

US-MEXICO BORDER REGION

Community foundations

History

The history of community foundations in the US-Mexico border region is varied. The earliest community foundations were established in the larger US cities between 1975 and 1980, as part of the increased community foundation formation that followed the 1969 Tax Reform Act. At that time only San Diego, El Paso and Community Foundation for Southern Arizona (in Tucson) worked in “border” communities (defined as communities within 100 miles of the US-Mexican border).

In the 1990s, some of these established foundations created affiliates in the border communities. The San Diego Foundation established the International Community Foundation in 1990, as an independent 501(c)3, with operational subsidies from the San Diego Foundation. By the late 1990s, the International Community Foundation had turned its attention to neighboring Baja California. The New Mexico Community Foundation began expanding its work to the border region in the late 1990s and established an office in Las Cruces in the early 2000s. The Community Foundation in Southern New Mexico was established in 2002 as a result of a local public hospital privatization.

With the exception of El Paso, Texas community foundations were not established in the mostly small towns and cities of the Texas-Mexico border area. The first exception was the Brownsville Community Foundation, founded in 1997 with a grant of public funds from the City of Brownsville’s Community Development Block Grant. In response to the US-Mexico Border Philanthropy Partnership, new community foundations have been formed in Laredo, Texas and the Lower Rio Grande Valley.

The Mexican border region has a unique history – both in terms of community foundation development and the development of civic participation. Much of the movement to end the one-party rule and highly centralized government in Mexico emerged in the northern border states. This opened the door to opposition governments and increased civic engagement in other parts of the border and eventually the rest of the country.

It was within this context that an independent philanthropic initiative of businessmen emerged in the state of Chihuahua. Responding to the devastating floods in 1994, a group of businessmen presented a proposal to the state legislature for the formation of the Chihuahua Businessmen’s Foundation (Fundación del Empresariado Chihuahuense – FECHAC). Under this proposal, the state government would assess a 1% payroll tax to be directed back into the Foundation. The Foundation’s board was made up of representatives from each of the different participating business chambers. Each of the state’s main cities established local chapters, with a state umbrella organization coordinating activities. The FECHAC chapters in Ciudad Juárez and Ojinaga are participating in the US-Mexico Border Philanthropy Partnership. By 2003, exposure to the community foundation model had influenced the FECHAC to consider their potential development as a community foundation, although in 2006, the board had decided that while it benefitted from being exposed to the model, technically it is not a community foundation.

In the state of Sonora, the local businesses established the Fundación del Empresariado Sonorense (FESAC) in 1999 with voluntary contributions from each of the participating business chambers. In 2003, influenced by growing interest in the community foundation movement, the FESAC expanded its board to include some community representation. In the state of Baja California, in the late 1990s, several

prominent civic leaders from Tijuana began participating in the San Diego-based International Community Foundation. In 2000, the Fundación Internacional de la Comunidad (FIC) was founded in Tijuana and the Hewlett Foundation made a significant grant to support operations and an initial environmental grantmaking fund. Following in FIC's footsteps, the Fundación Comunitaria de Matamoros and the Fundación Comunitaria de Tecate both incorporated in 2003. In Ciudad Juarez, a group of local civic leaders and philanthropists came together to form the Community Foundation for the Northern Border (Fundación Comunitaria Frontera Norte) in 2002, and this foundation has grown considerably as part of the US-Mexico Border Philanthropy Partnership. The foundation now has 14 funds and over \$1million in assets.

The US-Mexico Border Philanthropy Partnership (BPP), a collaborative of 11 funder foundations and 19 border community foundations managed by the Synergos Institute, has contributed since Fall 2002 to the establishment and/or further development of border community foundations. This development assistance includes support for capacity building (administrative, board, resource mobilization) and border programs. Through the Partnership, the Synergos Institute provided support to the start-up and to "younger" foundations, as well as to unique and expanded border programs at the more established community foundations. (For more information see the US-Mexico Border Philanthropy Partnership website at www.borderpartnership.org.) In July 2008, Synergos' role as managing partner will conclude and the Partnership will be spun off to become its own independent entity. The membership of the Partnership will expand to include other types of philanthropic entities such as corporate foundations and giving programs, and private and family foundations. The International Community Foundation will provide fiscal sponsorship for the new entity until it receives its tax deductibility status in the US and Mexico.

Current situation: Facts and figures

Number of community foundations formally established in the US-Mexico Border Region.	19; 13 on the US side and 6 on the Mexico side of the Border
Number of community foundations established in 2007.	0
The number of community foundations at early stages of development.	0
Percentage of country's territory covered by community foundations.	Not applicable
Percentage of population that has access to a community foundation.	Unknown
Total number of people with access to a community foundation.	Unknown
Is the rate of community foundation formation steady/increasing/decreasing? Explain why in the box below:	Steady

One small community foundation (Tecate) closed its doors in early 2007.

Total sum of grants made by community foundations in 2007	Unknown
Total number of grants made in 2007.	Unknown
Total sum of the income/donations in 2007.	Unknown
Single largest source of income for community foundations	Unknown
Total sum of endowments at the end of 2007.	Unknown
Community foundation with the largest endowment at the end of 2007 and size of its endowment.	San Diego Foundation – US \$553,880,000 (2006)

Complete list of community foundations

For a complete contact list of community foundations participating in the Border Philanthropy Partnership, see the BPP website:

http://borderpartnership.hostcentric.com/about/partners/community_foundations.html

Arizona Community Foundation
Phoenix, Arizona, USA

Brownsville Community Foundation
Brownsville, Texas, USA

Cochise Community Foundation
Douglas, Arizona, USA

Community Fdn for Southern Arizona
Tucson, Arizona, USA

Community Fdn for Southern New Mexico
Las Cruces, New Mexico

Frontera Women's Foundation
El Paso, Texas

Fundación Comunitaria de Matamoros
Matamoros, Tamaulipas, Mexico

Fundación Comunitaria de la Frontera Norte
Cd. Juárez, Chihuahua, Mexico

Fundación Comunitaria de la Comunidad
Tijuana, Baja California, Mexico

Fundación del Empresariado Chihuahuense
Ojinaga, Chihuahua, Mexico

Fundación del Empresariado Chihuahuense
Juárez, Chihuahua, Mexico

Fundación del Empresariado Sonorense
Nogales, Sonora, Mexico

International Community Foundation
San Diego, California, USA

Laredo Area Community Foundation
Laredo, Texas, USA

New Mexico Community Foundation
Santa Fe, New Mexico, USA

San Diego Foundation
San Diego, California, USA

Santa Cruz Community Foundation
Nogales, Arizona, USA

Texas Valley Communities Foundation
McAllen, Texas, USA

Yuma Community Foundation
Yuma, Arizona, USA

Community foundation staffing

The larger US community foundations tend to be staffed in all the functional areas of operations, while the smaller ones or affiliates of larger foundations on the US side have 1-2 staff people in total. Some of the larger community foundations in Mexico are highly staffed, while the smaller ones have one staff person and rely more on volunteers. The experience of the US-Mexico Border Philanthropy Partnership suggests that it is essential to have at least a half-time professional staff person to support community foundation operations and resource development, once the founding board is established and meeting regularly.

Community foundation income

Income

In the US border region, income for the established foundations is largely derived from individuals (90%), although some of the “younger” foundations (New Mexico Community Foundation, Community Foundation for Southern Arizona, International Community Foundation) also depend on significant contributions from national or international foundations. The newer US community foundations are largely dependent on foundation support – or, in the case of affiliates – subsidies from their “parent” community foundation.

In the Mexican border region, no foundations survive on individual contributions or endowment revenues. The Fundación del Empresariado Chihuahuense depends on the voluntary tax for nearly 100 percent of their revenues. The Fundación del Empresariado Sonorense operates with voluntary business chamber contributions (about 50%) and international foundation funding (about 50%). The emerging community foundations have been able to somewhat reduce their dependency on international foundation funding in recent years, from nearly 100 percent dependency to around 60-70 percent. Two of the 6 Mexican foundations have developed or are in the process of developing social enterprises (such as operating charity shops) to supplement their funding and others are interested in following suit. All the foundations have developed relationships with government and corporations, and are working to cultivate individual donors as well.

Purposes

Grantmaking and programs, capacity building, operations, sustainability.

Permanent funds/Sustainability

The Mexican community foundations and their start-up US counterparts are increasing efforts to build endowments. Several of the Mexican border community foundations participated in an endowment challenge grant initiative, operated by the Mexican Center on Philanthropy with funding from the InterAmerican Foundation. The challenge grant program was successful and each of these now has at least US \$100,000 in endowment. In the case of the Fundación Comunitaria de la Frontera Norte, a small percentage of each donor gift is designated to build the foundation's endowment.

Environment for philanthropy

Local attitudes

In the Mexican border region, there has been a tradition of church-based philanthropy and central government funding for social services, community development and arts and culture – coupled with significant, mostly church-based, US charitable activities. In the past two decades, as the government has pulled back from these areas and civil society has begun to emerge as a stronger actor, attitudes have begun to change. There is a greater interest in the establishment of civil society organizations equipped to address community needs, and a greater interest in contributing funds towards these efforts. Although there is still a tendency to look to outside funders, increasingly attitudes of self-sufficiency and local empowerment (key to support for sustainable community philanthropy) are growing. Even so, community foundations are new and unknown institutions, and recent surveys show that Mexicans tend to distrust organized philanthropy and still prefer to give to the church or directly to individuals. The level of trust necessary to encourage giving by individual donors must increase before significant progress can be made.

Legal and tax environment

There are few legal obstacles for giving to community foundations in the US border region. Last year the Mexican foundations faced a challenge when the new Calderon administration proposed cutting the existing tax incentives for philanthropy in order to augment government coffers. The foundations and the rest of the non-profit sector banded together to defeat this initiative, but the proposal was an indicator that there is a long way to go in Mexico to prove the value add of the sector. There has been some success in raising local corporate contributions, but barriers in the legal and tax environment remain. One of the foundations, the Fundación Internacional de la Comunidad in Tijuana, worked recently with a legislator from Baja California to enact legislation that would change the tax situation for in-kind gifts and make it easier for nonprofits in Mexico to receive in-kind donations across the border.

Changing attitudes and the national or local environment

In both the US and Mexican border areas, where community philanthropy is a new concept, there must be significant outreach and education of key opinion leaders and the general public. In the Mexican border region, a legal and tax environment that creates incentives for community foundation contributions would be helpful. The Border Philanthropy Partnership has been working to raise the visibility of philanthropy in the region by the distribution of Op-Ed pieces, and the development of marketing templates particularly for the Mexican foundations to use.

Community foundation activity and impact

Example 1. Providing Hope and Help for Local Teens in Cochise. What would it be like to be a homeless teenager in Sierra Vista, Arizona, knowing how important education was to your future, but not knowing where you were going to sleep each night – or whom to turn to for help? At least one former student from Buena High School was well aware of these challenges. But thanks to the Bob Holcombe Fund for Vocational/Educational Success at the Cochise Community Foundation, an affiliate of the Arizona Community Foundation, this young man recently graduated from high school with a community college basketball scholarship.

The Community Foundation’s grant provided support to Buena High to initiate a program that trained mentors to work with at-risk youth. This young man’s mentor, who was also the basketball coach, helped the student secure living arrangements and develop self-discipline. He monitored academic progress and kept in regular communication with teachers and the student, making sure the he stayed on track and in school. Cochise Community Foundation staff partially credits the U.S.-Mexico Border Philanthropy Partnership for this success, because assistance provided by the BPP allowed the Foundation to develop a more strategic approach to grantmaking from this fund. Philanthropy on the border has the power to help young people sleep better at night, and take the world by storm during the day, knowing that someone cares enough about their future to invest in them.

Example 2. Promoting Civic Participation in Cd. Juarez. In Cd. Juarez, a city where nearly half of the population of 2 million is between the ages of 15 and 35, the local community foundation has developed a uniquely Mexican approach to inspiring giving and civic participation among its young people. The Fundación Comunitaria de la Frontera Norte’s Youth in Philanthropy Program provides financial support and guidance to groups of young people with a desire to make a difference in their community. Through a partnership with six local youth serving nonprofit organizations, the program provides financing and guidance to young people that have formed a Youth Council. The councils develop and put forth proposals for a project that will benefit the community. Once approved by the foundation, the councils are awarded a US \$700 USD grant and are assigned an adult advisor to help carry out their project. The Youth Council is also responsible for matching 10 percent of the grant with resources they have themselves raised in support of the effort.

In just two years, more than 239 youth have participated in 20 youth councils directly benefiting over 1920 Juarenses. David, age 15, who participated in a project named Munau Ecologico – a project that succeeded at mobilizing broad community participation in a park revitalization project – shared in a letter of appreciation to FCFN board members:

“Participating in this program has changed my life in many ways and I believe has also made me a better person. The opportunity to participate in projects that benefit the community is an experience that I can share with others and I can use to motivate other young people like me to help improve the community. My group also learned about developing programs, needing to know where we want to get to, how to help and who needs to benefit and manage the resources to make it happen. Helping others is a way of showing that we care about our community.”

Resources made available by the BPP helped support the development of the FCFN youth program. The foundation’s BPP coach helped identify and arrange a site visit with the Vancouver Foundation and Barbara Oates, a leading expert on the topic of Youth in Philanthropy with the Community Foundations of Canada, so that the FCFN could learn more about youth in philanthropy programming. Travel expenses were covered by BPP technical assistance funds.

For more information about the work of the Fundación Comunitaria de la Frontera Norte visit www.fcfroteranorte.org

Current challenges and future developments

Major challenges facing community foundations

Increased anti-terrorism measures in the US since September 11, 2001, and the resulting debate over immigration policy and the security of the US border, have raised significant barriers to cross-border collaboration. There is also a need to develop accounting standards for nonprofits in Mexico that are consistent for all community foundations, so that their operations are transparent and can be compared from one community foundation to another. The beginning of this effort is currently underway. In addition, the sustainability of smaller foundations on both sides of the border is a concern, especially in tougher economic climates.

International links

Through the training funds provided to community foundations on the Mexican side of the border, senior staff members have participated in the Fall Conference for Community Foundations in the United States, as well as the Conference for Southwest Foundation events. The Executive Director of FESAC-Nogales was selected as a fellow at the CUNY international fellows program. Both the director of the Transatlantic Community Foundation Network and the programme manager of the WINGS Global Fund for Community Foundations recently participated in the US-Mexico Border Philanthropy Partnership's 9th learning community in Mesa, Arizona. The executive director of Fundación Comunitaria de la Frontera Norte is on the program committee for the 2008 Community Foundations of Canada meeting.

Support Organization: Synergos Institute

History and purpose

In 2001 the Ford Foundation approached the Synergos Institute and other donor partners to study the potential of an effort to develop philanthropic leadership and infrastructure in the US-Mexico border region. The resulting feasibility study consulted with an array of border leaders and institutions and proposed a partnership of border community foundations and funding partners that would strengthen local leadership and increase the capacity of border foundations to mobilize philanthropic resources and provide community leadership on quality of life issues for low income communities across the region.

The partnership was officially launched with the convening of the first US-Mexico Border Philanthropy Partnership (BPP) Learning Community in Cd. Juárez in September of 2002. The Cd. Juárez meeting brought together for the first time representatives of established and start-up foundations from eight border states, the Synergos Institute and funding partners. At this meeting, BPP partners initiated the first-ever bi-national collaborative effort to build and strengthen community philanthropy.

Structure and organization

Founded in 1986, Synergos Institute is a nonprofit organization that brings people together to address the underlying causes of poverty and inequity in innovative ways that lead to meaningful, long-term change. Synergos builds and supports networks of leaders engaged in efforts to reduce poverty and increase equity around the world. Synergos works with these philanthropists and civil society leaders, as well as with community-based groups, businesses, governments, foundations and international organizations, to make sustainable systems changes that enhance the opportunities for and help meet the needs of those who are poor and marginalized. Synergos supports partnerships that include and respect the wisdom of all key stakeholders and works to develop the local leadership, capacity and institutions that are needed to sustain these initiatives. The staff of 40 is headquartered in New York with field offices in San Diego, Brazil and Southern Africa. As mentioned earlier, Synergos will be transitioning out of the project at the end of July 2008 and handing the program over to a newly-formed independent entity.

Recent accomplishments

With Synergos' support, the Border Philanthropy Partnership has accomplished the following:

- Created new institutions in five border communities where they did not previously exist.
- Mobilized over \$20 million in direct support of organizational development of border foundations and border issues such as community health
- Increased by \$230 million philanthropic assets at BPP foundations since 2002
- Increased assets for low-income border families. Between the 2005 and 2007 tax seasons, Earned Income Tax Credit refunds at sites supported by border community foundations increased from \$14 million to \$18 million, and the number of low-income border families served during that period rose from 13,000 to 50,200.
- Convened dialogue on critical local issues, such as immigration, early childhood education, health care
- Created a new growing cohort of Latino philanthropic leadership

Current challenges/future developments

BPP has been managed since its founding by the New York-based Synergos Institute. In August 2008 the partnership is being launched as an independent entity. The new entity will expand beyond its initial core membership consisting of community foundations, and become a more inclusive partnership that will continue to strengthen community philanthropy, while also actively involving foundations (private, public, corporate, family), corporate giving programs and individuals to do more to address the socio-economic challenges along the U.S.-Mexico border.

The newly-constituted BPP will be a bi-national organization with staff working in both the United States and Mexico to:

- Collaborate and provide leadership on cross-border programmatic issues of common concern
- Mobilize more effective philanthropic resources to address border issues
- Strengthen the institutional capacity and further the sustainability of border foundations

Additional resources

See the US-Mexico Border Philanthropy Partnership website: <http://borderpartnership.org>

Correspondent: Ann Tartre, Synergos Institute; Director, US-Mexico Border Philanthropy Partnership