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METROPOLITAN OPPORTUNITY SERIES

Building a Stronger Regional Safety Net: Philanthropy's Role

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"The rapid growth of the suburban poor means foundations must now broaden their focus beyond urban centers to build a stronger regional safety net."

Findings

This analysis combines an original data set of foundation grants for social services with in-depth interviews to assess the role of foundations in supporting the suburban social safety net in the Atlanta, Chicago, Denver, and Detroit regions.[1] It finds that:

- **Suburban community foundations in the four regions studied are newer and smaller than those in core cities, despite faster growth of suburban poor populations.** In the regions studied, most suburban community foundations began operating in the 1990s, and have not accumulated significant asset bases. Some larger city-based foundations have taken a regional approach, but face restrictions on the extent to which they can address growing need in poor suburban communities.

- **The share of foundation dollars targeted to organizations serving low-income residents varies widely across regions, but relatively few of those dollars are devoted to building organizational capacity in the suburbs.** Chicago saw the largest share of foundation grant dollars go to organizations serving low-income people (60 percent), while Atlanta posted the lowest share (19 percent). Detroit was the only region where total grants to suburban-based human service providers were relatively comparable to their city-based counterparts.

- **Suburbs with high rates of poverty have substantially fewer grantees and grant dollars per poor person than either central cities or lower-poverty suburbs.** Though metropolitan Atlanta has the highest rate of suburban poverty among the regions studied, it has the lowest rate of suburban grant-making per poor person. Denver's results are a mirror image of Atlanta's, with the lowest poverty rate and highest suburban grant-making per poor person.

- **Four types of strategies to build and strengthen the capacity of the suburban safety net are showing promise in these regions.** Each region is engaging in four types of capacity building strategies: supporting existing regional organizations, creating new regional organizations, supporting regional networks, and establishing new suburban community foundations.

Foundations that have long focused primarily on urban centers must now work toward identifying gaps in the regional safety net and promoting new initiatives to close those gaps. Federal, state, and local policymakers can support these efforts by strengthening the role of regional intermediaries, including human services as a component of regional planning; and building permanent regional networks of social service providers connected to state bureaucracies.

Introduction

The growth of suburban poverty over the past two decades challenges the longstanding association of cities with poverty and suburbs with the middle class. To be sure, cities continue to house a disproportionate share of the poor, with double the rate of poverty found in suburbs. But in absolute numbers, more poor people now live in suburbs than in cities. Examining the 95 largest metropolitan areas for which complete data are available, Brookings analysts Elizabeth Kneebone and Emily Garr found that in the 2000s, suburbs for the first time had more poor residents than the primary cities in their metropolitan area.[2] Using the official federal poverty measure, they estimate that poverty grew five times faster in suburbs than in large cities over the decade. In 2008, 12.5 million poor people lived in the suburbs, while 11 million poor lived in primary cities.

The rapid growth of poverty in the suburbs raises questions about the ability of nonprofit organizations to adapt to this new geography of metropolitan poverty. Since the 1960s, nonprofit organizations have taken the lead in building the infrastructure of services that address the needs of the poor, especially in the fields of affordable housing, human services, and job training. These organizations play multiple roles, including providing basic safety net services, connecting residents to new opportunities, and serving as advocates (and sometimes as organizers) for low-income communities. Urban nonprofit organizations took on significant new responsibilities for the poor in the 1980s as the federal government devolved funding and considerable authority to state and local governments and promoted contracting out of social programs.[3] Federal welfare reform legislation in 1996 made the work of nonprofits even more necessary as it substantially reduced the number of families qualifying for cash assistance. Nonprofit services—such as childcare and job training—became essential components of the new work-oriented system of assistance. These twin developments spurred rapid growth in the nonprofit sector and, at the same time, drew nonprofits into a closer relationship with government.[4]

Despite the importance of the nonprofit service sector, no central agency in the federal or state governments oversees the development of the service infrastructure. Nonprofit service capacity emerges from the entrepreneurship of local political, philanthropic, religious, and other organizations. Over the past half century, the organizational infrastructure to assist the poor has grown primarily in cities, while in suburban areas the capacities, size, and scope of nonprofit organizations vary widely.[5] Yet, as the number of poor suburban residents rises, the question of how to build an adequate nonprofit infrastructure in the suburbs becomes increasingly urgent.

Although federal, state, and local governments are often the primary funders of nonprofits, governments do not often take the lead in creating new organizational capacities or in coordinating capacity across political jurisdictions. In many regions, the local philanthropic community has become aware of these gaps in services for the poor and has sought to assist the nonprofit community in building capacity and expanding activities. Foundation dollars are particularly important for innovative efforts that government does not fund.[6]

As suburban poverty grows, the local philanthropic community is often the voice calling for increasing nonprofit capacity in the suburbs and developing regional approaches to poverty. Local foundations are experimenting with a variety of strategies to address the growing dispersion of poverty including developing nonprofit capacity, supporting the collection and dissemination of information about needs in the region, and promoting network-building and system change among clusters of existing nonprofits. Based on case study evidence gathered from a diverse selection of regions, this study examines the extent of these efforts, the success they have experienced, and what more can be done to create new nonprofit capacity in suburban areas with growing poverty.

Background

Although the local philanthropic role in nonprofit development long predates government engagement and has grown since the 1970s, foundations provide a relatively small source of nonprofit funding. One estimate states that foundations supply only 6 percent of funding for nonprofit human service providers.[7] Another finds that, while 80 percent of nonprofits receive grants from private donors, "only 14 percent of nonprofits are resource-dependent upon revenues from nonprofit grants or foundations."[8] As government has provided more and more of the funding for nonprofit service organizations, the local philanthropic community has carved out a new role for itself.

Large national foundations have long been organizational innovators. Since the Ford Foundation launched the organizational template for the War on Poverty in the early 1960s, national foundations have become sophisticated innovators of programs to assist the poor, often in conjunction with federal and state policies.[9] Many major metropolitan areas are home to large foundations that, while national and international in focus, also devote particular attention to the city of their origin. Most cities are also home to community foundations, which focus on a particular geographic area. Many of these community foundations, the successors to the community chest organizations, are longstanding organizations that have amassed substantial resources. Local philanthropic organizations are typically well-embedded in the local civic infrastructure and have unique knowledge of the needs and resources of their communities.

Even so, local foundations have not traditionally served as regional innovators or system builders. Many community foundations have mainly provided "donor services," acting as a conduit for individual donations targeted for donor-defined purposes.[10] As a result, significant parts of their endowments are in restricted funds, limiting their ability to play a proactive or innovative philanthropic role. Community foundations also face barriers in addressing suburban poverty. The oldest and most well-endowed foundations are located in cities, not suburbs. Given the substantial needs in cities and the ties with existing nonprofits, urban community foundations may find it difficult to extend their focus to suburban areas; likewise they may lack the civic ties and place-specific knowledge of the suburban areas where poverty is growing. Suburban community foundations, which may be more likely to have such ties and knowledge, are much newer and possess considerably fewer resources. Lacking a track record of accomplishment, suburban foundations may rely more heavily on donor wishes. Moreover, given the smaller geographic area from which suburban foundations typically draw their donors, they may be especially disadvantaged in assembling significant resources to fund their activities in low-income suburbs.

Recently, however, national organizations and associations of foundations have urged community foundations to become regional system builders to enhance nonprofit capacity. Part of the reason for the new focus is competition from the private sector in providing donor services similar to those community foundations have traditionally provided. Competition has come not only from private financial firms, such as Schwab and Fidelity, which set up their own donor-advised funds in the early 1990s, but also from direct giving to individual organizations through the Internet.

One important element of the new vision for community foundations is that they step out of the role of donor services and act as "change agents," by creating new partnerships and using their resources to promote systemic reform. As part of this new approach, community foundations are urged to "reach across the boundaries of place" and work on "brokering regional solutions."[11] In this vision, community foundations take advantage of their place-specific knowledge and ties to civic and nonprofit organizations to promote new connections and knowledge-sharing. By fostering a regional system of nonprofit service delivery, they can promote a more effective set of services and more easily address emerging geographic gaps in capacity. This call for community foundations to expand their focus to the regional level has been reinforced by the growing interest in regionalism on the part of business groups and social equity advocates in many metropolitan areas.[12]

There are few studies on the distribution of philanthropic grants for social services within metropolitan regions, and scarcely any studies on suburban community foundations. Our research attempts to fill these gaps by showing how local philanthropic grants for social safety net services are distributed in four metropolitan regions: Atlanta, Chicago, Denver, and Detroit. We begin by showing the growth of suburban poverty in each region and the resources available to philanthropies in different parts of each region. Next, we examine where foundation grants are distributed, and demonstrate that philanthropic giving continues to be concentrated in urban areas. Third, we map foundation grants and poverty rates in the four metropolitan areas, identifying areas in each region with high levels of suburban poverty and few philanthropic grantees. We conclude by assessing opportunities for philanthropic investment in suburban capacity building, drawing on best practices from the four regions.

Methodology

This analysis combines an original data set of foundation grants for social services, mapping of grantee locations with local poverty rates, and in-depth interviews to assess the role of foundations in supporting the suburban social safety net in the Atlanta, Chicago, Denver, and Detroit regions.[13]

Case Selection

Our questions focus on two distinct relationships: first, that between the length of the region's experience with suburban poverty and the response of the philanthropic sector; and second, that between the history of regional cooperation or institution building and the philanthropic response to suburban poverty. Thus, the cases were selected to offer variation on two independent variables of interest—the nature of the problem and the region's institutional history.

In order to assess different patterns of suburban poverty, our cases include two fast-growing Sun Belt metro areas—Atlanta and Denver—and two slow-growth Frost Belt metro areas—Chicago and Detroit. The Sun Belt metro areas experienced booming regional population growth and increasing immigration in the 1990s and early 2000s. Suburban poverty is a relatively new issue in these areas, though the challenge has been heightened by the recession that began in 2007. In the Frost Belt regions, the growth in suburban poverty is tied to longer-term economic decline, particularly in the manufacturing sector. These regions are home to many inner-ring or "first" suburbs, with problems such as aging infrastructure, fiscal stress, and job loss.[14] Frost Belt suburbs have gained more recognition than Sun Belt suburbs as troubled areas requiring new policies and new resources. For this reason, we would expect the philanthropic and nonprofit sectors to be more responsive to suburban poverty in the Chicago and Detroit regions.

Alternatively, perhaps philanthropy will be more responsive to suburban poverty in metropolitan areas with a history of collaboration and institution building at a regional level. Existing patterns of relationships and institutional arrangements can shape the development of new interactions in cities and regions.[15] In order to assess variation on this dimension, our cases include two regions with a stronger history of regional institution building—Chicago and Denver—and two cases which are known for institutional fragmentation and a stark city-suburban divide—Atlanta and Detroit.

Admittedly, these characterizations are not comprehensive—they do not describe the institutional framework of each region for all issues at all times. In fact, all four regions have a history of sharp divisions between city and suburbs. However, Chicago and Denver have established patterns of promoting regional cooperation dating back to the 1980s and 1990s through organizations of metropolitan mayors, regional planning efforts, and collaboration with business leaders.[16] By contrast, Atlanta and Detroit have made less headway in promoting regional cooperation. Neither region has a full-fledged regional transportation agency and only Atlanta has an organization of metropolitan mayors. Based on the stronger track record of responding to problems by building regional relationships in Chicago and Denver, we expect that the philanthropic sector in these regions will be better equipped to respond to growing suburban poverty.

Combining our two dimensions, Chicago's philanthropic sector should be in the best position to respond to the challenges of suburban poverty, due to longer-term experience with the problem and the region's history of institution building. Meanwhile, we expect Atlanta to be least equipped to respond, because suburban poverty is a more recent challenge, and efforts at regional institution building are relatively new. In Denver and Detroit, we expect that the response of the philanthropic sector to suburban poverty is stronger than in Atlanta, but weaker than in Chicago.

Funding Activities Database

To analyze the funding activities of philanthropies in each region, we assembled an original database of foundation grants. Our database includes grants from 2003 and 2007 distributed by urban and suburban community foundations and one major private foundation in each of the four regions.[17] (Appendix A lists all of the foundations in our database.) The grants were collected from the Foundation Center, using the Foundation Directory Online (FDO). The FDO includes grants reported by foundations to the Foundation Center, and provides the most current information available on foundation grant-making in the U.S. Our database includes 3,621 grants for Atlanta, 1,613 grants for Chicago, 6,077 grants for Denver, and 4,593 grants for Detroit, for a total of nearly 16,000 grants totaling more than $650 million.

Each grant was coded by the location of the grantee, whether or not the grantee serves low-income people, and the grantee's policy area or type of service. In our analysis, we focus on grantees working in three main policy areas that support low-income people: workforce training, housing, and human services. (Appendix B explains our grant coding.)

We use these data to assess the extent of foundation support for safety net services in each region. First, we highlight the assets of foundations in each metro area and compare the assets of central city and suburban-based foundations. Second, we focus on the overall geographic patterns of grant-making, particularly the amount of funding for suburban safety net service organizations. Third, we investigate whether grantees are located in high poverty areas, by mapping the location of human service grantees and local poverty rates.

Findings

A. Suburban community foundations in the four regions studied are much newer and smaller than those in core cities, despite faster growth of suburban poor populations.

Mirroring national trends in the changing location of poverty within metropolitan areas, suburban poverty has grown significantly since 2000 in each of the four regions studied, outpacing increases in primary city poverty. Table 1 summarizes the changes in urban and suburban poverty in each of the four regions from 2000 to 2008, based on Kneebone and Garr's analysis using the 2000 U.S. Census and American Community Survey data.[18]

Suburban poverty grew at a much faster rate than urban poverty in three of these four regions.[19] The region with the most dramatic contrast is Atlanta. The number of poor people living in primary cities in Atlanta remained statistically unchanged from 2000 to 2008, while the number of poor in Atlanta's suburbs increased by more than 200,000. Atlanta now has the highest suburban poverty rate of the four regions. In Chicago, the number of poor in primary cities also held steady, while its suburbs saw the poor population increase by nearly 50 percent. In Detroit, the number of poor people rose in both primary cities and suburbs, and the increase in poverty in the suburbs was about five times greater than in the primary cities. Denver's suburban poverty rate is the lowest of the four metro areas, and the number of poor living in its suburbs increased only slightly more than in primary cities.

While suburban poverty has increased considerably, philanthropic resources remain concentrated in central cities, despite recent efforts to create community foundations in suburban areas. As the early engines of metropolitan growth as well as centers of poverty, cities became home to major philanthropic organizations, including the first community foundations, nearly a century ago. This geographic pattern is evident in the four regions studied, based on the asset data we collected for community foundations and for the largest private foundation in the region.[20]

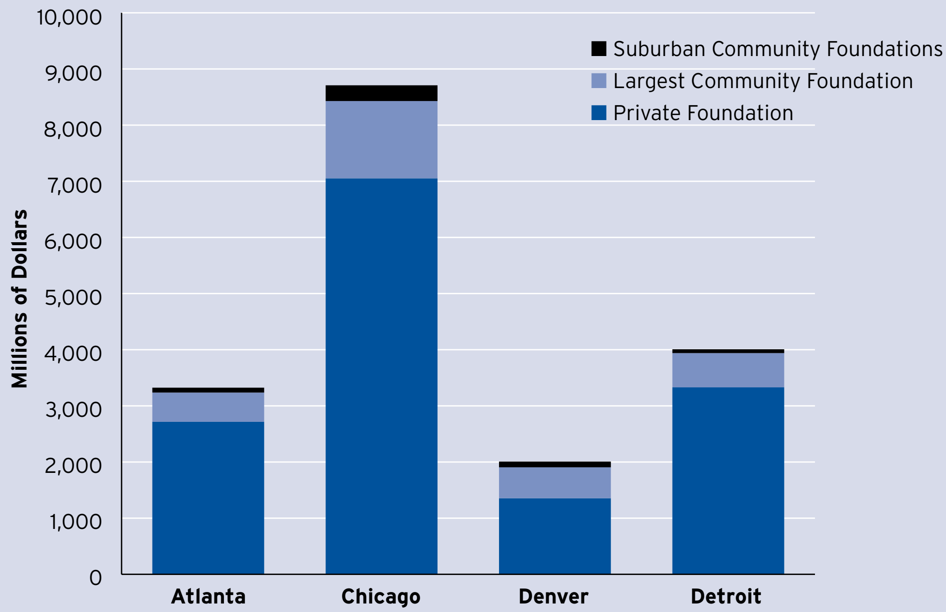
Table 1. Changes in City and Suburban Poverty, 2000 to 2008

Metro Area	Number of Poor in Primary Cities, 2008	Change Since 2000	Primary City Poverty Rate, 2008	Number of Poor in Suburbs, 2008	Change Since 2000	Suburban Poverty Rate, 2008
Atlanta	95,484	-259	22.4	519,521	218,227*	10.7
Chicago	578,494	7,948	19.4	535,707	171,741*	8.3
Denver	155,100	53,062*	17.4	123,737	55,126*	7.8
Detroit	275,263	21,998*	30.7	330,922	119,545*	9.5

Source: Kneebone and Garr (2010)

**Statistically significant at the 90 percent confidence level.*

Figure 1. Assets by Foundation Type, 2007



Source: Authors' analysis of Foundation Directory Online data

Foundation assets provide a useful metric for comparing capacity for grant-making, because federal law requires foundations to distribute five percent of their assets annually. Most foundations pay out the required 5 percent annually, and few go above this amount.[21] Thus, assets provide a good indicator of the relative resources available for giving across different foundations. Foundations with limited assets are particularly unlikely to pay out more than the required amount, because they face a greater risk of depleting their asset base if their investments perform poorly. Furthermore, financial assets are often closely linked to other resources, such as local and national prominence and name recognition, which foundations may use to broker relationships or promote new initiatives.

As Figure 1 shows, the major private foundations in each region hold assets that far exceed those of the largest community foundations. Three of these private foundations—the MacArthur Foundation in Chicago, the Daniels Fund in Denver, and the Kresge Foundation in Detroit—are national (and international in the case of MacArthur) in scope; yet they regularly devote a portion of their giving to their home regions. The Woodruff Foundation provides grants within Georgia only. The MacArthur Foundation concentrates 13 percent of its total U.S. giving in Chicago, and the foundation launched a significant regional program in Chicago in the mid-1990s.[22] Kresge awards 28 percent of its U.S. grants in Detroit. Woodruff and Daniels focus their giving more heavily on their home regions, with Woodruff dedicating 75 percent of its total giving to the Atlanta region and the Daniels Fund allocating 50 percent of its total to metro Denver.[23]

Community foundations in the core cities of each region have far smaller endowments but devote all their giving to the region. These assets ranged from a high of nearly $1.5 billion for the Chicago Community Trust to just over $500 million each for the Community Foundation for Greater Atlanta, the Denver Foundation, and the Community Foundation for Southeast Michigan.[24] In the 1990s, the Community Foundation for Greater Atlanta and the Chicago Community Trust each helped to create several community foundations in the suburbs in their respective regions. As Figure 1 shows, these suburban community foundations are much smaller than their city-based counterparts. In all four regions, most suburban community foundations began operating only in the 1990s, and have not accumulated significant asset bases. There are a few exceptions, most notably the Grand Victoria

Foundation, which is a private independent foundation in Illinois with a statewide mission.

Although suburban-based community foundation resources remain very limited, several of the city-based community foundations in our study have embraced a regional approach to their work. The Community Foundation for Greater Atlanta, for example, defines its service area as the 23 counties in metro Atlanta; the Community Foundation for Southeastern Michigan defines its service area to include the city of Detroit and seven surrounding counties; and the Denver Foundation serves a seven-county region. In contrast, the Chicago Community Trust's charter restricts its activities to Cook County. A smaller affiliated Chicago Community Foundation can provide grants throughout the metropolitan region. These restrictions mean that the community foundation in Chicago can extend its reach to the growing poverty in the city's inner suburbs but has more limited resources available for outer suburban and exurban areas. Given its state-wide mission, the Grand Victoria Foundation has a broader reach. The organization is headquartered in Chicago and has another office in Elgin, part of the Chicago metropolitan area. The foundation has invested in the financial and leadership development of existing community foundations, devoting more than $50 million in grants, coaching, organizational innovation and network development for select community foundations in Illinois.

Despite these steps toward building greater regional capacity, there are still many challenges to developing effective suburban programs and region-wide collaborations for these regional community foundations. First, most of these foundations continue to support substantial programs directed at low-income communities in the city. Second, although the community foundation may have a regional outlook, the foundation may have to work within a political system where regionalism is not the prevailing perspective. In 1998, the executive director of the Community Foundation for Greater Atlanta summed up the foundation's regional approach, suggesting that the community foundation was "in an ideal position to act as a catalyst for collaboration across county and city boundaries—involving governments, businesses, nonprofit agencies, and citizen groups. Unfortunately, greater Atlanta has very little tradition of true regional collaboration. In fact, in many respects our political and cultural heritage is anti-regional."[25]

Third, larger city-based community foundations have limited funds for new strategic initiatives, because donor-advised funds constitute a majority of the resources for many of these foundations. These funds allow donors to direct how grants are allocated, giving foundations less flexibility to devote funds to new areas of need. Moreover, city donors are less likely to support grants for suburban capacity building. In the Chicago region, some wealthy suburban areas have a tradition of philanthropy but they define themselves as part of the city, not the broader suburban area. As one Chicago interviewee put it, "the wealthy communities along the lakeshore identify with Chicago, and that is where the money is going; they don't identify with the communities to the west. Their challenge is to convince those people in Lake Forest [a wealthy suburb] that Waukegan [a deindustrialized community that has attracted a significant low-income immigrant population] is part of their community."[26]

Donor-advised funds have grown in recent years, a reflection both of rising wealth among higher-income Americans and of a desire among community foundations to compete with private sector donor-advised funds.[27] A 2000 survey conducted by the Columbus Foundation showed that nearly one-fourth of community foundation assets were in donor-advised funds.[28] In some of our regions, the percentages were considerably higher. For example, two-thirds of the Chicago Community Trust's assets consist of donor-advised funds, and 54 percent of the Denver Foundation's grants are made with donor-advised funds.

B. The share of foundation dollars targeted to organizations serving low-income residents varies widely across regions, but relatively few of those dollars are devoted to building organizational capacity in the suburbs.

There was considerable variation in the levels of grant-making to low-income service providers among the foundations in our four regions; however, underlying this variation, there was a fairly consistent pattern. In three of the four regions, foundations provided much greater funding to city-based nonprofits than suburban nonprofits. Thus, even when foundations provide more generous support to low-income service providers, few of these funds reached organizations in the suburbs.

Generally, Chicago foundations gave the largest share of grants to low-income service providers, and

Table 2. Millions of Grant Dollars to City and Suburban Service Providers, 2007

	Atlanta		Chicago		Denver		Detroit	
	City	Suburbs	City	Suburbs	City	Suburbs	City	Suburbs
Human Services	4.90	0.68	4.60	0.54	4.70	1.60	1.00	1.30
Housing	0.08	0.22	34.00	0.48	1.40	0.09	0.53	0.17
Workforce Training	1.40	0.02	0.94	0.19	0.66	0.07	0.06	0.00
Total	$6.3 million	$0.9 million	$39.5 million	$1.2 million	$6.8 million	$1.7 million	$1.6 million	$1.5 million

Source: Authors' anlaysis of 2007 grants data

Atlanta foundations gave the smallest share. Combining the grants from 2003 and 2007, 60 percent of the Chicago foundation grant dollars were for organizations serving low-income people, 54 percent of grant dollars in Denver, 21 percent of Detroit grant dollars and 19 percent of Atlanta grant dollars.

Focusing on three key areas of services for low-income people—workforce training, housing, and human services—we also found considerable variation among the regions. In Chicago, approximately 27 percent of all the 2003 and 2007 grant dollars were in workforce, housing, and human services, and in Denver, these categories composed 14 percent of all grant dollars. In Detroit and Atlanta, workforce, housing, and human service grants were a much smaller share of all grant dollars—only about 5 percent in Detroit and 4 percent in Atlanta.

In 2007 alone, there was substantially more foundation grant-making for service organizations based in the central city than for organizations based in the suburbs in three of the four regions (Table 2). Detroit is the exception; it is the only region where grant-making to suburban-based human service providers is slightly higher than grants to those in the city, making the total grants for city and suburban based service providers relatively comparable. Given the high levels of need in the city of Detroit, this is surprising, but it may reflect the overall decline in the city's population.

In both Chicago and Denver, city-based providers of workforce training, housing, and human services received at least twice as many foundation grant dollars as suburban-based providers. Housing is particularly notable in Chicago, with more than $30 million in grants directed to Chicago-based housing services. This includes a $26 million grant from the MacArthur Foundation to the Local Initiatives Support Corporation (LISC) for the New Communities program, a housing and community development initiative in 16 Chicago neighborhoods.[29] But even excluding this grant, Chicago foundations gave more than $8 million in grants for city-based housing nonprofits, more than the total in housing grants for the other three cities combined. Although Denver foundations also gave more funding to city-based service providers than those in the suburbs, Denver has the highest total amount of grant dollars for suburban-based service providers.

In Atlanta, although grant dollars for human services and workforce nonprofits primarily supported city-based organizations, suburban-based housing nonprofits, including Housing Initiative of North Fulton, Initiative for Affordable Housing DeKalb, and Cobb Habitat for Humanity, received twice as many grant dollars as those in the city. Yet, the total funding for suburban workforce, housing, and human services providers in Atlanta is the lowest among the four regions.

There is one important caveat for these results—many city-based nonprofit organizations do provide services in the suburbs. One example is ChildServ, a Chicago-based human services organization that offers services in Cook, Lake, and DuPage counties.Likewise, Families First, an Atlanta-based agency providing a range of family services, operates satellite programs in a number of suburban locations.[30] The reverse—suburban-based organizations providing services in the city—occurs less often, though there are a few examples. Gleaners Community Food Bank is located outside of Detroit in Oak Park, Michigan; the organization serves five counties in the region, as well as the city of Detroit.

The much smaller share of grant dollars for suburban nonprofit service providers in Atlanta, Chicago, and Denver suggests that philanthropies are primarily following well-established channels for grant-making. In other words, foundations in these regions are devoting relatively fewer dollars to building new capacity in suburban-based organizations; instead, to the extent that foundations are supporting services for low-income suburban residents, it is often through city-based organizations.

C. Suburbs with high rates of poverty have substantially fewer grantees and grant dollars per poor person than either central cities or lower-poverty suburbs.

The overall totals for foundation giving to suburban nonprofits provide a birds-eye view of grant-making in these regions. In order to develop a more fine-grained perspective, we examined the relationship between poverty and foundation giving in two ways. First, we calculated the rate of grant-making to service providers in the suburbs based on the number of poor people living in the suburbs in each region. Assuming that grants awarded in a given year are used for the following year's activities, we use Kneebone and Garr's totals for the number of poor living in the suburbs in 2008 and the total amount of grants dollars to suburban service providers in workforce training, housing, and human services in 2007 (Table 3).

Table 3. Suburban Grant Dollars and Foundation Assets per Poor Person[31]

	Atlanta	Chicago	Denver	Detroit
Suburban grants per poor person	$ 1.78	$ 2.28	$ 11.38	$ 4.48
Suburban assets per poor person	$168.00	$523.00	$670.00	$205.00

Source: Authors' analysis of 2007 grants data and Kneebone and Garr (2010)

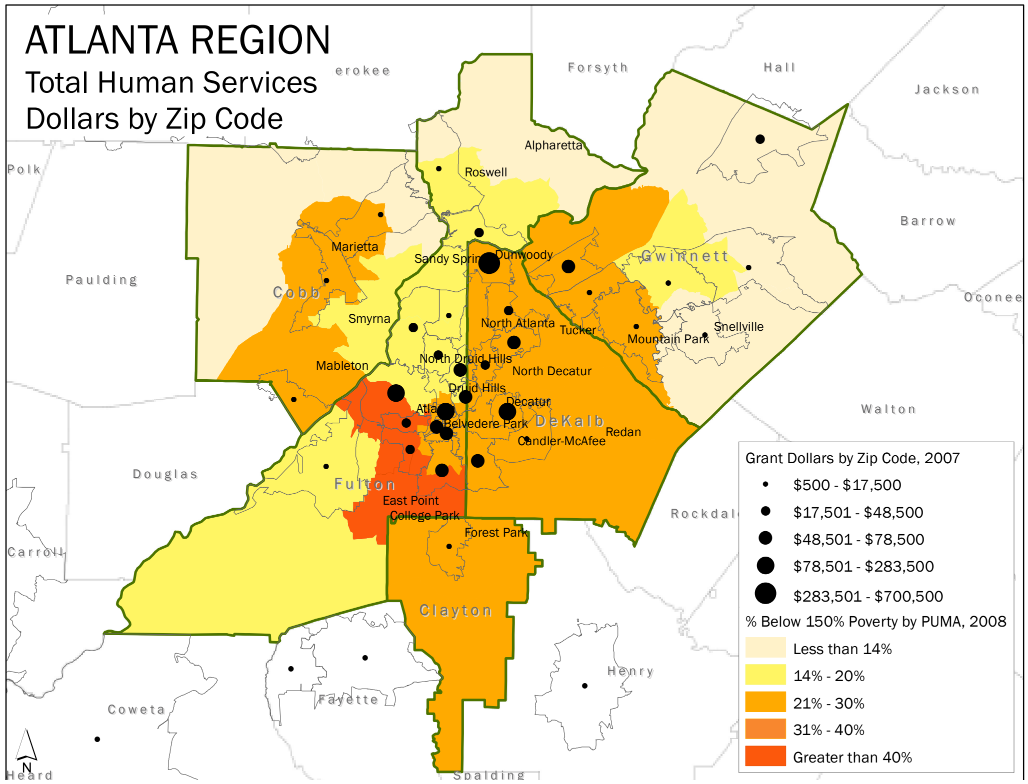
Denver has the highest rate of suburban grant-making per poor person, while Atlanta has the lowest. Denver philanthropies gave more funding to suburban service providers than philanthropies in the other three regions, but Denver also has the lowest level of suburban poverty among the four regions. On the other hand, Atlanta philanthropies gave the fewest grant dollars to suburban service providers, even though metropolitan Atlanta has the highest rate of suburban poverty among the regions.

These disparities in grant-making rates could be related to the grant-making capacity of suburban community foundations, so we also calculated the assets of suburban community foundations per poor person in the suburbs. Atlanta's suburban community foundations have the fewest assets per poor person in the suburbs, while Denver's have the most. Chicago also has a relatively high level of assets per poor person for suburban areas. We do not expect that suburban service providers would primarily rely on the limited assets of suburban foundations for their funding; however, these numbers provide an additional indicator of the limited capacity of the philanthropic sector in suburban areas—particularly in places with growing need for services, such as suburban Atlanta. These results provide a broad perspective on grant-making to service providers in suburban areas, but they do not show whether the grantees are based in communities where the need for services is greatest. To address this question, we must look at areas of high poverty within each region, and examine the specific locations of service providers that received foundation grants.

Prior research has shown that nonprofit service providers are often not located in the areas of greatest need.[32] Is this also the case with foundation grants? Or, are foundations countering this trend by providing additional funding to organizations in the neediest suburban areas?[33] We address this question by mapping 2007 foundation grants to human services organizations along with 2008 poverty rates in the four regions. We selected the human services grants, because human services organizations are often smaller entities that serve residents in the surrounding neighborhood. Housing and workforce training providers often serve a larger area.

Maps 1, 2, 3, and 4 show the proportion of people at or below 150 percent of the poverty level, an income level at which residents are likely to seek and qualify for services.[34] The data are presented at the PUMA level (public use micro area), as designated by the Census. The population contained within PUMAs is large enough to generate single-year estimates based on the American Community Survey (ACS). As before, we assume that grants awarded in a given year are used by organizations to fund future activities; thus, we paired our 2007 grant data with poverty data from 2008. Layered on top

Map 1. Atlanta Human Services Grants and Poverty



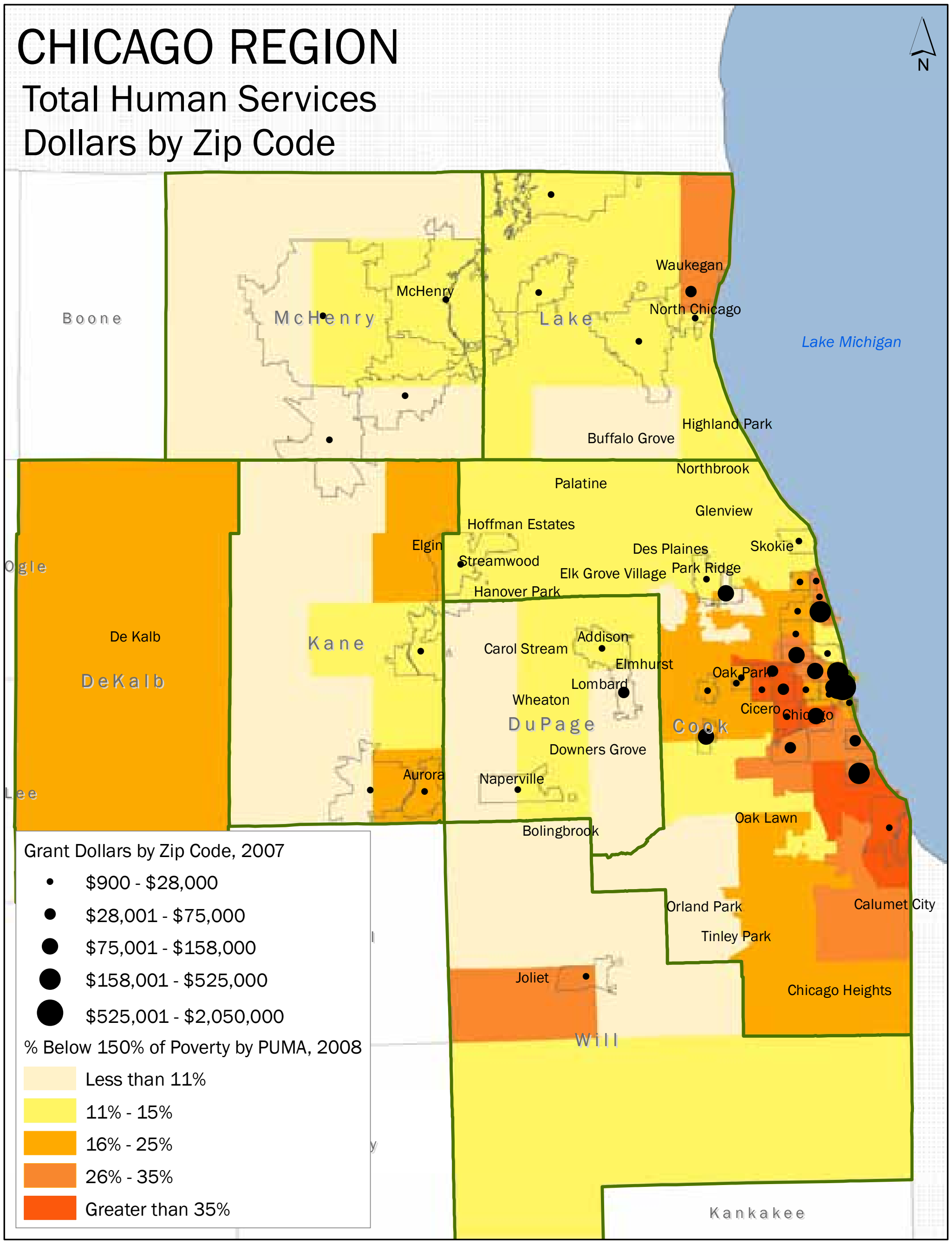
of the PUMAs are the locations of human services grantees, based on matching zip-codes within each PUMA. The size of the circles represents the amount of dollars for grantees within each area.[35]

Human services grants are largely concentrated in the central city areas of Chicago, Denver, and Detroit, matching the higher rates of poverty in these central cities. Grants in Atlanta are slightly more scattered, with several grants in the city of Atlanta, as well as the inner suburbs in DeKalb County. Overall, the pattern of human service grants in the suburbs suggests that several suburban areas with high rates of poverty have substantially fewer grantees than either the central cities or lower poverty suburbs. For example, in metro Atlanta, southwestern Gwinnett County, central Cobb County, and Clayton County have significant levels of poverty in 2008, but there are scarcely any grants to human services organizations in Cobb and Clayton counties. In the Chicago region, the southern suburbs of Cook County are a high-poverty area with no human services grantees in 2007. Waukegan and Joliet—two suburbs with fast-growing Latino populations—have only one grantee each. Overall, Chicago has very few human services grantees in the suburbs. In metro Detroit, there are several human services grantees in southern Oakland County, where poverty is less severe. Yet there are few grantees in southern Wayne and southern Macomb counties, where poverty rates are higher.

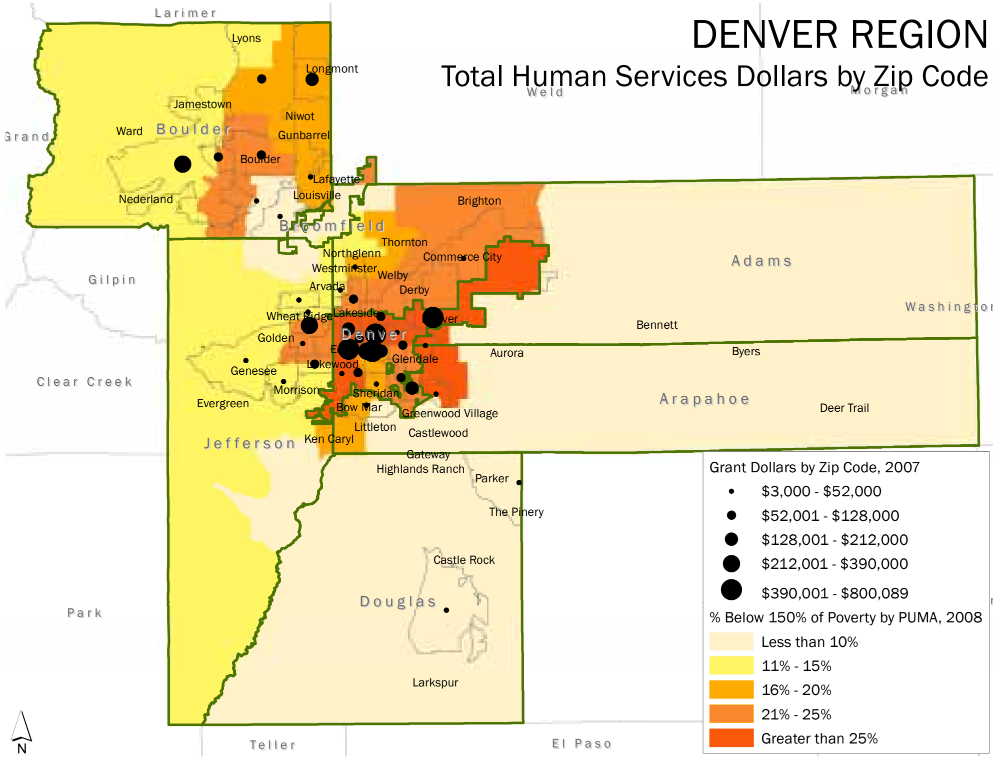
The mismatch between need and funding is less severe in Denver, though still present. Denver has a lower overall level of suburban poverty than the other regions; some of the suburban areas where the rates of poverty are higher—Boulder and eastern Jefferson County—do have several human services grantees. Nonetheless, there are few human service grantees in the areas of growing poverty in Arapahoe County and the suburbs with high rates of poverty to the north of Denver.

Our interviews provided first-hand perspective on the difficulties that foundations have faced in building new organizations and new networks in the suburbs. The challenges are especially acute in lower-income suburban areas. For example, the foundations working in the racially-diverse

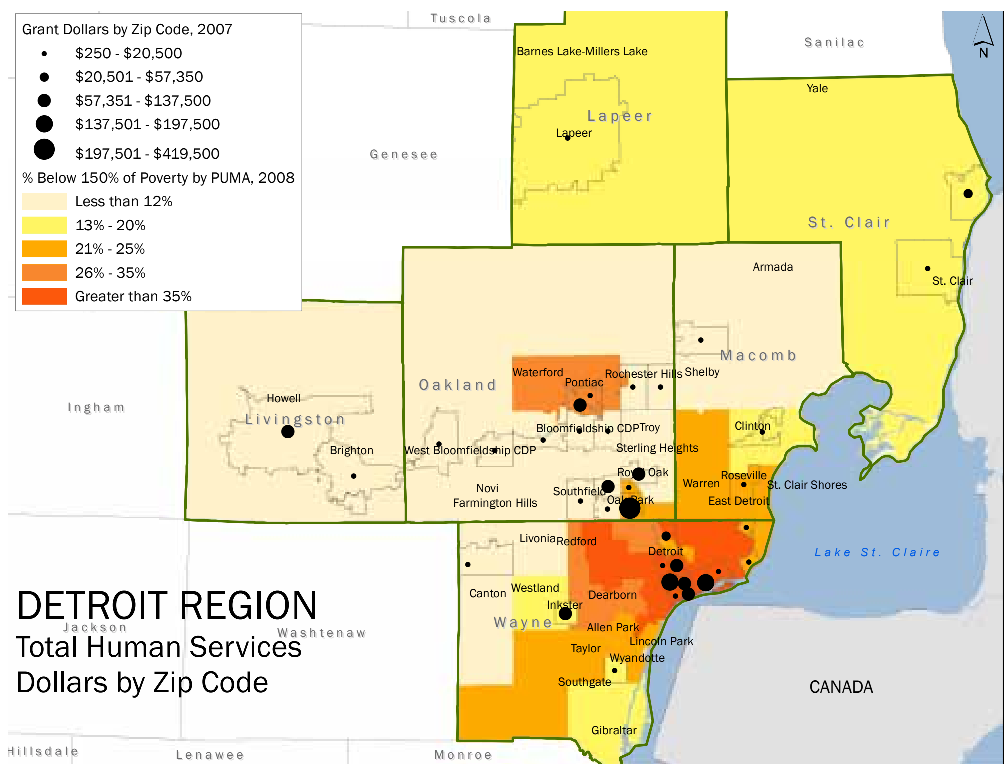
Map 2. Chicago Human Services Grants and Poverty



Map 3. Denver Human Services Grants and Poverty



Map 4. Detroit Human Services Grants and Poverty



high-poverty southern suburbs of Chicago report difficulties in building robust organizational networks. The Grand Victoria Foundation has supported several networks in this area. The Chicago Community Trust launched a South Suburban Coordinating Council, whose aim is to build connections among fifteen human service organizations and to promote "an intentional conversation about the region."[36] However progress has been slow. The deep political fragmentation of many suburban areas poses a barrier to cooperation that can become particularly troublesome when compounded with scarce resources and racial mistrust, as in Chicago's south suburbs.

South of Atlanta, Clayton County displays similar challenges. An area that had attracted a black middle class population seeking affordable housing over the past decade, Clayton County has also become home to many poor black Atlantans. The county has been plagued by political scandals, which caused its public schools to lose accreditation from 2008 to 2010. Residents took a further hit in 2010, when the county eliminated its bus system due to fiscal pressures. The pressure of new needs and insufficient services means that many poor Clayton residents rely on services in Atlanta. The elimination of the bus system has amplified the difficulty of accessing services. Since the recession hit in 2007, the low level of service provision in Clayton County combined with restricted resources has made it difficult for funders or other service agencies to provide effective assistance. As one informant put it, there are "just not enough energy and resources in Clayton to meet both the philanthropists and service providers in that middle ground."[37]

These areas of growing suburban poverty are, in some respects, similar to the high poverty suburbs south of Los Angeles, where Joassart-Marcelli and Wolch found relatively few nonprofit organizations. Allard and Roth, in a 2010 study of nonprofits, likewise, found that ratio of poor persons to nonprofits was significantly less favorable in high poverty suburbs than in lower poverty suburbs.[38] In wealthier suburban areas, it may be possible to launch and connect new organizations addressing poverty. In the relatively affluent Chicago suburb of DuPage County, the DuPage Federation on Human Services Reform emerged in 1995 with state funding and support from the Annie E. Casey Foundation, a national foundation.[39] With local philanthropic support and a link to a local university, it has since grown into a significant resource providing information about demographic changes and need in the county. Among its activities are providing data for nonprofits to use in their grant writing; identifying gaps in service; and navigating the human service system's complex web of agencies and funding to ensure that the area receives state and federal funds for which it is eligible. The county-wide approach of the organization may be significant. In an area where poverty has grown as low-income residents from Chicago have relocated and new immigrants, including refugees, have settled, county-level organization has allowed the Federation to bypass the parochial politics of local governments.[40] The organization has found county government a responsive partner, while local municipal governments have been largely indifferent to its efforts.

The Atlanta suburb of Gwinnett County displays a similar pattern. Until very recently an overwhelmingly white and middle class community, Gwinnett has experienced rapid large-scale immigration and a significant rise in poverty over the past two decades.[41] More recently, it has become the county with the highest number of foreclosures in the region. As in DuPage County, an outside organization, in this case the United Way, launched the Gwinnett Coalition for Health and Human Services, a nonprofit organization which serves as an umbrella planning organization for services in the county. The Gwinnett Coalition works closely with the county leadership, allowing the organization to "push agendas and ... advocate at the state level for services and funding."[42] Even so, suburban resistance limits some of the services available. For example, Gwinnett County lacks a general emergency shelter for individuals without children who need temporary housing; as a result it sends people in need of this service to Atlanta. Likewise, the county has resisted creating the transportation systems that would help low-income people access services more easily. Fear of attracting low-income people from Atlanta—intertwined with the deep racial divisions in the Atlanta region—affects the willingness of suburban areas to offer some services.[43]

D. Four types of strategies to build and strengthen the capacity of the suburban safety net are showing promise in these regions.

The philanthropic community's efforts to address suburban poverty reveal the substantial challenges involved in building new nonprofit capacity outside the urban centers where they have concentrated for nearly half a century. In each of the regions we examined, philanthropic organizations have responded to the changing geography of poverty with new initiatives. Their responses are shaped both by the length of the region's experience with suburban poverty and its experience with institution building.

In regions with more established region-wide institutions—Chicago and Denver—the philanthropic community has been most active in efforts to build suburban capacity. The case of Detroit shows that pressing poverty in the city and growing need in the suburbs can prompt more attention to regional approaches despite weak regional institutions. Atlanta, with weak regional institutions and rapidly growing suburban poverty, faced the biggest challenge responding to the growth in suburban poverty. Even so, the philanthropic communities of each region experienced varying levels of success as they initiated diverse strategies to regionalize and strengthen the suburban nonprofit capacity to provide services to the poor. Four types of activities, each with a distinctive set of promises and challenges, can be distinguished.

Supporting Existing Regional Organizations

Much of the significant regional philanthropic activity has supported existing organizations that define their activity regionally. These include regionally-focused food banks in all four metro areas studied and affordable housing organizations that operate regionally such as the Atlanta Neighborhood Development Partnership and Denver's Habitat for Humanity. The Denver region has also been a leader in addressing homelessness; this issue was prioritized by former Denver Mayor John Hickenlooper, who launched a campaign to end homelessness.[44] Part of the funding for Denver's regional continuum-of-care organization for homelessness, the Metropolitan Denver Homeless Initiative, comes from local philanthropies.

Atlanta's Civic League, with help from the Community Foundation for Greater Atlanta among others, has convened an annual regional neighborhood summit for the past two years to support and promote connections among existing regional organizations.[45] Foundations have also supported the activities of United Way organizations in each region. Over the past two decades United Way organizations have worked, with varying success, to consolidate their operations at the regional level. The United Way in all four of our regions now defines its service area as extending beyond the main city, although in the Atlanta and Chicago regions several independent organizations continue to exist.

Creating New Regional Organizations

In Chicago, the MacArthur Foundation's regional program was critical to the long campaign to create a new unified regional planning agency, the Chicago Metropolitan Agency for Planning (CMAP).[46] Unlike most Metropolitan Planning Organizations, which are authorized by federal transportation law, CMAP—at the insistence of its board—included human services (now the Human and Community Development Committee) as one of its six working committees. This decision ensures that information about the extent and availability of human services is incorporated into the long-range regional plans required by federal transportation legislation. The Chicago Community Trust has worked closely with CMAP in producing the plans related to human relations, education, health and social services. Inclusion of these issues creates a regularized process for assessing some of the problems related to poverty at the regional scale and engages regional leaders in developing a long-range vision for how to address them.

The human services element of its work allowed CMAP to play a role in creating a regional 211 system, which provides callers with information about variety of social services with a single telephone number.[47] Pioneered by Atlanta's United Way, the 211 network is a national initiative of the United Way now operating in 47 states.[48] As one CMAP staffer put it, "We never would have been involved with that before. We would have never had those connections, 99 percent of the people here probably don't know what 211 is. I didn't know what it was until they came to talk to me. Different human services approached us to do a planning effort to get the state to listen."[49]

The hope is that CMAP's information about need and gaps in human services can eventually influence decisions about how and where to allocate resources for new services, such as preschool centers. Despite the potential benefits of building a human services component into regional planning, planning too often has no impact on spending decisions. The disconnect between planning and spending is particularly apparent at the regional and local level; townships in Illinois have some formal responsibility for social services and taxing authority to support them. But these officials have shown little interest in participating in CMAP's regional planning. As one CMAP official put it, "A lot of these people [the township officials] are only part-time people, not enough staff, they don't see the value, they are a bastion of local politics, provide services in their area and they don't coordinate with others."[50]

Fostering Regional Collaborations and Networks

Another strategy is to encourage new regional collaborations. In Detroit, for example, foundations have had some success promoting new collaborations among existing organizations at a regional scale. In 2007, the Detroit-based Skillman Foundation brought together local organizations to explore the Center for Working Families concept, a national project of the Annie E. Casey Foundation designed to support financial stability for low-income families. This led to a new collaboration between the United Way for Southeastern Michigan and LISC Detroit to develop a regional network of Centers for Working Families, with United Way and LISC providing technical assistance, resources, data collection, and ongoing training.[51] Although LISC focuses on the city of Detroit for its programming, both LISC and United Way will offer technical support for the entire regional network. United Way will provide additional financial support on a regional scale. Currently, five centers have been established in the region—four in Detroit and one in Oakland County—and twelve are planned. Future expansion will also be funded by a federal grant to LISC through the Social Innovation Fund.[52]

Another example comes from Chicago's Grand Victoria Foundation, which works outside the city of Chicago and sees network building as central to creating more capacity in regions and fields of practice.[53] Ongoing efforts to build new networks in the low-income southern suburbs of Chicago by Grand Victoria and other foundations are moving slowly in the face of the challenges posed by fragmented government and a weak civil society.

Yet, such collaborations may receive a shot in the arm when federal funds provide incentives for cooperation. In 2009, 28 small jurisdictions in Chicago's southern suburbs, part of a larger South Suburban Mayors and Managers Association (SSMMA), formed a collaborative to receive funds from the Neighborhood Stabilization Program, the federal grant program designed to help localities address the problem of foreclosures.[54] Built on the base of the earlier foundation-supported efforts at fostering cooperation, the new collaborative relied on regional organizations such as CMAP, the Metropolitan Mayors' Caucus, and the Metropolitan Planning Council as it formulated its plans. Philanthropic organizations also played a key role in keeping the collaboration going throughout the granting process. As a study by the Federal Reserve Bank of Chicago noted, the federal granting process was not well matched to support the collaborative's multi-jurisdictional strategy and "third-party funding (from foundations) was instrumental in allowing the Collaborative to move forward while they waited for formal approvals and signed contracts."[55] Although the collaborative and its partners did not win the stiff national competition for the second round of funding, the collaboration has led to other successes in winning grants including a Sustainable Communities Challenge grant from HUD to the SSMMA.

Establishing New Suburban Community Foundations

Foundations have encountered considerable difficulties in creating new philanthropic capacities in the suburbs and in establishing new suburban or regional organizations. These challenges are especially acute in poor suburbs where multiple governments compete with one another and the weakly organized civil society makes it hard to build local connections.

Yet, recognizing the key role that philanthropy can play in supporting nonprofit activities, foundations in Chicago and Atlanta have sought to create new suburban community foundations. These organizations are still relatively new and remain quite small. The difficulty they confront in building assets suggests that much more time is required to cultivate a sense of community and the recognition of the need for suburban philanthropy. Yet, even as small organizations, suburban foundations can play a role in promoting that sense of community and raising local awareness about suburban poverty.

Conclusion

If the philanthropic sector is to help create a regional nonprofit safety net, the initiative will have to come from foundations long focused primarily on the urban centers where their assets are concentrated. These foundations have the resources and the place-knowledge to identify gaps in the regional safety net and promote new initiatives toward filling those gaps. Their efforts are more likely to succeed, however, when they receive support from state and federal government.

Philanthropic experience to date offers some guidance for what state and federal governments might do to foster stronger regional safety nets. These initiatives focus on building an organizational structure to match the new geography of need as well as the new demands placed on services in the post-welfare reform era.[56] Three types of initiatives stand out. The first strengthens the role of regional intermediaries; the second supports inclusion of human services as a component of regional planning; and the third rethinks the relationship between state human services departments and the myriad nonprofits in metropolitan regions by building permanent regional networks of social service providers connected to state government.

Strengthening Regional Intermediaries

In the absence of regional government, nonprofit intermediaries can play a critical role in promoting the growth and capacity of nonprofit organizations across metropolitan regions. For instance, foundations in Chicago provided crucial support to the Illinois Facilities Fund, which offers capital and technical assistance to nonprofits seeking to purchase real estate and construct or renovate buildings. They have been especially proactive in identifying needs for child care facilities in the post-welfare reform era.[57] This organization offers a model that could be supported by states, with a specific mandate to assess regional needs and supply capital and training to support the creation of needed social service facilities.

The other intermediary that could benefit from public support to enhance its regional role is the United Way. Over a decade ago, United Way organizations across the country launched a process of regional consolidation. Although the success of these endeavors varied, it did give many United Way organizations some regional capacity. Although they mainly fund established organizations, United Way organizations can use their connections to encourage existing organizations to build branches in areas that lack capacity. However, changes in workplace giving cast increasing doubt on how robust the United Way model will remain.[58]

As these organizations work to recast themselves regionally, there is room for ongoing philanthropic support to help them define their regional role. They could also eventually provide linkages to state and federal funds for building capacity. This role may be particularly important in low-resource suburbs. In the Detroit region, the United Way for Southeastern Michigan (UWSEM) is developing a new approach to building capacity for the region's safety net. In 2010, UWSEM launched a Rethinking the Safety Net study for the region. Currently underway, the study is identifying existing funding streams, providers, and services throughout the region, with the goal of finding new leverage points in the system and ways to help the system operate more effectively.[59] The research has been paired with an ongoing engagement process, involving hundreds of service providers in the region, both as contributors of data for the study and as potential consumers of the findings. As a regional actor, United Way organizations are well situated to gather this type of data and engage service providers throughout the region.

Including Human Services in Regional Planning

The second initiative would provide federal incentives to include human services in regional planning, modeled on what CMAP has begun to do in Chicago. Bringing human services into metropolitan planning venues would highlight emerging trends in connections and disconnections among demographics, access, need, and services. Transportation plays a big role in ensuring access to human services in the suburbs, where needy people and services are much more dispersed than in cities. Incorporating concerns about human services into plans for future public transit and transit-oriented development are especially relevant. States could enhance the utility of such planning by mandating that local taxing and spending entities, including townships and/or counties, participate in these regional planning venues.

The federal government could also do more to promote transparency in the complex web of funding streams and organizations, public and nonprofit, which now comprise the social safety net. One way to do so would be to resurrect the Advisory Commission on Intergovernmental Relations (ACIR) to provide ongoing analyses and cross-state comparisons of the metropolitan (and rural) safety net. Such information will promote learning across states and may also build support for reducing the organizational and funding complexity that has come to characterize the social safety net.

Expanding State Support of Regional Networks

Finally, state departments of human services can help create stronger regional organizations of social service providers and encourage that network to generate political pressure for social services. Human service providers and advocates for the poor have largely operated on defense, working to protect existing programs and prevent further retrenchment. The defensive approach has been particularly prevalent recently, in the face of severe state budget deficits and funding cuts to providers.

Despite these fiscal challenges, policy entrepreneurs in several states have gone on the offense. These governors, state legislators, bureaucratic agency heads, and advocacy organizations have adopted a shared political frame—poverty reduction and economic opportunity—and a shared set of policy tools, including: poverty reduction targets, state-level anti-poverty commissions, and state poverty summits.[60] The poverty reduction strategy has taken root in several states; eleven states have set targets for reducing poverty by 2020, and since 2008, nine states have held poverty summits. In most states, the poverty reduction agenda has been promoted through fairly typical state-level political channels—new state legislation, an executive order from the governor, or the formation of a new state-level council or commission.

Although it is too early to gauge the effectiveness of these strategies, the more traditional political levers seem disconnected from the extreme variation in the availability of local service providers. Building strong relationships between state officials and local service providers could enable the state to experiment with new policies and forge a supportive coalition. Recent efforts in Michigan provide elements of the new approach. Following Michigan's statewide poverty summit in November 2008, Michigan's Department of Human Services supported ongoing poverty reduction planning in eight regional networks. Each region was charged with creating a poverty reduction initiative linked to every county in the region and developing a network for sharing best practices in poverty reduction and community engagement. By building bottom-up organizing and ongoing ties with a state bureaucracy, these regional networks could ultimately help state departments of human services effectively organize regional welfare systems. Although this initiative began during Governor Jennifer Granholm's administration, all eight regional networks have continued operating since Governor Rick Snyder took office in 2011.[61]

Behind this set of ideas is the recognition that building and maintaining regional systems requires public leadership. The philanthropic sector has long led the way in sparking innovation among nonprofits; it has likewise sponsored significant system building initiatives, especially in the area of housing. But innovation alone does not ensure a strong regional safety net. Especially as demographic changes have increased the need for services outside cities, strong and consistent public engagement, in partnership with a regionally-focused philanthropic sector, is needed to build a responsive and effective social safety net.

Appendix A. Foundations Analyzed

CHICAGO
John D. and Catherine T. MacArthur Foundation
Barrington Area Community Foundation
Chicago Community Trust
Community Foundation of the Fox River Valley
DeKalb County Community Foundation
DuPage Community Foundation
Evanston Community Foundation
Grand Victoria Foundation
Highland Park Community Foundation
Lake County Community Foundation
McHenry County Community Foundation
Oak Park/River Forest Community Foundation
Will County Community Foundation

ATLANTA
Coweta Community Foundation
Community Foundation for Greater Atlanta
Community Foundation of West Georgia
Cobb Community Foundation
Community Foundation for Northeast Georgia
Community Foundation of Northwest Georgia

DENVER
Broomfield Community Foundation
Rose Community Foundation
Denver Foundation
The Community Foundation – Boulder County
Daniels Fund

DETROIT
The Kresge Foundation
Anchor Bay Community Foundation
Canton Community Foundation
Community Foundation for Livingston County
Community Foundation for Southeast Michigan
Community Foundation of Greater Rochester**
Community Foundation of St. Clair County
Community Foundation of Troy
Four County Community Foundation
Lapeer County Community Foundation
Livonia Community Foundation
Northville Community Foundation***
Shelby Community Foundation
Southfield Community Foundation
Sterling Heights Community Foundation

*** 2004 data*

****2002 data*

Appendix B. Coding Guidelines

Coding for the Low-Income Category

We developed a coding scheme to designate grants as targeting low-income populations drawing on data from the Foundation Grant Database in the Foundation Directory Online (FDO). First, we counted grants as low-income if they were previously coded (in the Foundation Directory database) in certain subject categories that typically target low-income populations. These subject areas included "economically disadvantaged," "minorities/immigrants," or "human services." If none of those categories applied, we scrutinized the grant more closely by examining either its description or the grantee's web site. We counted the grants as low-income if they pertained to a second list of subject areas we developed (including Boys and Girls Clubs, early childhood education, adult literacy, and community organizing). A smaller group of grants were counted only if their services were provided at free or reduced rates (including employment services and disability services).

We made a decision to cast the net widely rather than narrowly—that is, to count grants as low-income when there was some ambiguity. That said, we did not count grants as low-income if we could gather little or no information on the grant at all.

Endnotes

1. Adapted from a forthcoming paper "Building a Resilient Social Safety Net" In Margaret Weir, Nancy Pindus, Howard Wial and Harold Wolman,eds., *Urban and Regional Policy and Its Effects: Building Resilient Regions,* vol. 4, (Washington: Brookings, 2012).

2. Elizabeth Kneebone and Emily Garr, "The Suburbanization of Poverty: Trends in Metropolitan America, 2000–2008. (Washington: Brookings Institution, 2010).

3. Scott W. Allard, *Out of Reach: Place, Poverty, and the New American Welfare State* (Yale University Press, 2009); Steven Rathgeb Smith and Kristen A. Gronbjerg, "Scope and Theory of Government-Nonprofit Relations" In Walter W. Powell and Richard Steinberg, eds., *The Non-Profit Sector: A Research Handbook, Second Edition,* (Yale University Press, 2006).

4. Steven Rathgeb Smith and Michael Lipsky, 1995. *Nonprofits for Hire: The Welfare State in the Age of Contracting,* (Harvard University Press, 1995).

5. Allard, *Out of Reach;* Pascale Joassart-Marcelli and Jennifer R. Wolch, "The Intrametropolitan Geography of Poverty and the Nonprofit Sector in Southern California," *Nonprofit and Voluntary Sector Quarterly* 32(1) (2003):70–96.

6. Scott W. Allard and Benjamin Roth, "Strained Suburbs: The Social Service Challenges of Rising Suburban Poverty," (Washington: Brookings Institution, 2010), 18, report that nonprofits see foundations as source of funding that allows them to go beyond the day-to-day provision of services and to think creatively about their activities. As one of the suburban service providers they interviewed put it, "Foundation and corporate money is really different… foundation or corporate dollars give nonprofits room for creativity and ingenuity."

7. Jeffrey M. Berry and David. F. Arons, *A Voice for Nonprofits* (Washington: Brookings Institution, 2003), p. 9; Allard, *Out of Reach.*

8. Allard, *Out of Reach,* p. 93.

9. The Earned Income Tax Credit provides a good example.

10. Elizabeth A. Graddy and Donald L. Morgan, "Community Foundations, Organizational Strategy, and Public Policy," *Nonprofit and Voluntary Sector Quarterly,* 35(4)(2006): 605–630.

11. Lucy Bernholz, Katherine Fulton, and Gabriel Kasper. "On the Brink of New Promise: The Future of U.S. Community Foundations" (Blueprint Research & Design, Inc. and the Monitor Institute, a member of Monitor Group ,2005); Ralph Hamilton, Julia Parzen, and Prue Brown, "Community Change Makers: The Leadership Roles of Community Foundations," (Chapin Hall Center for Children at the University of Chicago, 2004) p. 9-10.

12. Peter Dreier, John Mollenkopf, and Todd Swanstrom, *Place Matters: Metropolitics for the Twenty-first Century* (University Press of Kansas, 2001); Manuel Pastor, Jr., Chris Benner and Martha Matsuoka, *This Could Be the Start of Something Big,* (Cornell University Press, 2009).

13. Regions conform to U.S. Office of Management and Budget (OMB) definitions of metropolitan statistical areas as of 2008, with the exception of Denver. For the purposes of this study, the Denver metro area includes all counties in the official OMB definition plus Boulder County.

14. Robert Puentes and Myron Orfield, "Valuing America's First Suburbs: A Policy Agenda for Older Suburbs in the MidWest (Washington: Brookings, 2002).

15. See Sean Safford, *Why the Garden Club Couldn't Save Youngstown: The Transformation of the Rust Belt* (Harvard University Press, 2010) and Margaret Weir, Jane Rongerude and Christopher Ansell, "Collaboration Is Not Enough: Virtuous Cycles of Reform in Transportation Policy," *Urban Affairs Review* 44(4)(2009): 455–489.

16. Elmer W. Johnson, *Chicago Metropolis 2020: Preparing Metropolitan Chicago for the 21st Century* (Chicago and Cambridge: The Commercial Club of Chicago and the American Academy of Arts and Sciences, 1999); Hamilton, Parzen and Brown, "Community Change Makers," (2004); Bonnie Lindstrom, "The Metropolitan Mayors Caucus: Institution Building in a Political Fragmented Metropolitan Region," *Urban Affairs Review* 46 (2010): 37–67.; Alan Wallis, "Developing Regional Capacity to Plan Land Use and Infrastructure" In David K. Hamilton and Patricia S. Atkins, eds., *Urban and Regional Policies for Metropolitan Livability,* (London: M.E. Sharpe, 2008) pp. 112–113; J. Lieb, "Voters Climb Aboard: Fast Tracts Tax Boost Six New Metro Area Rail Lines, *The Denver Post,* November 3, 2004, p. B1.

17. As such, the database does not capture the impact of larger funding collaboratives that include national foundations and other local philanthropic, private organizations and public funds. Where such collaboratives exist, our data underestimates the degree of regional activity.

For example, the National Fund for Workforce Solutions has supported a regional workforce collaborative in Chicago, for which the Chicago Community Trust and the MacArthur Foundation (two foundations in our database) are only two of 12 funders, including private and public sources of funding. For a description of the activities of the Fund see nfwsolutions.org (May 2010).

18. Kneebone and Garr define primary cities as cities that: 1) appear first in the official metropolitan area name, or 2) are listed second or third in the official name and contain a population of at least 100,000 (per 2007 Population Estimates). The remainder of the MSA, outside the primary cities, was designated as suburb.

19. Although increases in suburban poverty are larger than the increases in urban poverty, it is important to recognize that urban poverty is still a severe problem in each of these places. Urban poverty rates remain much higher than suburban poverty rates—particularly in Detroit, where the poverty rate of the primary cities is 30.7 percent.

20. There are, of course, national foundations that also focus on our areas, such as the Annie E. Casey Foundation in Atlanta, which are not included in this analysis.

21. Akash Deep and Peter Frumkin, "The Foundation Payout Puzzle," Working Paper. (Kennedy School of Government. Harvard University. 2001).

22. Joshua S. Sevin, "The Role of Catalyst Organizations in the Formation of Metropolitan Coalitions: Metropolitics in Baltimore and Chicago," unpublished MA thesis, Massachusetts Institute of Technology Department of Urban Studies and Planning, 2000.

23. Data are from 2009. Data on the MacArthur and Kresge Foundations are from the Foundation Center's Online directory; the Woodruff data is from its website http://www.woodruff.org/; and the Daniels data is from its website, www.danielsfund.org/Grants/index.asp (April 2010). The Woodruff Foundation's activities are restricted to the state of Georgia.

24. 2009 data.

25. Quoted in Maria Saporta, "Group Takes a Regional Approach to Philanthropy," *Atlanta Journal and Constitution,* October 13, 1998, p.B4.

26. Interview, June 19, 2009.

27. Susan A. Ostrander, "The Growth of Donor Control: Revisiting the Social Relations of Philanthropy," *Nonprofit and Voluntary Sector Quarterly,* 36(2) (2007): 356–372.

28. James I. Luck and Suzanne L. Feurt, "Flexible and Growing Service to Donors: Donor-Advised Funds in Community Foundations," 2002. available at www.cof.org/files/Documents/Community_Foundations/CF_Columbus_DAF.pdf (May 2010).

29. www.newcommunities.org/index.asp (April 2010).

30. www.childserv.org (April 2010); http://www.familiesfirst.org/T80-home-page (July 2011).

31. The number of suburban poor comes from Kneebone and Garr, "The Suburbanization of Poverty." For the Denver region, we add the number of poor in Boulder County to Kneebone and Garr's estimate to reflect our adjustment to the official OMB definition of the Denver-Aurora-Broomfield metro area (see endnote 13).

32. Allard, *Out of Reach;* Jossart-Marcelli and Wolch, "The Intrametropolitan Geography of Poverty."

33. This poses something of a "chicken and egg" problem: foundations looking for promising organizations to support are less likely to find them in poor suburban areas.

34. Although the recession has expanded the range of new clients to include those who had been earning higher incomes.

35. With the exception of Detroit, the maps provide a limited snapshot of the core of each region rather than presenting data for each county in the OMB definition. Based on our case study research, the areas considered in "the region" from the perspective of the actors studied do not fully conform with the OMB definitions. Hence, there is thin grant-making in many outlying/rural counties, and considerable awareness of issues in more densely populated suburbs.

36. Interview, June 17, 2009; see also Rebecca Hendrick and Karen Mossberger, *Uneven Capacity and Delivery of Human Services in the Chicago Suburbs: The Role of Townships and Municipalities.* Report for the Chicago Community Trust. (University of Illinois, Chicago. 2009).

37. Interview, July 21, 2010.

38. Allard and Roth, "Strained Suburbs."

39. The initiative was an effort to build capacity to address the new needs of low-income residents in the post-welfare era. After three years, the state decided it did not need to connect with local actors. Of the local organizations supported, theirs was the only county-level federation and the only organization to survive.

40. Interview, June 29, 2009. It is also worth noting that the sizeable refugee population is eligible for significant federal resources not available to other low income residents.

41. Alan Ehrenhalt, "Immigrants and the Suburban Influx," Governing, November 30, 2009.

42. Interview, July 23, 2010.

43. Interview, July 23, 2010.

44. Alan Gathright, "Denver's Homeless Initiative Touted as a Model of Success," *Rocky Mountain News,* May 12, 2006.

45. www.neighborhoodsummit.org/index.html (May 2010).

46. Sevin, *The Role of Catalyst Organizations;* Weir, Rongerude and Ansell, *Collaboration is Not Enough.*

47. The 211 system is a major initiative of the United Way that was launched in Atlanta.

48. United Way 211; www.211us.org/status.htm.

49. Interview, June 22, 2009.

50. Interview, June 22, 2009.

51 Interview, November 17, 2010.

52 www.nationalservice.gov/about/programs/innovation.asp.

53. Interview, June 22, 2009.

54. Kari Lydersen, "Emerging from Chicago's Shadow," *Shelterforce* Fall/ Winter (Feb. 12, 2009) www.shelterforce.org/article/1857/emerging_from_chicagos_shadow/P0 (February 2011).

55. Robin Newberger, "Pre-Implementation Findings from the Neighborhood Stabilization Program: Milwaukee, Wisconsin, Lafayette, Indiana, and Cook County Suburbs," *Profitwise: News and Views Spotlight* (Federal Reserve Bank of Chicago, November 2010), pp. 5-6.

56. For an analysis of the challenges of financing the state and local safety net, see Thomas Gais, Lucy Dadayan, and Sun Kyun Kwan, "Retrenchment Continued: State and Local Social Welfare Spending, 1977–2007, " paper presented at Reducing Poverty: Assessing Recent State Policy Innovations and Strategies, Emory University, Atlanta, Georgia, November 19-20, 2009; Allard (2010).

57. Interview, June 19, 2009.

58. Rick Cohen and Ruth McCambridge, "United Ways 2009: A Confusing Mix of Missed and Missing Goals," *The Nonprofit Quarterly,* available at www.nonprofitquarterly.org/index.php?option=com_content&view=article&id=1466%3Aunited-ways-2009-a-confusing-mix&catid=168%3Atrend-alert&Itemid=137 (May 2010).

59. Interview, November 17, 2010.

60. Jodie Levin-Epstein and Kristen M. Gorzelany, Seizing the Moment: State Governments and the New Commitment to Reduce Poverty in America, Joint Report from the Center for Law and Social Policy and Spotlight on Poverty and Opportunity, 2008.

61. *Correspondence,* May 9, 2011.

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