

LAFF

THE LAFF SOCIETY

For the men and women engaged in Life After The Ford Foundation

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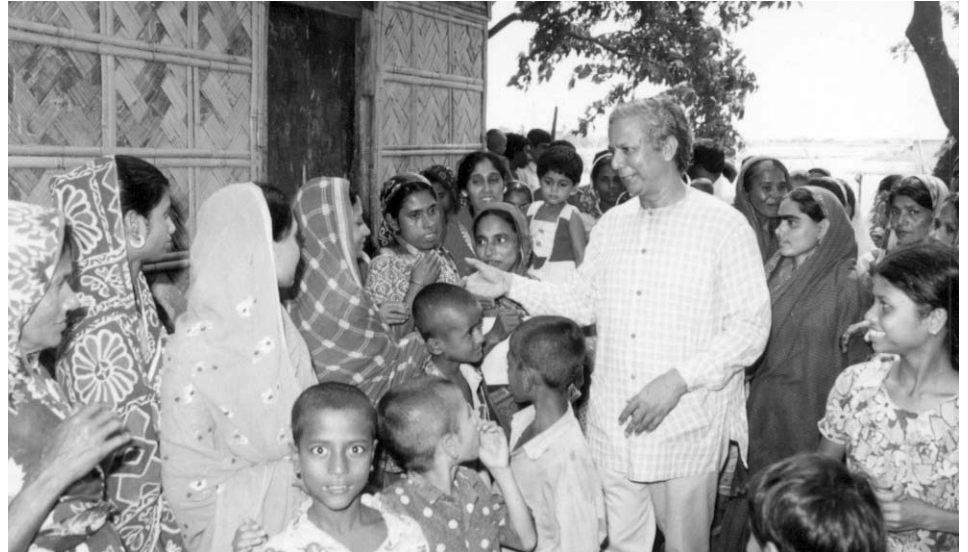
The LAFFing Parade

Jon Funabiki, deputy director of media, arts and culture, has left to be a journalism professor at San Francisco State University.

Margaret Hempel, vice president of programs at the Ms. Foundation for Women, has been appointed vice president for programs of the American Jewish World Service. At Ford she was an assistant program officer in the Urban Poverty Program, later renamed Reproductive Health and Population.

Abe Lowenthal reports, "After three ventures in launching and building organizations, generously supported by the Ford Foundation, at the nexus between the worlds of ideas and policy—the Latin American Program at the Woodrow Wilson Center and the Inter-American Dialogue, both in Washington D.C. and the Pacific Council on International Policy in Los Angeles—I have promised my wife and myself not to start a fourth. But as I transition back into academic work, I have undertaken a project on "The Craft of Think Tank Institution Building," to distill best practices regarding the stages of institutional development and the inherent tensions in this enterprise. LAFF colleagues who are interested can receive material for the project by writing me at aflowen@attglobal.net."

Lisa Mensah, executive director of the Aspen Institute's Initiative on Financial Security and the Global Markets Institute at Goldman Sachs have teamed up to host a national series of roundtables with local leaders on the alarming decline of savings rates in America. The roundtables were moderated by Mensah and Goldman Sachs Vice Chairman Suzanne Nora Johnson. At the first, held in San Francisco in May, the city's treasurer, Jose Cisneros, spoke about innovative local programs to encourage savings and investment. In June in Jackson, Mississippi, Governor Haley Barbour and former Governor William Winter discussed saving and investing in the wake of Hurricane Katrina. At the third roundtable, in *continued on page 2*



Muhammad Yunus, founder of the Grameen Bank, meets with microcredit borrowers in a Bangladesh village.

The Nobel Prize, Yunus, and the Ford Foundation

"WHEN I FIRST MET YUNUS IN 1975, we had to duck under the table to avoid a hail of bullets," recalls Adrienne Germain, the Foundation's representative in Bangladesh in the 1980s (currently president of the International Women's Health Coalition). The barrage occurred at Chittagong University during a meeting with Muhammad Yunus, who earlier this year won the Nobel Peace Prize. "There had been four coups, and armed conflict was never far away," Germain remembers, "but Yunus, like so many, was determined to end poverty for the rural masses unaffected by urban political strife." When Yunus returned to Bangladesh with a Ph.D. in economics from Vanderbilt University, the Foundation made a grant for him to found a rural economics program at Chittagong University. That was the work that led him to sit in rural markets where he observed the plight of financially strapped farmers and landless laborers, both victims of traditional moneylenders.

Yunus began his work on microcredit by *continued on page 4*

A Tribute to Yunus

Ray Offenbeiser, who served as Representative to Bangladesh from 1990 to 1996 (currently president of Oxfam America), recently recorded a tribute to Yunus:

I NEVER CEASE TO BE AMAZED at Yunus's ability to connect with his audience on the most primal and empathetic level and to bring them into the world he sees and seeks to challenge. In this world, the neo-classical economics that he studied at Vanderbilt makes no sense. Markets do not work. More importantly, they not only do not serve the poor, they isolate and exclude them in a very systematic way from the assets they need to improve their lives. As he told an august audience of heads-of-state, corporate CEOs, global bankers, politicians and eminent persons at the Clinton Global Initiative in September, to break this cycle of poverty required a new economics, an economics that starts with the poor client and her needs, an economics of trust that assumes that the poor are reliable credit risks that deserved real banking services. With *continued on page 4*



DIPLOMATIC SIP

In a meeting with dairy co-op farmers in South India in 1978 are former president McGeorge Bundy (seated, left) and Eugene (Rocky) Staples (second from right). The photo is from Staples's new book, *Old Gods, New Nations: A Memoir of War, Peace and Nation Building*. (See LAFF, Fall 2006, p. 4). In granting permission to use the photograph in the current issue, Staples recalls, "I insisted that (Bundy) take a sip of milk, as did I. Otherwise Mac would have insulted the Indian cow, not to speak of the Indian farmers all of whom were great buddies of Doug Ensminger [the Foundation's representative in India]."

The LAFF Society

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The LAFFing Parade

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Atlanta, Mayor Shirley Franklin focused on new federally sponsored child savings accounts in the UK.

Sushma Raman, former program manager of the International Initiative to Strengthen Philanthropy, has been named president of Southern California Grantmakers. She joined the Foundation as a program officer for Philanthropy and Civil Society in the New Delhi office in 2001.

The Fabric of Friendship

Above is the title of a new book by Joy Carol, who served at the Foundation from 1980-1982 in the Education and Public Policy Division and the Urban Poverty Division. Sub-titled: Celebrating the Joys, Mending the Tears in Women's Relationship, it is published by Sorin Books/Ave Maria Press.

The book focuses on both the benefits of women's friendships and the difficulties that emerge in these relationships, such as envy, competition, aggression, boundary and control issues. It includes some real-life stories validating positive and restorative aspects of women's friendships. Mary

Zepernick, former U.S. Section president of the Women's International League for Peace and Freedom, called the book "a complex and rich tapestry in sharing stories of women's friendships.... This is a collection to be mined for inspiration, comfort, challenge...and for strengthening our conviction that 'another world is possible.'"

Carol is the founder of the Union Center for Women and co-author of the official report on the United Nations Decade for Women. She was an international consultant on women and development for Save the Children and other international organizations.

Berresford to Retire

Susan V. Berresford has announced that she will retire as president of the Foundation in January, 2008, when she turns 65. She joined the Foundation 36 years ago, and became president in 1996, succeeding Franklin A. Thomas. Under her stewardship the Foundation's assets have increased to \$11.4 billion from about \$8 billion. Announcing her decision to the staff, Ms. Berresford said, "I am very proud of the work we have done and what we are poised to do before I retire. I know it is time for a new stage in my life, one that includes more time with my family." Under her guidance, the Foundation has built programs to increase home ownership for low-income Americans, offer graduate fellowships for thousands of poor students and, most recently, created an organization to underwrite individual artists.

Schell Heads New Asia Society Center

Orville Schell, who was a training associate with the Foundation in Indonesia, has been appointed director of the Asia Society's new Center on U.S.-China Relations. One of the nation's top China experts, Schell is currently dean of the Graduate School of Journalism at the University of California, Berkeley. He will step down as dean but keep his faculty position.

The center will conduct research, organize symposia and work to educate the public on "the incredibly important and complicated and sometimes manic relationship between the United States and China," he said. Among the most pressing issues facing the two nations are the environment, intellectual property, trade and human rights. "Global warming is not going to be solved unless the United States and China figure out how to do it. Everybody else is a bit player."

Based in New York the center was established with a gift from Arthur Ross, a life trustee of the Asia Society.

Mr. Schell's reporting on China has sometimes been highly critical, particularly after the government crackdown on Tiananmen Square protesters in 1989. But he is not associated with a political position, said Visakhha N. Desai, president of the Society.

The author of 14 books, nine of them on China, Schell contributes to many magazines and newspapers. He has also been a commentator on network television. Born in New York, he earned his bachelor's degree at Harvard University and his master's at Berkeley. In the 1960s he was an exchange student at National Taiwan University. His wife, Liu Baifang, is Chinese, and two of their three children are studying in China.

Cleared by the Kremlin

Russia continues to squeeze foreign non-profit organizations, but the Ford Foundation was among several dozen exempt from restrictive filing requirements. Those suspended included Human Rights Watch and Amnesty International. In all, 96 groups were suspended. They were accused on interfering with state affairs or even harboring spies. Among 108 organizations approved for registration besides the Foundation were the Nuclear Threat Initiative and the Moscow office of the Carnegie Endowment for International Peace, and several child adoption agencies.

Membership Update

For all of us—as Ford alumni—LAFF builds our shared network of support and friendship. So, it's good news all around that we are growing! Here's some information...

Numbers LAFF membership is now at 385 and growing—reflecting a nearly 20% increase in the past year.

Reach LAFF is everywhere. 188 members are from the New York area; 34 are from DC; 38 from Boston; 23 from the West Coast; 46 from elsewhere in the States; and 10 from other countries.

Support LAFF members are paying their dues! A third have shown their support by paying for a multi-year membership (lining our piggy bank while reducing the strain on our administrative systems). And nearly 10% are fully paid up life members.

Eligibility We have recently put together the first formal set of criteria for membership.

Individuals are eligible for membership who were employed and had an ongoing and deeply engaged professional relationship to the Foundation, including any individual who held a staff appointment in any of the Foundation offices or who served as a resident (on-site) consultant.

In addition, it has been customary to extend membership to the widow/widower of an individual who held a full-time staff appointment, as well as to current Foundation employees. Others who may wish to join are asked to indicate in writing how their Ford connection was equivalent or in some way related to that of a staffer. The Membership Committee will review such applications on a case-by-case basis and determine their eligibility accordingly.

The more members, the stronger our network! Are your former Ford friends members? If not, encourage them to join by sending the attached membership form.

Check the LAFF directory to find out if your friends are members. Note that Dorothy Nixon mailed or emailed you the 2006 directory around March 4, 2006 (or later, if you joined after that time). You can also ask Dorothy—dnixon@comcast.net—to send them a membership form.

You might also take this opportunity to complete the membership application, update your information and pay dues to extend your membership. (That would be really helpful. So, thanks in advance!)

For more information or to help with the membership outreach effort, contact:

Sheila Gordon, membership chair
scg45@columbia.edu

IN MEMORIAM

As this issue went to press word was received of the death of **Dyke Brown**, former vice president of the Foundation. A complete obituary will appear in the next issue.

J. Roger Carter died in December in New Earswick, York, England. He served as a project specialist in educational planning and training in Dar es Salaam, Tanzania, from 1967 through 1974. He also served as consultant to the Ministry of Education in Dar es Salaam from 1975 to 1976.

Neil W. Chamberlain, who was director of the Program in Economic Development and Administration from 1957 to 1960. Chamberlain was noted for his pioneering role in the study and contribution to the understanding of labor relations and the responsibility of corporate management. After leaving the Foundation he became a professor of economics at Yale University and moved to Columbia in 1967.

He was educated at Western Reserve, and received his Ph.D. from Ohio State University. He was a former president of the Industrial Relations Research Association, Board of Editors of the *American Economic Review* and *Management International*.

He was a member of the board of the Salzburg Seminar in American Studies. He wrote 20 books, including *Enterprise and Environment* and *The West in a World without War* and more than 60 articles covering such topics as the development of labor unions, the spread of collective bargaining and threat of industrial strikes, the nature of management in emerging economies and business institutions, and the role of managers in the corporation. During World War II he was a naval lieutenant.

Disbrow Hadley, died in October. He joined the Foundation in March 1976 as Senior Accounting Assistant in Financial Services. In 1978, he became Supervisor, General Accounting, the Manager of Accounting in 1984, and retired in 1986.

AUTHOR! AUTHOR!

The LAFF Society is offering, for a modest fee, a **de-blocker**. That is a device that overcomes writer's block so that you can contribute to this newsletter—reminders, opinions, even funny stuff. We are constantly battling a shortage of material, so loosen up and let the words and thoughts flow. Send material to the editor of the next issue—Willard Hertz, wahertz@maine.rr.com.

The Nobel Prize, Yunus, and the Ford Foundation

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lending \$27 from his own pocket to several of these men and used the modest foundation grants to the rural economics program to formulate his breakthrough concept: that group pressure could replace collateral as the base for guaranteeing loans. He took the concept to the national Finance Minister, A.M.A. Muhith, also a great friend of the Foundation, who agreed to establish a “Grameen Bank” project in the Bangladesh Central Bank. The Foundation funded it and the project flourished, attracting not only men, but also women borrowers.

By 1980, however, Yunus realized that the project was only “safe” so long as the Minister was supportive, and he was finding that other banks, both government and private, were not willing to take on his clientele, despite their demonstrated success as borrowers. “Almost as soon as I arrived in Bangladesh in August, 1981, as the Foundation’s Country Representative,” Germain says, “Yunus asked for our help, first to find sympathetic bankers to help him design an autonomous bank, and second, to put up the collateral needed to begin operations. After scouring the subcontinent for bankers and coming up empty handed, we turned to Mary Houghton and Ron Gryzinski from Shorebank in Chicago.”

The Foundation had made program-related investments to Shorebank, which invests in neighborhoods abandoned by traditional banks because of racial changes. In addition to operating in five American cities, it now provides advisory services in developing and transitional economies. It has \$1.2 billion in assets and 40,000 customers, most of whom earn low-to-moderate incomes. Germain’s introduction of Yunus to Shorebank led to a collaboration with the Arkansas Good Faith Fund, whose board chair was Hillary Clinton and one of whose biggest fans was the former President himself. It was not exactly accidental that Yunus appeared at the Clinton Global Initiative this year. Senator Clinton traveled to Bangladesh as First Lady and her visit to the Bank was a centerpiece of her visit.

“Once Yunus, Ron and Mary had finalized the design and financial calculations,” Adrienne recalled, “we had to persuade the New York Office of the Foundation that the Bank was worthy of an \$800,000 Program

Related Investment, only the first or second international PRI they’d made, I believe. Then Yunus asked me to go to Rome to negotiate with the International Fund for Agricultural Development (IFAD), his preferred source for the \$7 million in capital required. IFAD needed, he said, reassurance from us that Grameen Bank was a good risk.”

A long line of Ford staff have worked with Yunus over some thirty years. Lincoln Chen made a trip to Chittagong University in the early 1970’s to meet with him. The first \$14,000 grant was made after consultations with George Zeidenstein and Steve Biggs. William Fuller continued to provide financial and intellectual support. Over the following years, other Ford staff provided key inputs for institution building in the form of multi-donor assessments, impact assessments etc. David Chiel, Doris Capistrano, and Offenheiser worked with the Bank on a variety of new initiatives that began the development of new business lines. Chiel and Ray Offenheiser participated in and chaired the Grameen donor consortium that Susan Davis had set up. Capistrano helped the Bank staff to develop a

A Tribute to Yunus

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consummate artistry, grace, and an infectious smile, he challenges many of the core premises of economics and markets.

With this simply moral insight and a dash of courage and showmanship, Yunus launched his career as a global champion for the micro-finance movement. While there are many notable micro-finance leaders who have contributed to the building this movement, none have given more to building its credibility and acceptance on a global scale than he. This phenomenal institution proved his core hypothesis about the creditworthiness of poor. Moreover, he took that concept to a scale that was unimaginable to the early pioneers of micro-finance.

Most outside observers of the Grameen Bank today continue to think that the Bank is fundamentally making \$50 loans to poor women who are building assets through very small initiatives like rice threshing and trading. The reality of the Grameen Bank today is something quite different and amazing. It is in fact a holding company which sells stock on the Bangladesh stock exchange and manages multiple companion institutions.

fisheries program. In the mid- to late 1980s, Charles Bailey and Susan Davis supported Yunus in brokering the idea of the Bank to other donors, assisting in the creation of a donor consortium, and persuading IFAD to make a \$40M grant to Grameen. This was the explosive phase of the Bank’s growth that made it the largest micro-finance program in the world. During this time, Yunus also persuaded the Bangladesh Central Bank to substantially increase its lending to the bank, a very significant leverage that drove a next phase of exponential growth through the mid-1990’s.

The Grameen microfinance project is distinguished by an extraordinarily high repayment rate—95 per cent. It now has 6.6 million borrowers and has lent \$5.7 billion, mostly to women. It has branched out into such activities as a fish farm, deep tube well irrigation, milling, metal working, and machinery repair. Funding has poured in from many other sources—the Norwegian, Canadian, and German aid agencies, and other microfinance projects have been supported by Accion International, the TIAA-CREF insurance company, and Opportunity International. ■

The core Bank business includes production of traditional Bengali check cotton fabric, management of a national system of tube-wells, a foundation for managing inland fisheries, a rural health insurance system, a rural cell telephone system operated by landless women, and a fledgling IT company and internet provider. In the US and Europe, Grameen Bank also runs foundations for fundraising and public education on micro-finance and a foundation that promotes and invests in the creation of micro-finance programs around the world. Yunus has been a genius at leveraging the original identity of the Grameen Bank as the provider of benefit to the poor woman in the tea stall in Chittagong into a Bangladesh-based institution with global reach and influence.

Indicative of the role that Ford was playing in the mid-90’s was a meeting that I organized with the Resident Representative of the Japanese Development Bank. As part of programs developed by the World Bank, the Japanese Bank invested heavily in agriculture in the late 80’s and early 90’s mostly with large producers. The results were been dismal; loan repayment rates were on the order of 18 percent. The Japanese were

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KATRINA-RITA FOLLOW-UP

In October, 2005, we published a special issue written by Willard Hertz, to cover the prominent roles being played by five LAFF members—Emmett Carson, Mike Rubinger, Ghebre Mehretab, Lynn Huntley and Eamon Kelly—in the nation’s response to Hurricanes Katrina and Rita. We also reported on the Ford Foundation’s initial commitment. This article updates those activities and summarizes the response of foundations generally.

Emmett Carson

Immediately after Katrina struck on August 29, 2005, Emmett—past president of the LAFF Society—took a leave of absence from the Minneapolis Foundation to serve as interim CEO of the new Louisiana Disaster Recovery Foundation created by the state’s governor. In November, 2005, he was succeeded at LDRF, first as interim managing director and then as permanent CEO, by Sherece Y. West, who had also worked at Ford, albeit briefly, in 1988.

Carson is still keeping his hand in the Gulf area as the new chair of the board of the Southern Education Foundation (see below for its activities in the region). This is in addition to his new position, already reported, as CEO of the new Silicon Valley Community Foundation in California.

With headquarters in Baton Rouge, LDRF was established to accept and distribute donations to meet the needs of the thousands of Louisiana residents whose lives had been devastated. Carson was one of a team of program officers lent by foundations nationwide to design the new foundation, establish program guidelines and assure public accountability. James Joseph, former president of the Council on Foundations and a native Louisianan, was elected the board chair.

In December, 2005, LDRF awarded its first round of grants, initiated under Carson’s leadership and totaling more than \$2.1 million. These included:

- \$750,000 to the Louisiana Family Recovery Corps for case management

and direct assistance;

- \$1.3 million to the Greater New Orleans Foundation, Baton Rouge Area Foundation and Community Foundation of Acadiana for assistance to displaced hurricane victims; and
- \$100,000 to the Louisiana Association of Nonprofit Organizations for rebuilding the nonprofit sector through emergency funding for staff salaries, equipment and office space.

The grant to the Louisiana Family Recovery Corps was later supplemented by \$3 million in pass-through funding from the Bush-Clinton Katrina Fund.

In its first year of operation, LDRF received \$13 million from more than 5,000 donors, including \$950,000 from the Ford Foundation. It awarded a total of \$9 million to 34 state and community organizations in five areas: housing, economic development (including small business and job creation), education and educational reform, land-use planning, and health care.

Sherece West worked at the Ford Foundation as a summer intern in the Human Rights and Governance program from June 1 through August 31, 1988. She then served as a housing researcher/analyst for the Community Service Society of New York City before joining the Annie E. Casey Foundation. She spent 13 years at Casey, first on its Rebuilding Communities Initiative, which financed on innovations in community development and affordable housing at five sites, and then on its youth leadership development program.

West moved to Louisiana in June, 2005, to serve as president of the Carrier Foundation, a new family philanthropy. After Katrina, she was one of the foundation officers lent by their organizations to plan and launch the LDRF. She is still serving as a consultant to the Carrier Foundation and is a new board member of the Council on Foundations.

In an interview with The Foundation News, West said the LDRF board had decided not to operate in perpetuity. “We are going to continue our grant strategies for

three years, and then assess our utility before moving forward. We are going to set benchmarks, outcomes and indicators for the foundation, and then assess our utility. We want to be one of the catalysts to strengthen philanthropy in Louisiana—to help rebuild the nonprofit infrastructure and the capacity of groups and organizations throughout the state to influence policy and advocacy.”

Mike Rubinger

In the past year, the Local Initiatives Support Corporation (LISC), under Mike Rubinger, has made a long-term commitment to rebuilding communities in the Gulf region damaged by Hurricanes Katrina, Rita and Wilma. It opened an office in Baton Rouge to serve as the headquarters for a half-dozen specialists assigned to the region by LISC and its affiliated National Equity Fund (NEF), and appointed a senior vice president, Evelyn Brown, to oversee its grant-making and lending activities.

To carry out this activity, LISC received financial support from the Rockefeller, Garfield, Robert Wood Johnson, Kellogg, Home Depot, Seattle and Greater Cincinnati Foundations, Prudential Financial, Citizens Bank, Freddie Mac, Fannie Mae, U.S. Department of Housing and Urban Development, Oprah Angels Network and hundreds of individuals

In its first year of operation in the Gulf region, LISC chalked up \$32 million in grants, loans and equity investments for physical rebuilding, support for local groups, partnerships with local agencies, and advocacy for new public and private resources, and raised an additional \$6 million for community development. Highlights included:

- \$170,000 in pre-development grants and recoverable grants to local Community Development Corporation (CDC) partners to help repair and rebuild 370 homes, develop 264 new affordable homes and apartments, and develop a health clinic.
- \$9 million in below-market-rate loans

for 245 homes and apartments, and helped two partner CDCs access \$10.9 million in NEF commitments.

- \$3 million invested by its affiliate, the Community Development Trust (CDT), in multi-family housing projects, as well as a \$50 million commitment in the Gulf Opportunity Zone (GO Zone) for affordable housing development in Louisiana and Mississippi.
- A LISC lending partnership with the Enterprise Corporation of the Delta, whose first action was a \$330,000 acquisition loan to The Resource Foundation to build 65 units of for-sale housing for evacuees and current low- and moderate-income residents in Baton Rouge.
- Expansion of NEF, which helps low-income families purchase homes, starting in 2005 with five Louisiana deals to add 146 affordable homes to the state, and another Louisiana deal in 2006 to provide \$2.8 million net equity for 30 units. Six additional deals were moving toward closing this year to invest \$18.6 million in 202 units.
- An AmeriCorps program, in partnership with the National Association of Vietnamese American Service Agencies (NAVASA), with sites in New Orleans, Biloxi and Houston. Twenty Vietnamese Americans, between the ages of 22 and 35, have been recruited to help Vietnamese immigrants and refugees rebuild their communities. An additional 15 AmeriCorps members have been placed with rural community groups.
- Grants totaling \$1.1 million to six rural CDC partners to repair homes and businesses; grants totaling over \$150,000 to support the rebuilding efforts of two New Orleans neighborhood groups; and grants for eight LISC local programs around the country to meet the housing, employment and other needs of 750 evacuee families.
- Training sessions on housing and redevelopment for public housing agencies in Houston, Baton Rouge, Birmingham, Jackson, and South Florida. Also, staff training and technical assistance to partner CDCs on community development in rural areas.
- Assistance to housing authorities and community groups in Mississippi and Louisiana in applying for federal, state and local government housing credits and funds for child-care centers and other community facilities. Also, advising

the city of New Orleans and community groups on developing land banks and land acquisition processes.

- Advocacy for new public and private resources, including the Home Ownership Tax Credit and supplemental appropriations of CDBG, HOME and Section 8 funds, new Congressional funding, and a deferred second mortgage program to help low-income homeowners rebuild or hold on to their properties.

Ghebre Mehretab

The NHP Foundation, with Ghebre Selassie Mehretab as CEO, is a national nonprofit organization whose mission is to provide quality, affordable, multifamily housing for low and moderate-income families. In the hurricane-affected Gulf Coast region, it has embarked on a program to provide 3,000 housing units at an estimated cost of \$300 million. This includes the rehabilitation of 1,000 damaged units and the creation of 2,000 additional units through construction or acquisition.

The Ford Foundation approved a PRI of \$3 million for initial capitalization and to cover pre-development costs. Other philanthropic sources include the Qatar Hurricane Fund, Bush-Clinton Fund, and the MacArthur and JPMorgan Chase Foundations. Most of the remaining funding will be raised through the sale of tax-exempt bonds and equity under Federal Low Income Housing Tax Credits.

To develop and implement the program, NHPF has opened a branch office in Baton Rouge, and has engaged Helena R. Cunningham, the former president of the Louisiana Housing Finance Agency, as senior vice president and managing director. A CPA and a lawyer, Ms. Cunningham had also served as assistant attorney general of Louisiana.

Since its creation in 1994, NHPF, with headquarters in Washington, has preserved 44 properties totaling approximately 9,000 units located in 14 states as affordable housing stock. It currently owns 25 properties totaling 4,800 units in 11 states with an aggregate asset value of \$180 million.

Lynn Huntley

From its headquarters in Atlanta, the Southern Education Foundation (SEF), under Lynn Huntley, has continued its response to post-Katrina educational needs and issues on the Gulf Coast in both higher and K-12 education.

In the wake of the hurricane, SEC made grants totaling \$4.2 million to

- enable students from Dillard University and Xavier University to resume their education on campus as soon as possible;
- enable 23 private historically black colleges and universities outside the affected area to enroll 323 evacuee students on an interim basis; and
- help Tougaloo College in Jackson, Mississippi repair damage from the storms.

This support was made possible by grants to SEF from the Andrew W. Mellon, Charles Stewart Mott and Nellie Mae Foundations.

Before reopening their doors, Dillard and Xavier had to face extensive damage at their New Orleans campuses—estimated at \$400 million at Dillard and \$40 million at Xavier. As private institutions, they did not have recourse to government funding. SEF's funds helped them with salaries; consulting assistance to assess damages, prepare financial plans, address legal and insurance issues, and oversee construction; and meet the costs of security, cleaning, construction and refurbishing of facilities.

SEC disbursed the student-enrollment funds directly to the 23 HBCUs for allocation to student accounts. Clark Atlanta University, Morehouse College and Spelman College, leading black institutions in Atlanta, each received \$600,000 for more than 150 student evacuees. The other colleges—including Dillard, Xavier and Tougaloo and others in Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee, Texas and Virginia—received awards of up to \$3,000 each.

According to Lynn, the country's black colleges and universities graduate 25 percent of all African Americans who receive a four-year degree and 40 percent of those with degrees in science, technology, engineering and mathematics. "Despite their importance," she continued, "they are typically hard-pressed for funds—while they have made significant progress in recent years in raising funds from alumni, their total endowments do not equal that of Harvard. As a result, they are heavily tuition-dependent, and are ill-equipped to enroll additional economically deprived students."

On the K-12 level, SEF has continued to keep the nation's education donors informed of developments, issues, opportunities and concerns in the Gulf Coast. After organizing a session at the Grantmakers for Education (GFE) annual meeting last October on "Education After Katrina," SEF held

a donors briefing in November, held a briefing in Washington in May for national education organizations and social justice advocates, began issuing briefing reports to interested donors starting in the spring of 2006.

Since then, in association with GFE and with the support of the Phil Hardin Foundation, SEF has established an on-line community at the GFE site where education donors can get a wealth of information. SEF also will hold “education after Katrina” briefings at the 2006 meetings of GFE and the Southeast Council on Foundations in November, and is preparing a major “white paper” on the national interest and imperatives for a federal role in reconstructing education in the Gulf Coast.

“The state of education for many children affected by the hurricanes remains precarious,” Lynn reports. “Most of these children lost two to five months of schooling last year, and most had to make enormous practical and emotional adjustments. Yet, few special services and few summer programs were organized this past year to help these children cope and catch up, and test scores suggest some real issues in learning.

“While the New Orleans area and the Mississippi coast are slowly rebuilding plank by plank, education remains too often a secondary public-policy concern for the children in these areas and removed to distant locations. There is no sense of urgency and no sense of priority in the federal government and even in state governments to prevent the loss of a generation of students who were already behind in education even before hurricane Katrina came ashore.”

Eamon Kelly

When Hurricane Katrina hit New Orleans, Eamon, who has been at Tulane University since 1979, and his wife Margaret were at their vacation home at Rockaway Point, Long Island. Tulane closed its campus because of extensive physical damage and a lack of potable water, electric power and physical security, and moved its core operations to Houston. For the time being, the Kellys stayed put on Long Island, Eamon communicating with Tulane colleagues and students by internet using his desktop computer.

Three weeks later Eamon proceeded with established plans for a business visit to West Africa where Tulane’s Payson Center for International Development and Technology Transfer—his current affiliation—has a regional public-health project financed by

US-AID. Subsequently, with the New Orleans campus still closed, the Payson Center reactivated its center for graduate students in Sri Lanka—normally a summer program—with Eamon a member of the faculty.

In January, Tulane reopened in New Orleans, and the Payson Center was able to proceed with a normal winter schedule of classes. Then, in May and June, the Center scheduled an intensive special session to help students to make up work they had missed.

On their return to New Orleans, Eamon and Margaret found that their home had been seriously damaged by eight feet of water and a fallen tree. For temporary housing, they were able to rent a suitable home near the campus. The rehabilitation of their regular home took the better part of the year, and they were able to move back this past September.

Eamon went to Tulane as executive vice president and was elected president in 1980. He retired as president in 1998 to become founding member and senior staffer of a new Tulane entity, the Payson Center, which undertakes research, education and technical assistance relating to the potential impact of information technology on the developing world.

The Ford Foundation

In the year following Katrina, the Ford Foundation approved more than \$20 million for more than 50 grants and PRIs for projects relating to race, poverty and the renewal of cultural institutions. In addition to the \$950,000 for the LDRC and \$3 million for NHPF cited above, these grants included:

- \$1 million to the American Red Cross for disaster relief;
- \$1 million to the Enterprise Corporation of the Delta for emergency loans for critical home repairs, replacement of destroyed vehicles and rental of new apartments;
- \$600,000 to The Advancement Project to protect and enforce the housing and voting rights of displaced individuals and families;
- \$200,000 to Tulane University for a new Institute for the Study of Race and Poverty to address issues of discrimination and inequality revealed by the storms; and
- \$250,000 to the Community Foundation of South Alabama to help low-income families rebuild their homes and livelihoods.

Additional grants were made to support local leaders in rebuilding efforts that provide an opportunity to create a more healthy, equitable and prosperous region.

Foundations in General

According to a report by the Foundation Center, in the first year following Katrina the nation’s grantmakers—including private, corporate, and community foundations—committed \$577 million for relief and recovery projects in the Gulf of Mexico area. Nearly 48 per of the foundations surveyed had responded affirmatively to requests and appeals for funding. The rest were blocked by charter limitations to specific geographic areas, commitments to core missions and grantees, or a belief that disaster relief is the role of government and individual givers.

While 82 percent of the respondents gave to immediate relief efforts, nearly 22 percent of those surveyed gave, instead or in addition, to long-term recovery efforts mainly in housing and economic or job creation.

The generous response of the foundation community did not generally undercut giving for existing or traditional purposes—more than 84 percent maintained their normal level of giving in their customary geographic or subject areas. ■

A Tribute to Yunus

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totally exasperated by this experience and dying for an introduction to the Grameen Bank whose 95 per cent repayment rates were incomprehensible to them. I arranged such a meeting in the Ford offices. The Japanese bank representative made a very straight forward pitch. He would provide a loan of \$30 million to the Grameen Bank at 3 percent interest with a three year grace period. I was astounded at the directness of this offer and the soft terms on the table. I was more astounded, even dumbstruck, when Yunus, after politely acknowledging this most generous offer, stated that the Grameen Bank did not accept loans for its work with the poor that charged interest. He then thanked us both for the meeting, rose and headed to the door. As he headed to the stairway down to his vehicle, he turned gave me a big smile and a very slight wink. Eighteen months later, he got the loan with no interest.” ■

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