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MacArthur Foundation targets small non-profits

By Charles Storch
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The Chicago foundation behind the famously generous "genius" grants is extending the brand, introducing annual awards of up to \$500,000 for small non-profit groups considered on the cusp of significant achievement.

Jonathan Fanton, president of the \$5.5 billion John D. and Catherine T. MacArthur Foundation, was to unveil its new program Thursday before the annual Donors Forum of Chicago luncheon, held in the Hilton Chicago.

In remarks prepared for the event, Fanton likened the initiative to the MacArthur Fellows program. Each September, that program awards \$500,000 over five years to 25 people, many whose genius is just beginning to be recognized within their respective disciplines.

"It is often small or emerging organizations that generate provocative ideas, reframe the debate or provide new ways of looking at persistent problems," Fanton was to tell his audience, while adding that investments in such groups "can contribute to progress on an issue or in an area of work, and can also help position a small or new organization for long-term growth and impact."

In an interview before the speech, Fanton said the MacArthur's staff and board have selected nine non-profits for the first awards, which will range from \$250,000 to \$500,000 in one payment.

The recipients are to be announced at an awards ceremony scheduled for October in Chicago, to be followed by seminars outlining their work.

As has been true with the "genius" grants, Fanton said, the new awards may convey upon the non-profits "some advantage in the recognition itself."

He declined to name the organizations but said four or five are based outside of the United States.

To be eligible for the award, non-profits must have annual budgets of less than \$2.5 million and be previous recipients of MacArthur grants, so they require no further screening.

They also must be involved in fields MacArthur has traditionally supported, among them human rights, environmental protection, population control and affordable housing.

According to MacArthur, the awards will recognize groups that have demonstrated creativity, strong leadership and stable financial management and that are at a "critical or strategic point in their development."

"People identify us with individual genius awards," Fanton said. "It's important to know that we do a lot in

strengthening institutions."

MacArthur over the years has made dozens of multimillion-dollar grants to larger non-profits at critical moments in their development, as Fanton knows firsthand. In 1998, a year before he joined MacArthur, Fanton was board chairman of the New York-based Human Rights Watch when it received a \$5 million grant from the foundation.

"It just transformed our outlook," he recalled. "We doubled the goal of our [fundraising] campaign, to \$50 million. And the campaign more than succeeded."

Over the last several months, MacArthur staff began discussing a program that might similarly transform smaller organizations, including those in developing countries. The new initiative evolved from those talks, Fanton said.

He said the award money may be for unrestricted support or earmarked for particular projects. All amounts will be in addition to any MacArthur grants the non-profits are receiving.

The foundation said it will not open nominations for these awards to outsiders, as it does with its "genius" grants.

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John D. and Catherine T. MacArthur Foundation

History: Established in Chicago in 1978 after the death of John D. MacArthur, an insurance and real estate magnate. Wife Catherine died in 1981.

Assets: \$5.5 billion. Largest philanthropy in Illinois; ranked ninth in the nation.

Grantmaking: About \$200 million a year.

Fellows program: Started in 1981. Often referred to as "genius" grants, they are no-strings awards of \$500,000 over five years to U.S. residents in diverse fields.

What's being announced: New awards of up to \$500,000 for small non-profits of exceptional creativity.

Source: Foundation reports, Chronicle of Philanthropy

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