

A Funder Collaborative’s Promising, Participatory Model for Diversifying Arts Funding

Mike Scutari

ENHANCED BY Google



Inside Philanthropy recently polled a broad swath of philanthropy professionals to get a handle on their current priorities and challenges. Data in hand, we found that respondents from the visual arts and performing arts sectors both cited “centering racial justice” as the strategy most worthy of “increasing attention and commitment from the philanthropic sector.”

So how does the sector get there? That’s the big question facing arts funders in a field where, as in so many others, George Floyd’s death was the “breaking point” that exposed conditions and inequities “that were there for a long time,” as Alexis Frasz, co-director of the Helicon Collaborative, puts it.

When I asked Frasz which organizations were doing encouraging work to address these inequities, one grantmaker in particular stood out: the Mosaic Network and Fund.

Housed at the New York Community Trust and guided by funders and arts practitioners, the fund serves as a promising and potentially replicable model for foundations looking to better engage historically underrepresented communities. Since its official launch in 2019, Mosaic has pooled over \$6 million from 20 funders, supports 27 African, Latinx, Asian, Arab and Native American arts groups (ALAANA is an acronym commonly used in the arts community), and maintains a vast learning network of over 100 arts and culture nonprofits.

Donors to the fund include Bloomberg Philanthropies, the Doris Duke Charitable Foundation, the Ford Foundation, the Andrew W. Mellon Foundation, Surdna Foundation, and the Laurie M. Tisch Illumination Fund.

“It’s been interesting to see the work continue to unfold,” said Salam Tsegaye, the trust’s Arts & Culture program officer and Mosaic fund manager. “Our goal is to sustain the network and build those relationships and facilitate connections for funders and new grantees.”

Harnessing the Power of Collaborative Funds

“The initial impulse for the Mosaic Network & Fund was to increase opportunities for New York City-based ALAANA cultural organizations and funders to work together so that our entire cultural community might thrive,” said Maurine Knighton, program director for the arts at the DDCF and the co-chair of the fund’s advisory committee. “We sought to forge connections where none exist, strengthen them where they do, and build meaningful relationships that could lead to more resources for the work of cultural organizations of color.”

Planners concluded the fund would be collaborative in nature and housed at the New York Community Trust. Kerry McCarthy, the trust’s vice president of philanthropic initiatives and the fund’s other co-chair, told me that this model is an “effective tool to tackle larger agendas and longer-term challenges.” She speaks from experience: The trust has rolled out 26 collaborative funds totaling \$200 million over the past 40 years. Other collaborative funds housed at the trust include Early Childhood Partners NYC, the Fund for New Citizens, and the New York City Workforce Funders.

Back in 2016, the trust published a white paper testifying to the power of funder collaborations. “By joining forces, funders leverage the resources of many to tackle larger agendas, tougher issues or long-term challenges,” wrote trust President Lorie A. Slutsky in the paper’s introduction. “Collaboration also provides philanthropists with an opportunity to get involved in areas in which they are not experts or take risks they might not assume on their own.”

Earlier this year, the trust announced the \$75 million NYC COVID-19 Response & Impact Fund to support the city’s cultural and social services organizations. Participating funders included Bloomberg Philanthropies, the Ford Foundation and the Andrew W. Mellon Foundation. In late July, the fund announced that it had raised more than \$110 million for emergency grants and zero-interest loans to 768 New York City-based organizations.

Setting Strategic Goals

The Mosaic Fund’s leadership commissioned a report from Yancey Consulting to get a deeper understanding of the challenges facing the city’s ALAANA cultural organizations.

Knighton and McCarthy shared the report’s findings in an April 2018 post on Philanthropy New York’s blog, laying out how persistent funding inequities leave ALAANA organizations perpetually undercapitalized. For instance, Yancey Consulting found that surveyed groups reported a median of only three months’ working capital. In addition, one-third of organizations could not provide their staff with “fair and competitive wages within their current operating budgets.”

Despite a sincere interest in advancing equity, Knighton and McCarthy wrote that many funders “often express frustration that their past efforts have been unsuccessful, and some even wonder aloud, ‘Why bother trying again?’” Meanwhile, arts organizations “notice how funders can pay lip service to these ideals and still avoid enforcing benchmarks for diversity that help qualify or disqualify an organization for funding.”

The report provided a series of “guideposts” for the field. They include moving away from “perceiving organizations of color as intrinsically challenged” and accepting “responsibility for making change, rather than assuming we [funders] are not implicated.” Funders, the research

suggested, must create a climate of “thriveability” where organizations can grow, flourish and prosper through what McCarthy called an “increased investment to build capacity.”

McCarthy briefed funders on the findings. They signed on to the funder collaborative model and the report’s strategic takeaways.

“Allow Space for New Voices”

In July of 2018, the fund’s leadership created an advisory committee composed of 50% ALAANA arts practitioners and 50% representatives from participating funders to design Mosaic’s activities, including its three-year grant program.

In February of 2019, Knighton and McCarthy provided an update on the trust’s blog. “To create a radically inclusive process, we had to slow down, adjust our timeline, and allow space for new voices,” the pair wrote. “We now have two goals: changing the structure of the social network among collaborators and colleagues, and establishing a new grants program to direct more resources to ALAANA arts groups.”

“When we started, we thought it’d only be a fund,” McCarthy told me, but she and her team quickly grasped the demand among practitioners for further engagement and networking. Arts practitioners on the committee suggested the fund create what became “learning exchanges,” where ALAANA organizations could introduce themselves to funders. Practitioners “wanted to be seen,” McCarthy said, and the exchanges “give these groups wide exposure that they may not have otherwise,” while getting funders “out of their comfort zone.”

These exchanges include breakout groups where participants go into detail on their day-to-day experiences. “It’s helpful for funders to hear,” McCarthy said. “It informs some of the decision-making and the structuring of grantmaking. The nuance ends up being critical to the conversation.”

Practitioner-Informed Grantmaking

To McCarthy’s point, perhaps the most interesting aspect of the fund’s creation story is the extent to which arts practitioners shaped the composition of the fund’s grant program.

McCarthy said grants were originally open to organizations with operating budgets exceeding \$100,000, with funding mostly earmarked for capacity building. She and her team ran the RFP by members of the fund's learning exchange, who encouraged her to increase eligibility and flexibility. That's exactly what the fund's leadership did.

"We changed the grant substantially," McCarthy said. "The amount of general operating support was hiked to 50% and we lowered the budget floor to \$20,000. As a result, we supported a lot of smaller groups."

The fund issued a call for applications last summer and received over 200 applications from organizations throughout the city. Tsegaye told me that her team created a steering committee to guide the fund's ongoing networking activity in response to the astonishing response from the city's arts groups.

Applications in hand, a committee of nine funders and nine artists and consultants unaffiliated with any of the applicants went to work. They considered the feasibility and timeliness of the proposed project, the likelihood that a grant would better position the group to thrive in the future, and demonstration of steadfast commitment to their communities.

A few months later, Knighton and McCarthy imparted more lessons learned in a Stanford Social Innovation Review piece called "The Role of Philanthropy in Advancing Equity in the Arts." It is a must-read for arts organizations looking to align their efforts with funders' interest in remedying funding inequities and supporting more inclusive programming.

"Hoping That We Are a Catalyst"

In early February, the Mosaic Network and Fund announced it was committing \$4.5 million to fund 27 arts groups led by, created for, and accountable to ALAANA people. The fund earmarked the three-year grants ranging from \$21,000 to \$300,000 to help arts groups commission and develop artists of color, build archives to preserve significant cultural assets, expand training and education programs for young people, and strengthen their operations.

Additionally, after the first year, each grantee is eligible for up to \$25,000 in supplemental funding to engage mentors or consultants for key enhancement support. According to the fund's

RFP, grantees have the opportunity to “select their own mentors or consultants or choose to be paired with a mentor, consultant, and/or peer-based group at the fund’s recommendation.”

I asked McCarthy and Tsegay if they thought other funders could adopt a similar community-foundation-based collaborative model.

McCarthy told me it was possible, particularly in regions with smaller and more manageable arts ecosystems. “You also have to acknowledge participants by paying them for their time,” she said, noting that Mosaic’s steering committee members receive an honorarium. Most importantly, McCarthy encourages practitioners and funders alike to be patient. “This process takes more time and effort than you think. You have to build trust and that doesn’t happen instantly.”

McCarthy said there are no plans at the moment to roll out a second round of funding, especially given the trust’s pivot to the NYC COVID-19 Response and Impact Fund. In fact, she said the fund’s extensive network building over the past two years paid off in a meaningful way when the pandemic struck. The trust discovered it had contact information for many of the city’s ALAANA organizations, some of which may not have been aware of the COVID-19 relief fund’s existence. McCarthy told me the trust reached out to these organizations and invited them to apply to the fund.

Looking ahead, Mosaic will continue to provide its practitioner community with access to its learning exchanges and networking opportunities.

“Mosaic was not envisioned to be a program that lasted forever,” McCarthy said. “At the end of the day, we’d like to see more funders in the city fund more ALANNA arts organizations and we are hoping that we are a catalyst to that goal.”