are developed by movement leaders who are accountable to an organizing base (i.e. residents and community members).

GRANTMAKING PROCESS

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Restricted, one-year grants with burdensome application and reporting procedures.

One-year general operating grants with funder-specified application and reporting procedures.

Multi-year general operating grants that accept existing proposals and reports produced for other funders.

Grantmaking processes are determined by movement leaders who are accountable to an organized base.

GRANTMAKING DECISION

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Foundation trustees, executives and staff have full decision-making power with no transparency to grantees and communities.

Movement leaders/organizations give input but decisions ultimately rest with foundation staff in positions of power.

Grant recommendations are made by movement leaders/organizations, e.g. participatory grantmaking.

Decision-making power about grants has been transferred completely to movement leaders/organizations who are accountable to an organized base.



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