

Inside **Philanthropy**

Work in Progress: How One Consulting Firm Is Helping Funders Adapt in an Evolving Sector

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These days, it's easy to get into the habit of thinking that philanthropy is rapidly coalescing around the need for diverse perspectives, more bottom-up thinking and greater equity in governance and grantmaking. But even as a mounting sense of crisis has animated some funders to leave their comfort zones, words still have a tendency to outpace deeds. Now that COVID-19 has upped the ante even further, it'll be interesting to see how much the sector really embraces the kind of organizational shifts that have sparked a lot of talk in recent years, but less in the way of concrete action.

Consultants, intermediaries and other “philanthropy-serving organizations” have an undeniable role to play in charting the sector’s course. Some philanthropy-serving organizations act as go-betweens, bridging the gap between donors and organizations on the ground. Others offer fiscal sponsorship services, host donor-advised funds, or even engage in significant grantmaking themselves. They’re all different, but they can all tell us something about where the sector’s heading.

The TCC Group is one prominent consultancy worth keeping tabs on. As a certified B corporation, TCC is closer in structure to your typical consulting firm than some big 501(c)(3) fiscal sponsorship outfits [like Arabella Advisors](#). And it’s not ideological in the same sense as [the Proteus Fund](#) or DonorsTrust. In fact, one remarkable thing about TCC is its broad reach. [Its clients](#) run the gamut, serving huge foundations like Gates, Ford and Rockefeller, down to smaller local grantmakers and a variety of nonprofits. TCC has also worked with a laundry list of prominent corporations, often advising their philanthropic arms. Affinity groups and funding collaboratives round out the firm’s client list.

Such varied clientele gives TCC powerful cross-sectoral perspective in an era when some of those boundaries are dissolving, or at least appearing to. And while it’s defined by its varied client list, TCC stresses its dedication to a set of values: diversity of perspective, organizational effectiveness and equitable social change. Equity, in particular, is a common priority for its philanthropic clients.

As part of our expanding coverage of philanthropic consultancies and intermediaries, here’s a closer look at this important player.

Beginnings

The TCC Group has evolved quite a bit since it got up and running in 1980. Just look at the name. What was originally called The Conservation Company got its start in Philadelphia as a response to that era’s energy

crisis. It embraced a cross-sector mission from the beginning, selling energy-efficient materials and consulting with nonprofits to help them keep the lights on, literally. The intervening years have seen TCC expand its services, first to foundations and corporate clients, and then into a much wider range of issue areas than energy conservation alone.

TCC's longtime President and CEO Richard Mittenthal came on board in 1990, following a career that pivoted from corporate banking to community development, notably as a vice president with the New York Community Trust in charge of discretionary grants. Like the social sector itself, TCC has evolved a lot during Mittenthal's tenure. Still, social impact remains at the heart of how TCC sees itself. "We're doing a lot of the same things, just with more people and more sophistication," Mittenthal said.

Today, TCC employs 55 people instead of the three or four it began with, and around 65 to 70% of its revenue comes from foundation clients. TCC focuses its philanthropy practice on institutions, and it isn't structured to advise individual donors. "We work with nonprofits, foundations and corporate philanthropies, bringing together knowledge of interrelated parts of the nonprofit sector," Mittenthal said. "The learning that can carry over from one practice area to another makes us unique in the consulting world."

An Eye Toward Equity

Equity, inclusion and progressive social change are themes that resonate across the firm. But they're particularly relevant to TCC's work in philanthropy.

"Our philanthropy team comes from working in the progressive philanthropy space," said Melinda Fine, TCC's director of philanthropy and strategic partnerships. "We often partner with foundations that are grappling with how to translate high-altitude equity and justice principles into specific, sustainable practices in grantmaking approach, community

partnerships, funder collaboration and leadership.” Fine is a nonprofit veteran whose career took her from the nuclear freeze movement of the 1980s to a VP role at NEO Philanthropy. We heard from her in that capacity back in 2015, [when we profiled that heavyweight progressive intermediary](#).

These days, Fine brings her social justice bona fides to bear on a consulting practice that often assists funders eager to step up their equity game. Working alongside her is Molly Schultz Hafid, whose past roles as a grantmaker were also deeply situated within social justice giving. Schultz Hafid said her work at TCC often involves “asking which perspectives are in the room, which are missing, and how we embed questions of community voice and expertise in a way that builds on clients’ network of understanding.”

Those questions—about missing voices, community expertise, power dynamics—are growing in prominence [as mainstream philanthropy adopts progressive discourse](#). A big part of TCC’s work involves helping philanthropic organizations find their way down that path as they formulate new strategic plans and engage with stakeholders.

One recent client, the Nellie Mae Education Foundation, brought on TCC to support [a strategic realignment centered on racial equity](#). “Up until four years ago, our core mission was to advance student-centered learning,” said Nick Donohue, Nellie Mae’s president and CEO. “But when we looked at the results, we weren’t convinced that those innovations were being adopted in ways that were powerful and deep departures from traditional schooling.” The core of the problem, Donohue said, is that “we have a two-tiered system of education—one for white affluent people, and one that doesn’t meet the needs of communities of color.”

Headquartered in Massachusetts, Nellie Mae is one of the largest grantmakers focused exclusively on education in New England. Donohue and his team’s acknowledgement of deep racial divides in public education

led them to TCC and Melinda Fine, whom he described as a “strong strategist.” TCC proceeded to engage with stakeholders, and a consensus emerged that really addressing structural racism would require Nellie Mae to back people in the community who were already doing that work.

In the end, the TCC team presented Nellie Mae with several ways to proceed, including doubling down on teacher diversity or supporting community groups with unrestricted grants. Based on the feedback they already received, Donohue and the Nellie Mae board went with the latter option, which allowed “a bigger breadth of activity” and the chance to dig deep and engage in “culture work.” The process wrapped up in late 2018, and the foundation has since hired a dedicated staffer to further articulate its new program.

TCC often works with established grantmakers ready to tack in a progressive direction, but which are perhaps unsure how their own preconceptions color their understanding of equity problems. “We had really good, direct exchanges that weren’t always comfortable,” Donohue said.

Old Values, New Strategies

Though progressive values tend to unite TCC’s philanthropy clients, the diversity of that clientele is substantial. For instance, the firm serves a wide variety of local and regional funders, including community foundations across the country. As conveners and infrastructure-builders, community foundations benefit not only from deep engagement on the ground, but also from institutional coherence and the ability to communicate values effectively. TCC’s work with the Rose Community Foundation in Denver predates COVID-19, but it’s a good example of how the firm advises a community funder engaged in a strategic revamp.

The Rose Community Foundation was established following the sale of Denver’s Rose Medical Center in 1995. It’s a health legacy foundation, but

its founders decided to charter it as a community foundation, making it something of a hybrid. “We’re able to do grantmaking like a private foundation with unrestricted funds, and we also have a community foundation’s reach,” said President and CEO Lindy Eichenbaum Lent. Diversity and equity have always been part of the foundation’s DNA, dating back to the Rose Medical Center’s longtime policy of letting doctors of any race or creed practice—not the norm in Denver when Jewish doctors founded the hospital in 1949.

But while the foundation’s core values haven’t changed, the board recognized that the region’s needs were shifting fast, and that old silos and focus areas might not offer the best path forward. Following the death of Lent’s predecessor in 2016 and Lent’s arrival the following year, the foundation brought on TCC to work out a new strategic plan. “We had already worked with local consultants in the past, and we wanted people unconstrained by that history,” said Lent, regarding the foundation’s decision to engage a national consultancy. “TCC was on our radar screen [because] a lot of Jewish foundations had worked with them,” she said. She also called the breadth of TCC’s experience a point in its favor.

According to Lent, the foundation’s extensive engagement with TCC began with an internal process in which Fine, Schultz Hafid and their colleagues “really got to know the organization inside and out—our history and culture, our pain points, opportunities and aspirations.” The next step was external, involving focus groups and interviews with over 100 people to get a sense of the foundation’s role and reputation in the field. “We used the external phase to test our own mythologies about ourselves, which was incredibly valuable,” Lent said.

The foundation’s [updated strategy](#) prizes equity and social justice, community engagement, and leveraging its community foundation toolkit to build the region’s overall philanthropic resource base. The strategic planning process helped the foundation better understand how community

needs currently outpace available resources, and to compensate, it also intends to bump up its support for policy advocacy.

Meeting Foundations Where They Are

TCC's work with Nellie Mae and the Rose Community Foundation was quite expansive, but the philanthropy practice also offers foundation clients narrower program and project support. No matter the scale of the task, Fine stressed the importance of meeting foundations where they are. "As a consultant, it's tricky but essential to ground any guidance in best practices that work, while at the same time recognizing that each foundation comes to these practices differently, given their particular history, culture and board and staff composition," she said. The pace of any change, she went on, must make sense in the context of the foundation in question.

The Open Society Foundations are certainly a particular beast. The global network of funding vehicles and programs is well-known for its complexity, and according to one staffer, TCC was able to comprehend that context and adapt accordingly. "They understood the complexity of OSF, its bottom-up nature and plurality, the lack of centralization and the dynamics between programs," said Laine Romero-Alston, a team manager with OSF's Fair Work Program and International Migration Initiative.

Romero-Alston worked with TCC on a network-wide convening held in January 2018 to inform OSF's [Just Futures for Workers initiative](#). The event kicked off a long-term effort to figure out how to weave OSF's longstanding global human rights funding with support for workers' rights, including in the United States. One of the TCC team's strengths, according to Romero-Alston, was how well they understood their role in the context of what OSF needed. "The OSF folks needed to be more visible than any external facilitators. That worked well [with TCC]," she said. She also praised Fine and team's specific knowledge of philanthropy, a background that not all strategic consultants possess.

TCC's ability to adapt to organizational context stands it in good stead with family foundations, one area where the firm has been ramping up. Schultz Hafid mentioned that TCC has been helping several anonymous family foundations develop progressive approaches to grantmaking. One, she said, is spending at 8% in response to Trump. Another "very new" family funder has been inspired by shifting tides in the philanthropic conversation, including around racial justice and participatory grantmaking.

Philanthropic collaborations are another focus area. One collaborative effort on TCC's resume is the Emergent Fund, a rapid-response vehicle financed by progressive funders to "resist" Donald Trump's agenda. The Emergent Fund [cedes grantmaking authority to an advisory council of movement stakeholders](#) in a participatory model that's both radical and rare. A few other collaborations TCC has worked on include the Robert Wood Johnson Foundation's efforts to mobilize funders around health equity, dialogue-building among major Jewish funders, and strategic planning for the Proteus Fund's donor collaboratives.

"Collaboratives can be difficult for professional grantmakers," Schultz Hafid said. "They need support to think through how they can be effective. Our strength is, we're able to provide a more flexible form of support to collaboratives. We discuss niche governance structures, and the best way to structure decision-making if there have been shifts."

TCC serves philanthropic organizations in a few other ways, outside the sole purview of Fine's philanthropy practice. For one thing, the firm as a whole is in the early stages of building out an independent 501(c)(3) arm called the Partnership for the Public Good. With its own board and structure, the c3 may serve as a vehicle for regranting resources, or to support the distribution of field-facing reports and other thought-leadership materials.

TCC also offers a capacity assessment tool tailored to foundations called the FCCAT, based on a previously developed tool for nonprofits called the

CCAT. The FCCAT's been around since 2015, and got an early boost when the Ford Foundation gave TCC a grant to offer the tool to a number of foundations for free. TCC also provides organizational evaluations and consulting for corporate clients, including lots of major corporate foundations.

Adapting During a Crisis

Its capacity assessment offerings are perhaps the best reflection of TCC's fundamental friendliness to strategies drawn from business. Like many other philanthropic consultancies, TCC is aligned with that wing of the nonprofit sector that likes market strategies, a stance Mittenthal made clear in [a 2015 profile](#) titled "Why Doing Good Is Good Business." After praising the "substantive work" of mission-driven organizations, Mittenthal pointed to a potential weakness: "The problem, and this is not a revolutionary idea, is that the absence of a bottom line can result in organizational drift and inadequate focus on measuring results."

Melding the worlds of business and nonprofits isn't a universally beloved idea. But for TCC and most other consulting firms, the bottom line is a very real factor. It's worth asking to what extent business realities oblige consultants to pick and choose clients based at least in part on their ability to pay.

That's not to say TCC's business motives are any different from those of other philanthropy-serving firms, or that profit always stands in the way of social impact. However, sector-wide belt-tightening due to COVID-19 has already begun. With less money floating around, how will the wider ecosystem of philanthropy-serving organizations adapt? Will greater competition separate the wheat from the chaff and eliminate some of the more cookie-cutter approaches to foundation consulting?

If that happens, the apparent nimbleness and adaptability of TCC's philanthropy practice should be advantageous, not to mention its

continuing engagement with foundations around COVID-19 response. On that note, Fine and team's current priorities track with those of most progressive funders.

“COVID brings to the fore the systemic disparities that progressive foundations, nonprofits and movement actors have been spotlighting for a long time,” Fine said. “The question is, how can the spirit of this crisis fuel longer-term thinking about conditions and priorities, as well as thinking about how foundations fund, the structures and relationships they need to cultivate, and the constituencies they need to resource? These are all themes we’re exploring with our foundation partners right now.”