



The Significance of Intermediaries in Building Capacity of Grassroots Groups

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Introduction

My understanding is that this event is meant to celebrate the end of the first year of Associated Black Charities' (ABC) work under the Compassion Capital Fund's initiative to build capacity among faith-based and community based organizations that are fighting poverty. The Compassion Capital Fund (CCF) is an important part of President Bush's faith-based initiative and of course, many here in the room today represent faith-based organizations that are serving well in the community – and who have been served well this year by ABC through its capacity building program. Given that, I am going to take the liberty to speak as a person of faith myself, drawing on some stories found in my own faith tradition, which is Christianity.

Delevago Scruggs of ABC asked me to speak on the topic of “the significance of intermediary organizations in building the capacity of grassroots groups.” This is of course what the CCF is all about—investing in intermediary organizations who in turn make a variety of investments to help the helpers – to strengthen grassroots FBOs. But this begs an important Why question: WHY build capacity among grassroots groups? To engage in an initiative that builds capacity among grassroots groups, there is an assumption that grassroots groups are good things,

that they are valuable and strategic. If they weren't, why would be bothering to invest in them and strengthen them? Well, the CCF and the hard work that ABC has conducted this year are based on the premise that grassroots groups are indeed valuable and strategic. And I think that is a correct assessment. My own faith tradition speaks to 3 reasons why grassroots groups are valuable and strategic. Two of those reasons are found in a little story from the Old Testament that I'd like to mention. And then later I'll tell another story that gets at the third reason.

This first story is the story of Elisha and the healing of the waters of Jericho. The story is found in 2 Kings 2:19-22:

The men of the city said to Elisha, "Look, our lord, this town is well-situated as you can see, but the water is bad and the land is unproductive. "Bring me a new bowl," Elisha said, "and put salt in it." So they brought it to him. Then Elisha went out to the spring and threw the salt in it, saying "This is what the Lord says: 'I have healed this water. Never again will it cause death or make the land unproductive.'" And the water has remained wholesome to this day, according to the word Elisha had spoken."

Now, this isn't a church service, so I'm not going to exegete this passage. But I want you to notice two things about the story.

The first is that the men of the city have a sober-eyed view of the needs in their city – afterall, they are going to Elisha for help because they have this polluted stream, this river of death, that's flowing into their city and bringing barrenness and sickness. But did you notice that before they mention their city's problems to Elisha, they highlight one of its assets? They go to Elisha and say, "Look, our city is well-situated." IN the midst of their realistic assessment of their city's problems, they are able to identify and speak proudly of its assets as well.

The second thing from the story I'd draw your attention to is the agent of the healing. Salt is the agent of the healing; it is the means that God uses to perform the miracle. The salt heals the water. And with healed water, the community will now experience a wholeness whereas before

there was destruction and pollution and illness. Now the water is life-giving. But what happened to the salt in the process? Well, the last time I checked, when you throw salt in water, the salt dissolves. It spends itself. If we wanted to be poetic, we might say that the salt loses its life in order to make the water life-giving. That's called sacrifice.

This is story about community healing. And that's the business that many of you in the room are in. To put it in rich language from the Hebrew scriptures, you are about renewing the ruined cities and restoring the broken places long devastated. And I'd like to offer the proposition that grassroots groups do community healing particularly well because they are close enough to the community to be able to see its assets even in the midst of its pain, and they love the community enough to sacrifice on its behalf; to spend themselves in order to bring healing and life. The very term "grassroots" implies this notion of "up-close-ness." Grassroots groups are those with personal and visceral knowledge of the community; with real life experience of the joys and the pains of the community; with eyes that see the good as well as the bad; and a heart that loves the community enough to sacrifice for its well-being. These are reasons why grassroots groups deserve our support. These are reasons why the work of building the capacity of grassroots groups is vital and strategic. Enhancing the scope, scale, and effectiveness of grassroots community healers is smart public policy. And I am convinced that using credible, effective intermediaries is a smart way to implement that smart policy.

This is because effective intermediaries – those groups whose mission it is to help the helpers – perform a variety of strategic functions. Through our Institute's study of the work of

intermediaries, we have seen that intermediaries build capacity among grassroots groups in a number of ways. Let me mention several.

Bridging

First, effective intermediaries play a bridging role—connecting the “well-resourced” of a city to the small, frontlione, sometimes under the radar screen groups that are serving the disadvantaged. My favorite story along these lines is of an intermediary organization in Houston, known as the Center for Renewal. Some years ago, CRF brought the wife of a wealthy philanthropist to Houston’s distressed Third Ward, to see firsthand the good work of Inner-City Youth (ICY). Inner-City Youth is a grassroots FBO started by a former professional baseball player, Prince Couisnard, who felt called to relocate into the high-crime, high-poverty neighborhood in order to reach out to kids. The ministry operated out of an abandoned warehouse that they fixed up, as well as the Couisnard’s modest home. ICY is founded on just a few simple principles. They believe in relationships – they invest time in kids. They believe in leadership development – they think these are at-promise kids as much as they are at-risk kids, and that given love and coaching and support, these kids can mature and take responsibility and succeed. Based on these simple principles, ICY has been turning kids lives around and the stories of those turn-arounds is really powerful and compelling. But they didn’t know how to get the story out to the kind of people who could hear it and have the resources to say, “I want to back that.” That is, until they hooked up with the Center for Renewal. CFR took the time to cultivate relationships with key philanthropists in the city. And, as I mentioned, one day CFR brought one to the Third Ward to meet Prince and see the ministry. Price walked away that day with a check covering the purchase price of a lot of property on which to build a new youth center--and a

pledge of \$500,000 more toward the building. CFR had bridged the gap between a donor who was willing to give to an effective & credible ministry, and one such ministry that had little name recognition in the circles of the wealthy and powerful of Houston.

This bridging work goes beyond connections to dollars, too. It includes as well connections to new partners and new volunteers. In a major year-long study of twenty-four faith based intermediaries, the Hudson Institute found that over three-quarters had helped grassroots FBOs and CBOs to acquire new funding and 67 percent had assisted their constituents in accessing new volunteers.

Training and TA

Secondly, intermediaries provide relevant, accessible *training and technical assistance*. Intermediaries sponsor grant-writing workshops, bring in pro-bono fund-raising consultants, connect FBOs and CBOs to veterans experienced in hosting fund-raising events or conducting mass direct mail campaigns. I know of examples of grassroots faith-based ministries that literally used to raise their funding through car washes and chicken barbeque dinners until they hooked up with intermediaries that trained them in higher-return fund-raising strategies and helped them learn how to write successful grant proposals.

Re-granting

Re-granting is a third key role played by some intermediaries. This of course has been an important part of the Compassion Capital Fund and an important part of the program that ABC has run. Re-granting is an obviously valuable strategy when it comes to getting access for small, grassroots groups to large donors. Large donors often want to grant funds in large amounts – it is

simply administratively easier and less expensive to do so. But small organizations lack the capacity for absorbing large grants. They may be eminently worthwhile groups with eminently worthwhile programs, but they will not access these large funding streams simply because of their size. When an intermediary can step in, and provide the administrative capacity the large donors are looking for, and then re-grant generously and smartly in dollar amounts that meet grassroots needs without overtaxing small group's capacity, then everyone wins.

Now, clearly there is room for abuse in re-granting. Intermediaries ought not to step in the middle-man role when there is no need to do so. If a grassroots group had adequate capacity to compete for grants directly from a major donor, then the intermediary isn't needed. And so donors should be careful here, to know clearly when intermediaries are and are not needed. Moreover, most of the donor's funds should indeed make it into the hands of the grassroots organizations. Intermediaries can legitimately retain a portion of the grants to cover their own expenses and even to use to support their other capacity building programs, but a credible intermediary is going to organize itself so that as much of the funding as possible can be passed on to the grassroots groups. One of the intermediaries we studied, Los Angeles United Methodist Urban Foundation, passed along 95% of the funds it acquires for re-granting.

Knowledge Transfer

Fourth, intermediaries provide the important service of *knowledge transfer*. That is, they share information, lessons learned, best practices, and replicable models with their constituent organizations. In some instances, this is very specific, technical education. The Christian Community Health Fellowship and the Mennonite Economic Development Association (two other CCF awardees), for example, are assisting FBOs in starting or enhancing health care clinics

and micro-enterprise development projects. In both instances, these intermediaries are repositories of a wealth of information about a variety of models that have tried and approaches that have been fruitful (as well as about the mistakes to avoid).

In other cases, knowledge transfer happens when an intermediary can serve as a kind of pro-bono “research and development arm” for a frontline group. One example we saw had to do with an inner-city pastor who desired to launch an outreach to urban junior high school students that would focus on vocational issues. The intermediary he partnered with scoured the country and discovered a faith-based curriculum on youth entrepreneurship that fit the pastor’s needs perfectly. The church has since sponsored two summers of “Vocation Bible School” (note the “o”), training dozens of urban youngsters in financial life skills and employing them in two micro-enterprises.

Building Administrative and Organizational Capacity

Intermediaries also *build administrative and organizational capacity* among their constituents. They do so by assisting with management issues (of staff and volunteers), with board development, with accounting and financial record-keeping, with strategic planning, and with training in performance evaluation. These are very valuable services for several reasons. I said earlier that the point of capacity building initiatives is to enhance the scope, scale, and effectiveness of grassroots groups. This involves both growing organizations to “the next level” and also helping to launch brand new organizations. You see, for some grassroots groups, there is a ceiling on growth; a cap beyond which bigger is probably not better. Bigger can threaten the very character qualities of “personalness” and flexibility that makes the organization effective. So the answer to increasing the scale of grassroots activities cannot be exclusively – make each

effective grassroots group bigger, able to do more, able to serve more people. The answer also has to include helping successful groups replicate themselves or helping others to start new initiatives that meet needs that the existing organizations are not meeting. And that means a lot of training in the basics of establishing a 501c3 and making a strategic plan and building a board. And this is work that many intermediaries are very good at. This work may also involve incubating new community ministries, much like new businesses are incubated.

Garnering Media Publicity

Finally, intermediaries serve their constituents by telling their stories. Their efforts to *spotlight and publicize* grassroots groups' work draw attention from the media, from potential donors, and from public administrators that can lead to new support or partnerships. The unfortunate reality of much media in America is that it is fixated on bad news. There are plenty of grassroots groups hard at work in a neighborhood – in the neighborhood whose assets they see, as well as its deficits – yet any mention of that neighborhood in the local paper or TV station is negative. The stories are always about the crime, the violence, the problems. An effective intermediary can work with media to bring about more balanced coverage of communities and to introduce those media makers to the community healers, to the good guys doing good things in these communities. And two things happen. One is the obvious one—the grassroots group gets some positive media exposure. Someone comes and does an upbeat story on their work. And this is very valuable for the group – it might generate more volunteers or more donations. But a second, less visible but no less important thing can also result. And that is that the media folks are introduced to neighborhood residents who can help those media makers begin to see the community from a new perspective. They can help these outsiders begin to see the strengths, the

assets of the neighborhoods, and that can begin to have an influence on how future news stories about these “bad neighborhoods” are crafted.

How Intermediaries Do Their Work

Clearly, what intermediaries do is extremely valuable. Equally important, though, is how they do it. From our study, it became clear that intermediaries that really make a difference in building capacity among grassroots groups do so by committing to intensive and on-going relationships with them. And since our formal survey, we have convened another group of intermediaries for a two-day roundtable, and this finding emerged again. Just like grassroots groups are effective in large measure because they are up close and personal with the communities that they serve, and they truly love those communities, so effective intermediaries are those who get up close and personal with the grassroots groups, who build genuine friendships with these groups and become deeply interested in their welfare. Over and again, from intermediaries themselves and from the grassroots groups they serve, we have heard the word “coach.” Beyond the specific functions of effective intermediaries that I mentioned above – training and TA and re-granting and bridging – what is important is coaching. Is handholding and mentoring and being there to support grassroots leaders over time. Seminars and workshops are great. How-to manuals and best practices reports are great. But what helps the most is coaching; that on-going relationship between the intermediary and its grassroots constituent organizations.

There are at least three related implications from this. First, it implies that a city or regional scale will most likely be the most appropriate for intermediaries. That is not to say that there can never be a role for a national intermediary. (For example, national intermediaries may

be able to carry out another function of intermediaries that I did not highlight – namely, policy advocacy – in ways that are more effective than local intermediaries.) But most of the time, the most important and effective work is going to get done by intermediary organizations with a fairly localized focus. That localized focus permits the kind of time investment and on-going relationship that I’m talking about. Second, it implies that many intermediaries will be somewhat limited in the number of grassroots groups they can serve; if you are going to go deep with each one, there are limits on how wide you can go. And third, that implies that intermediaries need to be discerning about which grassroots groups they choose to invest in.

And that brings us back to where we started from, when we talked about characteristics of grassroots groups that make them so valuable. And I said there were 3 reasons why grassroots groups are worthy of our investments. First, they see the community’s assets. Second, they are sacrificial; they love the community enough to spend themselves for it. Intermediaries should be looking to invest in grassroots groups that manifest those character traits. And they should also look for a third characteristic; namely, the grassroots’ groups ability to dream and to facilitate dreaming.

Langston Hughes, the famous poet from the 1920s and subsequent decades, wrote a beautiful entitled Dreams. Let me read it:

Hold fast to dreams
For if dreams die
Life is a broken-winged bird
That cannot fly.

Hold fast to dreams
For when dreams go
Life is a barren field
Frozen with snow.

There is a sense in which all effective grassroots groups are faith-based. By that, I don't mean that all of them are religiously based, although many effective grassroots groups are indeed shaped by a particular religious tradition. But secular grassroots groups can also be faith-based in the sense that they have faith in power of individuals in their community to work together for a better community. They have faith that change is possible; they are people of hope, people who are not scared to dream and who encourage those around them also to dream.

I think dreaming is terribly important. There is a scripture from my faith tradition that says, "without vision, the people perish." People have to have hope; they have to believe that a better future is possible. And effective grassroots groups that are run by dreamers sometimes do some very wild things in terms of making statements about future possibilities. Sometimes its tangible things like property investments. When a grassroots group starts buying up property in a "bad neighborhood," it can look pretty stupid. Why would you want to purchase property in a high-crime, high-violence, high-unemployment community—aren't you going to lose money? Isn't it a dumb investment? Well, rather than being seen as a crazy investment, it can be viewed as a very visible and concrete sign of hope. It's a way of stating: "I'm betting on this community to improve in the future. I'm betting on the dream that this neighborhood contains the seeds of its own revitalization. I'm betting that this property, now worthless, will increase its value because of the not-yet-seen achievements that I believe will happen here." Each investment of a grassroots group that speaks that message reinforces hope and faith and vision in that community. And that is powerful.

My faith tradition commends that kind of signposting of future hope; that kind of faith in future change. The 11th chapter Hebrews in the Bible is often called the Christian hall of fame. It's a listing of heroes of the faith that tells succinctly what the person did to earn them that place

in the hall of fame. One of the people mentioned in Hebrews 11 is Joseph. Now Joseph was an Israelite who got sold into slavery and ended up in Egypt, the most powerful country in the ancient world at that time. Now Joseph's life had many twists and turns, and he ended up becoming the second most powerful official in all of Egypt, but he never list his Jewish roots or his Jewish faith. And it occurred that a major worldwide famine happened during Joseph's adulthood, and one result of the famine was that Israelites moved from the holy land to Egypt to find food. And they settled there. And some generations later, the Israelites become slaves in Egypt.

Hebrews 11 says that Joseph, when he was dying "spoke of the Exodus of the people of God and gave instructions about his bones." That's what he was famous for. What does it mean? Well, when Joseph was dying, he knew that Israelites had left their homeland to settle in Egypt. But he remembered the great promise that His God had given to the father of the Israelite nation, Abraham. And the promise was that God would settle His chosen people in their own land. And so Joseph, dying in Egypt, spoke of that promise at his death and gave instructions that his coffin was to remain unburied in Egypt, so that when the Israelites left Egypt and returned to the promised land, his body, his bones, could be taken along to rest there.

And what happened was that Joseph's coffin was unburied for 400 years, for the way things turned out, the Israelites remained in Egypt and were oppressed into slavery. But finally, many generations after Joseph, the exodus happened, and the Israelites were led by God out of slavery and into the promised land.

And during that long time of oppression, Joseph's coffin served as a tangible signpost, a tangible reminder that a future exodus was indeed coming; that a future and brighter day lay ahead for the Jews.

This is the kind of faith and hope and vision that effective grassroots leaders have. And they take actions, deliberate, concrete actions that speak loudly as signposts of hope and rally dreamers together who can build a brighter future.

So intermediaries should be on the lookout for these kinds of grassroots leaders. It is these “salty,” vision-filled community healers who deserve the support, the on-going coaching, and the investments that intermediaries can make. And working together, effective intermediaries and visionary grassroots leaders can partner to bring about brighter futures.

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