

Moving Beyond the Money

News Coverage that Conveys
a Broader Vision of Foundations



CASE STUDY ONE

A STORY THAT CAPTURES THE RISK-TAKING ROLE

Researched and Written
by Theodora Lurie

Learning from Stories that Move Beyond the Money

In 2006, the Philanthropy Awareness Initiative commissioned a study of how the news media covered foundations, *Philanthropy in the News*. Findings confirmed what many already knew: the vast majority of articles about foundations were transactional—foundation X gives grant of amount Y to organization Z. Of more than 38,000 stories tracked, 99% focused on dollars out the door. It's rare to get coverage that moves beyond the money to explore the thinking and strategy behind a grant or to highlight the range of roles foundations play to promote solutions.

This trend contributes to the widespread lack of awareness of what foundations do and their impact, which makes it harder to build support for philanthropy's work.

So how can foundations move media coverage beyond the money? This series tries to learn from efforts that worked—news stories and editorials that convey a broader vision of how foundations make a difference—and identify the strategies that brought such coverage about.

The following case study is the first of the series. It analyzes a *National Public Radio* story about the launch of a Ford Foundation project, and examines the steps that helped make it more than a transactional news item. While the size of Ford's investment was newsworthy, the foundation took some time to develop a broader frame and key messages before rolling out its announcement.

As a result, Ford successfully conveyed the unique risk-taking role that made the grant's innovative approach possible. The positive outcome had as much to do with the way the foundation told its story as the story itself.

» This case study was researched and written by Theodora Lurie, a former journalist and foundation communications officer. Currently an independent consultant and writer, Thea works with foundations and nonprofits to craft and share their most powerful stories, document the impact of their work and lessons learned, and develop and manage communications strategies to influence key audiences.

"Moving Beyond the Money" will periodically share brief cases studies of news coverage that conveys a broader vision of how foundations make a difference, and explain the strategies that brought it about. We hope these snapshots of what worked well for some foundations will provide useful lessons that will promote better foundation storytelling generally.

Case Study: Capturing the Risk-Taking Role of Foundations

» The Story

FORD FOUNDATION AIDS IN SOLVING MORTGAGE CRISIS

May 6, 2009 from NPR's *Morning Edition*

STEVE INSKEEP, host: One of the nation's biggest philanthropies is stepping up to see if it can do something about the housing crisis. The Ford Foundation says it's going to put \$50 million into a new program intended to get houses out of the hands of banks and into the hands of homeowners.

NPR's Wendy Kaufman has more.

WENDY KAUFMAN: There are two things about the Ford Foundation's effort that fascinates Nicholas Retsinas. The director of Harvard's Joint Center for Housing Studies says the first is the scale. This is a major investment.

Professor **NICHOLAS RETSINAS** (Director, Harvard University Joint Center for Housing Studies): Secondly, the willingness of the Ford Foundation to take on a problem where it's not clear that the problem can be fixed in the near term. But it's as if they're saying we have to intervene, that we can't stand on the sidelines. We can't do this house by house. We can't do this community by community.

KAUFMAN: It's a national problem, says Retsinas. The number of homes in foreclosure is high and going higher. So the Ford Foundation is making a large, low-interest loan to the National Community Stabilization Trust. The money will be used to acquire and renovate houses, which will ultimately be sold to moderate and low-income buyers. The mechanism is complex, but the Ford Foundation's Frank DeGiovanni believes it's an efficient way to turn abandoned houses back into viable neighborhoods.

MR. FRANK DEGIOVANNI (Director of Economic Development, Asset Building and Community Development Program): This is a really great example of how foundations can provide risk capital to get a variety of players to come to the table and advance new solutions. Foundations are really good at taking risks that other players often cannot take.

KAUFMAN: Nothing on this scale has ever been tried before. Add that to the overall weakness in the U.S. economy, and it's impossible to predict whether the Foundation's big bet will pay off. *Wendy Kaufman, NPR News.*

Timely intervention to address a problem high on the national radar

Third party endorsement moves the focus beyond the money to highlight Ford's commitment to take risks in order to tackle a major nationwide problem

Emphasizes the innovative nature of the effort, which PAI research has shown to be of particular interest to engaged citizens

The dollar amount and scale help make this newsworthy

Concise and emotionally resonant statement of potential impact

Succinct sound bite that highlights more generally foundations' convening and risk-taking roles in language everyone can understand

» How It Came About

THE STARTING POINT

The *National Public Radio* segment encapsulates in less than two minutes the key messages the Ford Foundation wanted to convey about the potential impact of the project and the unique risk-taking role foundations can play to advance new solutions. It's a striking example of coverage that goes beyond the typical focus on money and communicates a broader vision of philanthropy.

To understand how it came about, it's useful to take a few steps back to examine Ford's strategy for rolling out its announcement. In fact, the *NPR* piece was triggered by a story that appeared the previous week in the *Wall Street Journal* (see page 7), written by Mike Spector, the *WSJ*'s philanthropy reporter at the time.

The Ford Foundation had been cultivating a relationship with Spector since he first took up the philanthropy beat and reached out to Ford and other foundations. Like all reporters, Spector was looking for good stories and an opportunity to be ahead of the curve on trends and news announcements. Several months earlier, Ford had set up an informational meeting with its new president, Luis Ubinas.

As Ford prepared to make the \$50 million program-related investment (PRI) to the National Community Stabilization Trust, the story seemed a perfect fit for the *Wall Street Journal*. The problem of home foreclosures was high on the national radar, and the new Ford-funded venture held the promise of a workable solution that would involve all the key players.

Ford knew the dollar amount—one of the largest PRI's ever made by a foundation—would likely be the entry point to get the reporter's attention. But the communications team wanted to make sure the media coverage would be more than a transactional news item. Before pitching the story, they took some time to work with the program officer and director to develop a frame and tease out key messages.

Specifically, Ford wanted to stress that its many years of work on housing issues had laid the groundwork for this innovative project, and to highlight how foundations can use risk capital to jumpstart solutions—in this case, to break through a stalemate that had left thousands of foreclosed homes vacant, causing property-value declines in once vital neighborhoods.

"Often funders shy away from talking about the role their foundation has played and prefer to focus on the grantee or the technical aspects of a project," said Joe Voeller, Ford's senior communications officer. "We thought it was important to stress the foundation's use of risk capital to address a problem and also to note that the early work of the program officers helped lead to this breakthrough, to make that role more tangible."

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Ford used this frame to successfully pitch the story to Spector, and offered an exclusive. The communications team worked closely with him to help flesh out the piece and arranged interviews with the program officer and director, who explained the venture's complex technical details, and with the foundation's president, who provided the larger picture, captured in his *WSJ* quote:

"It's risky," said Luis Ubinas, Ford's president. But "only a market-based solution is going to work to clear what is likely more than \$1 trillion in real estate. Someone has to step up and put the risk capital in play that will come up with a model for that marketplace solution."

THE RIPPLE EFFECT

The *WSJ* story provided a high-profile platform that got the attention of other media outlets, leading to more coverage, including the segment on *NPR's* Morning Edition.

The *NPR* reporter had very little time to put together a story. Ford's communications office sent the grantee's press release, spoke with the reporter to get her up to speed, and set up an interview with the program director, who was well-prepared to communicate a finely-honed message. By happy coincidence, the reporter sought comments from an external expert who happened to be a longtime Ford grantee and had an appreciation for the foundation's approach to promoting change. The outside endorsement moved the focus beyond the grant amount to highlight Ford's willingness to take risks in order to tackle a major problem.

The *NPR* piece highlights for a more general audience the risk-taking and strategic thinking behind the grant.

As might be expected given its readership, the *Wall Street Journal* focused mostly on Ford's financial investment and the technical details of how the new venture will work. The *NPR* segment presents a broader vision of the role of foundations. While it begins with the dollar amount, the piece highlights for a more general audience the risk-taking and strategic thinking behind the grant. Three factors likely contributed to this outcome: Ford helped the *NPR* reporter, who was on a tight deadline, get a quick grasp of the project's goals and potential impact; the program director interviewed by the reporter was prepared to convey a succinct message; the outside expert reinforced that message.

» Takeaways

While it's always a gamble dealing with the media, there are opportunities to help shape coverage if you prepare well, crystallize your key message points, and train staff who will be speaking with reporters to stay on message. It also helps to get a credible outside endorsement of the value of a grant or project.

Most journalists covering a news announcement are not likely to go the extra mile to flesh out a broader frame about the unique roles foundations play beyond giving money. But if you do the work for them, and convey succinctly how a specific grant ties into the larger picture of what foundations do best, it's more likely that at least some reporters will find it makes a better story.

Here are some steps that helped secure a positive outcome for this particular news announcement.

1. The subject was timely and newsworthy—the grant addressed a problem high on the national radar.
2. The funded project held the promise of a workable solution and the dollar amount was significant enough to make a dent.
3. The Ford Foundation took time to craft a broader frame about its role beyond grant making and prepared staff to convey key message points succinctly.
4. The foundation had already cultivated a good relationship with the *Wall Street Journal* reporter. This connection was further strengthened by offering the reporter an exclusive, which allowed him to take some time to flesh out the story so it went beyond a merely transactional news item.
5. Ford's communications team invested a lot of time to brief the *WSJ* reporter, answer questions, confirm facts and prepare him for interviews with the relevant program officers and the foundation's president.
6. Everyone stayed on message.
7. The media thrives on cross-pollination. Breaking the story in a high-profile outlet had a ripple effect that led to additional coverage, including the *NPR* piece.
8. The foundation helped the *NPR* reporter meet a tight deadline by providing concise background information and quick access to the program director.
9. The program director was able to communicate a broader point about the unique role of foundations by sticking to a finely honed message that worked well as a sound bite everyone could understand.
10. The outside expert interviewed by *NPR* moved the focus beyond the grant amount to highlight Ford's commitment to take risks in order to tackle a nationwide problem. His comments reinforced the foundation's key message.

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» The Original Article

THE WALL STREET JOURNAL

REAL ESTATE / MAY 1, 2009

Foundation Backs Foreclosures Project

By MIKE SPECTOR

The Ford Foundation plans to pump \$50 million into a new nonprofit venture that will help municipalities buy foreclosed homes from financial institutions, in an effort to stem property-value declines plaguing U.S. neighborhoods.

The money, among the largest so-called program-related investments by a foundation, will go to a consortium of community-based nonprofits that will serve as a middleman between cities trying to rehabilitate neighborhoods and mortgage servicers looking to unload seized properties.

The consortium, called the National Community Stabilization Trust, hopes to simplify and accelerate this market, which can get bogged down when municipalities have trouble negotiating with financial institutions. It will work with state and local governments and other groups that have received special grants from the Department of Housing and Urban Development to buy and redevelop foreclosed homes.

The stabilization trust is the latest nonprofit project aiming to ease the housing crisis since it began about two years ago. Housing & Neighborhood Development Services Inc., a nonprofit in Orange, N.J., recently bought 47 mortgages from J.P. Morgan Chase & Co. with plans to fix up the homes and sell them. The Center for New York City Neighborhoods provides counseling, legal services and other education for homeowners at risk of foreclosure.

Backed by Ford and a \$3 million start-up investment from the Chicago-based MacArthur Foundation, the stabilization trust hopes to spur purchases in more than 100 cities before year's end.

The trust aims to serve two main functions. It is courting major financial institutions—including J.P. Morgan, Bank of America Corp. and GMAC Financial Services—and negotiating discounted prices on foreclosed homes before they are listed. The trust also plans to provide financing to municipalities or other local groups looking to buy those distressed properties.

Funneling the properties to buyers through the trust can save financial institutions time and money on marketing. And even a discounted price could be higher than what a property might fetch if it lingers unsold.

The trust hopes to accelerate purchases of foreclosed properties that can drag down nearby home values. Foreclosure filings hit 803,489 properties in the first three months of this year, up 24% from the same period a year ago, according to RealtyTrac Inc., a foreclosure-tracking firm.

Ford's \$50 million investment will fund the stabilization trust's financing arm to help municipalities buy distressed properties. Ford, whose \$9.5 billion of assets make it the second-largest U.S. philanthropy after the Bill & Melinda Gates Foundation, hopes the investment will attract private capital because the foundation will be second in line for losses behind government investments.

The trust hopes to raise some \$400 million. Ford officials concede that is a small amount relative to the scope of the foreclosure mess, but hope the trust achieves enough success to prompt other similar efforts. Unlike a typical grant, Ford's money comes from its endowment principal, in the form of a 10-year loan with a below-market interest rate of 1%. Ford has made such investments for decades, but this marks its largest bet on an untested project.

"It's risky," said Luis Ubinas, Ford's president. But "only a market-based solution is going to work to clear what is likely more than \$1 trillion in real estate. Someone has to step up and put the risk capital in play that will come up with a model for that marketplace solution."

Mr. Ubinas, a former McKinsey & Co. consultant, took the foundation's helm in January 2008. In addition to the stabilization trust, Ford plans to spend an additional \$100 million on housing over the next five years, Mr. Ubinas said, doubling what the foundation had put in that area over the past decade.



The **PHILANTHROPY AWARENESS INITIATIVE** is a short term R&D project that works with foundations and philanthropy associations to improve communications and outreach to influential Americans. We aim to accomplish this purpose primarily by tracking how influential leaders see foundations and identifying, developing and sharing ways foundations can communicate about their unique role, work and impact in American society.

Better connecting with leaders in government, business, nonprofit and media for greater mutual understanding and impact is a critical opportunity for U.S. philanthropy today. It will help the foundation sector build necessary political support, take promising programs to scale, invite new ideas, and encourage more philanthropy. For more information, visit **www.philanthropyawareness.org**.

Project advisors: Chris DeCardy (the David and Lucile Packard Foundation), Daniel Silverman (The James Irvine Foundation), Darin McKeever (the Bill and Melinda Gates Foundation), David Morse (the Robert Wood Johnson Foundation), Eric Brown (The William and Flora Hewlett Foundation).