

CONTACT FUND



North Star Fund: Maximizing its Mission

North Star Fund is a community foundation supporting grassroots activism in New York City focused on equality, economic justice and peace. As a community foundation, North Star Fund has both its own grantmaking programs as well as managing a pool of donor advised funds. In 2010, North Star Fund made activist-led grants of \$535,000 and distributed donor advised fund grants totaling about \$1,500,000. North Star Fund has traditionally given grants of \$5,000 and \$10,000 to new and emerging groups who are reaching out through the tools of community organizing to engage more community people as leaders and grassroots activists in New York City's most marginalized communities. Their grantmaking has undergone some changes in 2010 to include three new types of grants: 1. "Movement Leadership" grants are \$50,000 over two years to support organizations with demonstrated success, 2. "Innovative Activism" grants which are \$10,000 and support arts and cultural work, such as media and film projects, impacting social change, and 3. "Grassroots Strategy" grants which are \$15,000 grants to enable groups to access legal, media, policy or research expertise at a critical moment in their activism.

How is North Star Fund different from other community foundations?

North Star Fund's competitive grantmaking is determined by its Community Funding Committee (CFC) rather than program staff. The CFC is composed of donors, community members and activists. It carefully vets each new applicant, and conducts follow-up through the years after a group's first grant. One of North Star Fund's priorities has been to fund small, emerging organizations that are too small or perhaps too innovative for other foundations. North Star Fund has a recognized track record of being the first funder of organizations that were able to grow and attract other funders, thanks to the North Star Fund's highly regarded vetting process. North Star's new grantmaking guidelines expand its support to include organizations in all stages of their development, from new to well-established. The guidelines structure opportunities for groups to learn from each other and to collaborate on campaigns, building leadership and stronger impacts in the process.

How does an investment in Contact Fund support North Star Fund's mission?

North Star Fund wanted to put all of its money to work in the communities it serves, endowment and cash as well as grants. Contact Fund's mission supporting community and economic development efforts in New York City was an easy way to align their investment goals with their mission of equality, economic justice and peace.

What was involved in making North Star Fund's investment in Contact Fund a reality?

North Star Fund has had a responsible investing strategy since its inception, but this was a new effort to proactively invest in their community. The effort was spearheaded by the chair of the board's Investment Committee, and while the entire organization was supportive of the effort, Jason Franklin says that having an advocate to usher the process along was critical. The entire process took about a year because the board had to set up a process by which to evaluate these impact investing opportunities. The investment pushed North Star to develop policy and processes for staff, investment committee and the full board to review future investment opportunities.

Why was this investment challenging for your foundation in particular?

Leaders in the field of mission-related investing are bigger foundations like FB Heron, Jessie Smith Noyes Foundation and the Nathan Cummings Foundation. Small foundations find it much more challenging to develop this mission-related investment policy. It is relatively easy for small foundations to start with the low-hanging fruit by transferring their stocks into screened funds, bonds into Socially Responsible Investment bonds, CDs to community development banks and credit unions and looking at everything they do through a mission lens. When they take a look at the capacity of where the organization can have more impact beyond the low-hanging fruit, North Star Fund saw they could pursue more proactive investing, though many of the current solutions for proactive investing are cost-prohibitive for smaller foundations with fewer resources.