

The First Year of Grantmaking

In their first year of grantmaking, completed in March, 1998, this family of foundations collectively awarded about \$9.2 million in grants to 295 community projects.

Most grants seem to ease the silent pains of poverty, i.e. funding an after-school hot meal program; helping build a data base of affordable housing; helping a parish school purchase a school bus or supporting a program to reimburse the cost of cervical cancer screening.



Each of the Foundations also began the nearly year-long planning for a series of larger, strategically-related projects, i.e. focusing on quality child care in Canton; affordable housing in Cleveland; and a "Fatherhood Initiative" in South Carolina.

"If our Foundations achieved nothing else during our first year," said Sr. Mary Ann Andrews, the past president of the Foundation's umbrella organization, the CSA Health System, "We have learned a great deal about the very different — yet very similar — needs of each of our communities."

Indeed, the hallmarks of these Foundations have been two: their single-minded devotion to addressing poverty and, second, their attention to research as an indispensable pre-requisite to crafting solutions. Good intentions and devotion alone will not solve problems. Solutions require understanding. Understanding rests on research. Thus, South Carolina's "Fatherhood Initiative" began with a question, not an assumption: "What is the link between changes in American family structure and poverty?"

"Our analysis of the root causes of poverty over the past year revealed compelling evidence linking the changing family structure and poverty," the Foundation wrote of the genesis of its Initiative. "We identified *father absence* as a major root cause of poverty."

With that understanding in hand, The Sisters of Charity Foundation of South Carolina launched "its first proactive grant-making effort to support community-based initiatives to strengthen the relationships between men and their families."

In Sum: Beginning by Glancing Back—and Stepping Forward

Through such major initiatives and smaller steps, the new Foundations have been one of the early, and most visible, benefits of establishing the healthcare Partnerships.

At the close of the 1998 Strategic Planning Conference of the Sisters of Charity Foundations this past June, Sr. Nancy Hendershot, CSA, who succeeded Sr. Judith Ann as Major Superior, could say of these first two years, "This has been a time to look back and a time to plant seeds."

In ways which could not have been possible without these new Foundations, the Sisters of Charity of St. Augustine have reaffirmed and invigorated their historic ministry. They have also strengthened their Ministries in education and social service and reaffirmed their mission to heal the sick and those in need.

However new and however novel this Partnership and these Foundations may be, they look back to the Sisters of Charity of St. Augustine's legacy of creative stewardship, their quest for social justice, their innovative collaborations and, most of all, their deep Christian concern to protect and serve those in need.

The seeds their Foundations have now planted begin a new legacy, one made possible through partnership.

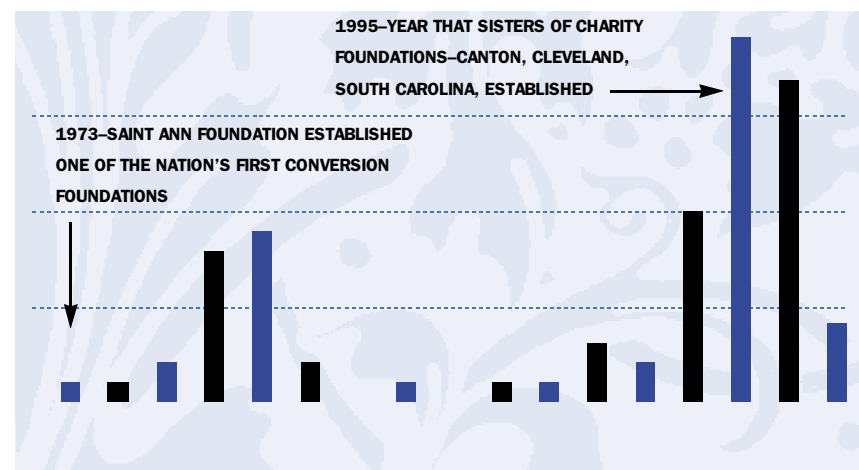
Guiding Principles— From the Sisters of Charity Foundation of Canton

- Respect and value cultural, racial and ethnic diversity.
- Each person's assets include strengths and abilities.
- The root causes of poverty need to be addressed.
- Children are our future.
- Collaboration with other foundations and organizations.
- Grants are investments.
- Focus on the impact of welfare reform on children and their families.
- Focus on effective skills enhancement and job training programs.

"CONVERSIONS REPRESENT AN IMPORTANT TREND IN THE HEALTH CARE INDUSTRY...THE NEW CONVERSION FOUNDATIONS CAN MAKE A SUBSTANTIAL DIFFERENCE IN HOW WELL COMMUNITIES AND LOCAL INSTITUTIONS ADAPT TO CHANGE AND HOW EFFECTIVELY THE INTERESTS OF VULNERABLE PEOPLE AND INSTITUTIONS ARE PROTECTED."

—From Health Care Conversion Foundations: 1997 Status Report

STARTING...THEN JOINING A TREND



NUMBER OF CONVERSION FOUNDATIONS



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THE

MISSION

FORUM

OCT
1998

CLEVELAND, OH

Sisters of Charity of St. Augustine Health System



NEW FOUNDATIONS, NEW APPROACHES, CONSTANT MISSION

This is the second in a series of occasional papers exploring the impact of the nearly three-year-old partnerships between the Sisters of Charity of St. Augustine and Columbia/HCA on Catholic healthcare and human services in three communities, Canton and Cleveland, Ohio and Columbia, South Carolina.

This issue examines the three new philanthropic Foundations established by these ventures.

Each of the Foundations — and a fourth, the Saint Ann Foundation, founded in 1973 — embodies new, and often creative, approaches to philanthropy. Each also embodies the ministry of the Sisters of Charity and the nearly 150 year commitment to ease the plight of those in need.

"Re-Founding" the Mission

"OUR PROCESS IS NOT ABOUT SIMPLY AWARDING GRANTS, BUT TRULY LEARNING, SHARING, AND WORKING TOGETHER TO MAKE MEANINGFUL, ENDURING CHANGES."

...from the Sisters of Charity Foundation of South Carolina

"How does our spirit of charity get lived out to meet the needs of our present day?" This question was posed by Sr. Judith Ann Karam, CSA, then the Major Superior, Sisters of Charity of St. Augustine, at the second annual Strategic Planning Conference of the Sisters of Charity Foundations in June, 1997.

That, of course, is the abiding question for the Sisters of Charity of St. Augustine (CSA) and, indeed, for any religious Congregation. It is a question asked by the Sisters of themselves every day for the past 147 years, a sort of daily compass check as they have guided their Ministries through the decades of often deepening urban poverty and social upheaval.

As explained in our first issue (March, 1998), the CSA Health System formed three new Partnerships with Columbia/HCA Healthcare Corporation in 1995 to provide integrated healthcare delivery. Their mission was to "preserve and strengthen the provision of Catholic healthcare," in the words of one of the founding documents.

Columbia/HCA purchased a 50 percent interest in each of those partnerships. The Sisters of Charity have retained 50 percent ownership interest in each. From a portion of the funds made available through these transactions, the Sisters established three new philanthropic Foundations (the Sisters of Charity Foundations) in the three communities in which they primarily serve: Canton, Cleveland, Ohio and Columbia, South Carolina.

The Foundation in Canton was funded with \$72.5 million, Cleveland with \$46 million, and South Carolina with \$82.5 million. As foundations such as these have grown in number across the country, they have come to be called "conversion" foundations, as former hospital assets have been converted to philanthropic uses.

(Refer to graph on the bottom of page 6)

1997 Grants in Health and Human Services and in Education



SISTERS OF CHARITY FOUNDATION, SOUTH CAROLINA

SAINT ANN FOUNDATION

Cleveland Total
\$3,096,176

SISTERS OF CHARITY FOUNDATION, CANTON

SISTERS OF CHARITY FOUNDATION, CLEVELAND

Total: \$9,209,824 to 295 projects in Cleveland, Canton and South Carolina

Balancing the Ministry

THE NEW FOUNDATIONS, IN SHORT, ALLOW THE SISTERS OF CHARITY TO REDISCOVER AND REJUVENATE THEIR MINISTRY'S HISTORIC MISSION AND ROLES IN THEIR COMMUNITIES.



Photo by Lynn McLaren

The vision of the three Partnerships is to secure the future of the Sisters' healthcare ministry through this alliance with a strong healthcare network. The goal of the three new Foundations include balancing the Sisters' ministry—from one that had become concentrated in healthcare, to one which addresses the many different needs of the underserved; specifically the social, economic and educational needs as well.

Such a more expansive ministry matches the historic and founding mission of the Sisters of Charity of St. Augustine. The new Foundations, in short, allow the Sisters of Charity to rediscover and rejuvenate their ministry's historic mission and roles in their communities.

Against a national landscape of "welfare reform" and the deepening chasm between society's richest and poorest, the three new Foundations stand, then, as a reaffirmation of the breadth of the Sisters' commitment to the poor, the powerless and the neglected in our society.

REFOUNDING THE MINISTRY

The Sisters of Charity consider the Foundations so much an opportunity to strengthen the founding spirit of their Congregation that they speak of these philanthropies as "re-founding" their Ministries for a new era. As Sister Judith Ann explained at the 1997 Strategic Planning Conference, to "re-found" means "returning to the original [spirit] of our founder, updating to meet the needs of our present society." That founding spirit encompassed far more than healthcare.

It is true that the Sisters of Charity of St. Augustine have operated a grant-making foundation in Cleveland, the Saint Ann Foundation, for a quarter century, since 1973. But the three new Foundations represent a quantum leap in their potential ability to alleviate poverty; to speak for the underserved and the voiceless; and to nurture healthy lives and vital communities.

These philanthropies collectively have assets of approximately \$259 million (as of 7/31/98). Through their grants and projects, these Foundations will often be able to address social problems in direct and immediate ways. Indeed, these assets, put to the service of these communities, open up the rare possibility of promoting large-scale institutional and systemic change.

A small sample of grants—examples from the Sisters of Charity Foundation of Cleveland

- Job training
- Care givers for the frail elderly
- Supporting young adults to help revitalize urban neighborhoods.
- Mediation and rental assistance to prevent the eviction of 150 families.
- Mentoring program for girls age 10-16.
- Case manager assistance for homeless pregnant women and their infants moving from shelter care to permanent housing.
- Laundry room accessibility for those mentally or developmentally challenged.

Strategic Grantmaking

What is Strategic Grantmaking?

- Strategic grantmaking puts individual grants into the service of a broader goal.
- Strategic grantmaking does not imply huge grant budgets. It is not an approach limited to large or national foundations.
- Strategic grantmaking does not imply turning away from tangible problems in the community and emphasizing grand theories of social change or distant policy processes.
- Strategic grantmaking is predicated on careful planning before any grants are made.

But charitable assets by themselves won't make the kind of difference in lives and communities the Sisters seek. Dollars are necessary, but not sufficient. The additional element is a fairly new theoretical approach to philanthropy which has come to be called "Strategic Grantmaking."

Strategic grantmaking calls on a foundation, in the words of one of the proponents of this style of grantmaking, Professor Dennis F. Beatrice of Brandeis University, to "pick your spots and choose a target where your grant can make the most difference." In other words, rather than a scatter-shot of good deeds, hone in on a key community social problem and target your philanthropy to that.

Strategic grantmaking, Beatrice writes, "Structures a grants program around what the grantmaker wants to affect and the impact the grantmaker seeks rather than simply concentrating on individual grants... Grants [become] a means to an end, tools to reach the goals a grantmaker sets out to achieve."

"Charity helps people," Beatrice says, "Philanthropy helps people change, and strategic grantmaking helps systems change." The Sisters of Charity of St. Augustine's true objective, after all, is to work to reduce or eliminate poverty. As far off as such a goal may seem, it won't be approached without changes in social systems. Thus, it is to making those kinds of differences that strategic grantmaking is directed.

THREE EXAMPLES

Philanthropic foundations are not ATM's—mechanically dispensing cash to the deserving. Foundations are stewards watching over and guiding their communities.

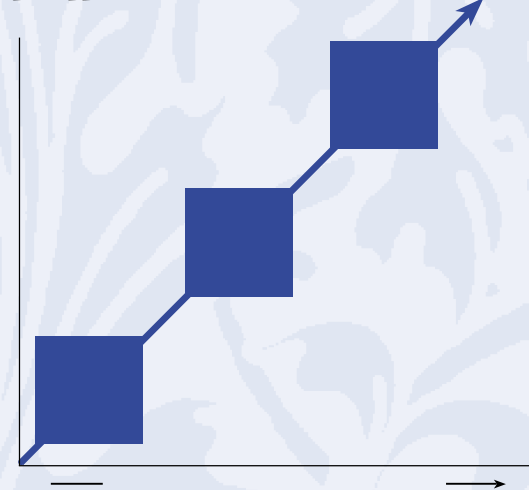
Examples of such active stewardship are taking shape in three of the Sisters' Foundations.

Canton: The Quality Child Care Initiative – Focuses on assuring early mental, social, and emotional development through quality, accessible child care from birth through five. The alarming number of children living in poverty; the growing number of at risk children; the increasing risk of women in the work force due to welfare reform and other factors; and the growing understanding of the importance of quality nurturing and care on a child's brain development are among the crucial factors that served as the impetus for this Initiative.

Cleveland: The Affordable Housing Initiative – A shortage of affordable, available, quality housing is the driving force for this project. Facilitating the development of public policies and allocation of resources; funding pilot projects to mobilize and sustain community action; providing predevelopment funds for serving "special needs" populations; and assisting in community capacity building are the focus areas of this Initiative.

South Carolina: "The Fatherhood Initiative" – A multiple year initiative with churches and community organizations to "Prepare and support men to be mature, responsible fathers who meet the emotional, spiritual and material needs of their children."

Philanthropic Approaches



The Purposes of the Foundations

The work of each of the Foundations embodies the over-arching mission of the Sisters of Charity — addressing the needs of the poor and underserved by —

- Understanding the root causes of poverty;
- Nurturing the growth of healthy communities;
- Emphasizing youth and family and
- Measuring the outcomes of these efforts.

However, each of the Foundations will pursue these ends in specific ways that respond to the needs of each community.

- The Sisters of Charity Foundation of Canton seeks "to address the root causes of poverty" by examining "the impact of welfare reform on children and their families" and by encouraging job training and "skill enhancement."
- The Sisters of Charity Foundation of Cleveland will concentrate on the broader consequences of poverty, such as substance abuse, homelessness, the lack of early childhood education, employment issues and healthcare for the working poor and frail elderly.

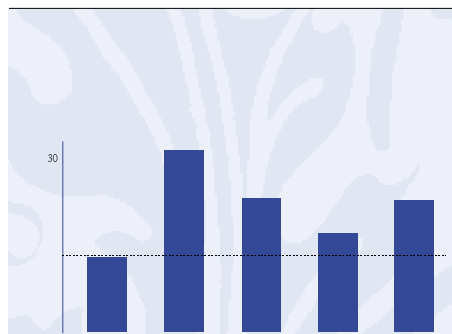
• The Sisters of Charity Foundation of South Carolina, for its part, will emphasize foundation-initiated grants, seeing itself as a "proactive" champion for its community "convening people and organizations to create synergistic alliances.... building community-based support systems and human capacity to expose topical issues, disseminate information and accomplish common goals."

• The Saint Ann Foundation, established from the sale of Saint Ann Hospital in 1973 in Cleveland and the original philanthropy of the Sisters of Charity of St. Augustine. It concentrates on "Providing resources particularly to women, children and youth;" "supporting collaborative projects of religious communities" and "supporting ministry projects" of the Sisters of Charity.

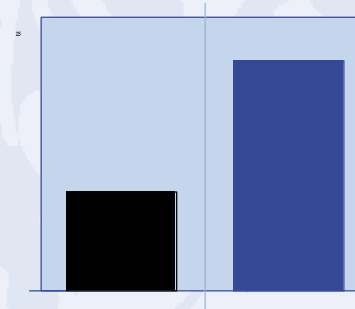
SEPARATE IN STRUCTURE; CONNECTED IN FAITH AND MISSION

The Foundations:

- Are all charged with expanding the Sisters of Charity of St. Augustine's mission to the poor and underserved.
- Are Catholic organizations.
- Abide by the Ethical and Religious Directives and faith obligations.
- Are not-for-profit corporations and public charities.
- Have boards which are knowledgeable about their community's needs.
- Have separate boards from those of the Partnerships and Hospitals.
- Fund not-for-profit organizations.



Poverty in the Foundations' Three Communities



While the Sisters of Charity continue their healthcare mission, the new Foundations enable them to expand their ministry to those in need...