

## January 2012: From the Chair and President

We are writing to update our grantees and those interested in the work of the Foundation on our expectations for awarding grants in 2012 and 2013. Since late 2008, the Foundation (along with many other non-profits) has been dealing with the adverse impacts of the economic downturn and the ongoing turmoil in the financial markets. Unfortunately, we now believe these unfavorable circumstances will continue to limit the Foundation's capacity for grantmaking in 2012 and 2013.

In 2010 and 2011, the Board of Directors took steps to limit the impact of the volatility in the markets by freezing funds available for grantmaking with the expectation that, by 2012, the markets would be on course to grow the Foundation's investment portfolio and we would slowly begin to increase our levels of grantmaking. However, it is now our expectation that the Foundation's ability to award grants will not experience a significant rebound until 2014 at the earliest. As a consequence, we expect to reduce our overall grantmaking in 2012 and again in 2013. At the same time, we are taking significant steps to decrease our program related, administrative and investment expenses in order to maximize funding available for grant awards.

Moving forward, Overbrook remains committed to its mission as a progressive family foundation that supports organizations advancing human rights and conserving the natural environment. The Foundation's **Environment Program** will continue to focus on biodiversity conservation in Latin America and sustainable production and consumption in the United States. In Latin America, its geographic focus will include Brazil, Ecuador, Mexico and, in certain circumstances, the other nations of Central America. The **Human Rights Program** will continue to support organizations within the United States that are advancing the U.S. domestic human rights movement. To promote gender rights in the US, this program will award grants to build the reproductive justice movement and advance marriage equality for same-sex couples. It will also support media reform and non-profit media working in the Human Rights and Environment arenas. Internationally, the Foundation will continue its focus on gender rights and protecting human rights defenders in Latin America.

Please note that, as in recent years, the Foundation continues to discourage letters of inquiry. Unsolicited proposals will not be considered by the Foundation for funding in 2012 and 2013. Foundation staff will invite proposals on a limited basis as opportunities that clearly match Foundation priorities are identified.

In a recently published report, the Foundation Center found that "unless the field sees five years of above-average investment returns, social justice grantmaking levels in 2015 will remain below 2008."<sup>1</sup> We deeply appreciate the difficulties that this reality creates for our grantees. While operating within our resource constraints, we commit the Foundation to doing all it can to maintain the vitality of its Human Rights and Environment grantees and the important work they are pursuing.

Sincerely,

Stephen Altschul  
Chair of the Board of Directors

Stephen A. Foster  
President and CEO

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<sup>1</sup> Sarah K. Gould, "The Impact of the 2008 Financial Crisis on the Field of Social Justice Philanthropy", *The Foundation Center*, November 2011, Accessed at [http://foundationcenter.org/gainknowledge/research/pdf/diminishing\\_dollars2011.pdf](http://foundationcenter.org/gainknowledge/research/pdf/diminishing_dollars2011.pdf)

## **January 2011: From The Chair and President**

Starting in early 2009, the Foundation periodically posted letters from its Chair and President outlining steps being taken to address the impact of the global financial crisis on its grantmaking programs (The letters from 2010 and 2009 are below). In October 2009 and, in part, because of the continuing financial downturn, the Foundation began an active strategic planning effort to examine all aspects of the Foundation's life, with a particular focus on its mission, values and grantmaking. We are writing now to report on the outcomes of our strategic planning efforts and how they will affect our grantmaking over the next several years.

Over the last three years, our investment portfolio experienced significant volatility and we continue to anticipate significant fluctuations in its performance over the coming months and years although we are cautiously optimistic that it will continue to slowly improve in 2011 and 2012. The Board has decided it will counter that volatility by committing the Foundation to a steady level of funding for its Human Rights and Environment Programs through 2012. We expect that by the end of 2012 the Foundation will have weathered the worst impacts of the financial storm and that we will be able to gradually increase our grantmaking levels beginning in 2013. In 2011 and 2012, our grantmaking will remain approximately 30% below its peak funding in 2008.

The Board has revisited the Foundation's mission and values statements crafted in 2001 and refined them to reflect its current direction.

### **Mission**

The Overbrook Foundation is a progressive family foundation that supports organizations advancing human rights and conserving the natural environment.

### **Values**

Honoring the vision and dedication of its founders, Helen and Frank Altschul, The Overbrook Foundation:

- Honors its role as a steward of both the public trust and the Foundation's mission
- Advances programs ethically, responsibly and respectfully
- Is transparent and open
- Engages in its work in a deliberate and thoughtful way
- Takes measured risks
- Employs diverse approaches to seize opportunities and respond to challenges
- Supports social justice and environmental sustainability
- Promotes advocacy, accountability and reform of institutions and government

### **Program**

The Board recently completed the Foundation's first comprehensive review since 2005 of its Environment and Human Rights Program.

The Foundation's **Environment Program** will continue to focus on biodiversity conservation in Latin America and sustainable production and consumption in the United States. In Latin America, its geographic focus will include Brazil, Ecuador, Mexico and,

in certain circumstances, the nations of Central America. Criteria applied to potential projects will include: potential impact, level of innovation, the opportunity represented in the project, benefit to local communities, climatic implications and the strength of the funded group/leadership to accomplish the work proposed. The Environment Program will continue to seek out efforts that support innovative ideas in sustainability, particularly around the production and consumption of materials. The mitigation of climate change, with a particular focus on energy efficiency, will receive distinct but limited support.

The **Human Rights Program** will continue to support organizations within the U.S that are advancing the U.S. domestic human rights movement where Overbrook has played a leadership role since 2005. It will also continue its grantmaking to strengthen gender rights in the U.S. where it has a long history of support for women's rights, LGBT rights and anti-trafficking efforts. Building the reproductive justice movement and advancing marriage equality for same-sex couples will be central elements of the gender rights focus. Media reform and support of non-profit media will continue with support for non-profit electronic and print media and efforts to reform the media landscape. This represents the Foundation's contribution to progressive movement building in the U.S. Other movement building efforts not defined as human rights will be phased out over 2011. In the Latin America grantmaking program, the Foundation will continue to support human rights defenders and gender rights organizations.

We will continue to play an activist leadership role in the philanthropic community. Our program officers are heavily involved in organizing and managing funder collaborative partnerships, creating vital new non-profit organizations to advance change and assuming leadership roles in a variety of foundation associations. Through these various efforts, the Foundation believes it is able to influence the direction of significant philanthropic resources to those issues most central to its human rights and environment mission. Moving forward, we will continue using all of these mechanisms to protect and strengthen the fields in which our grantees are active and to learn more about work underway in the Foundation's fields of interest.

Please note that letters of inquiry and unsolicited proposals will not be considered by the Foundation for funding in 2011 and 2012. Instead, because of the reduced funding available for grantmaking, Foundation staff will invite proposals on a limited basis as opportunities that clearly match the Foundation's priorities are identified.

We deeply appreciate the difficulties that our grantees continue to face as the nation slowly recovers from the economic downturn of the last several years. Our Board of Directors and staff are sensitive to these challenges and will work diligently to assist our grantees and colleagues as they continue their work.

Sincerely,

Kathryn G. Graham  
Chair of the Board of Directors

Stephen A. Foster  
President and CEO

## January 2010: From The Chair And President

In early 2009, the Foundation posted a letter from its Chair and President outlining steps being taken to address the impact of the global financial crisis on its grantmaking programs. We are writing now to update you on Foundation plans for grantmaking in 2010 and over the next several years.

Our endowment experienced significant volatility in 2009 as financial markets continued their decline early in 2009 and then made a remarkable rebound. As of December 31, 2009, the endowment totaled \$111.6 million as compared to \$187.3 million just two years ago. (As of March 15, 2010 the endowment's unaudited value is estimated at approximately \$126 million.) We know that our grantees have experienced similar challenges; and, we are concerned about the implications for support for all nonprofits dependent on fundraising from government, foundations and individuals in 2010 and thereafter.

We seek to respond prudently to this very serious financial situation and change in our endowment, while at the same time remaining focused on the work of our grantees around critical concerns and the likely enormous opportunities in human rights and the environment in 2010 and over the next several years.

We will continue to play an activist leadership role in the philanthropic community. Our program officers are heavily involved in organizing and managing funder collaborative partnerships such as

the U.S. Human Rights Fund and the Civil Marriage Collaborative; creating vital new non-profit organizations to advance change; e.g., Catalog Choice, [www.catalogchoice.org](http://www.catalogchoice.org), and assuming leadership roles in a variety of foundation associations such as the Sustainability Funders Work Group. Through these various efforts, the Foundation believes it is able to influence the direction of significant philanthropic resources to those issues most central to its human rights and environment mission. We will use all of these mechanisms moving forward to protect and strengthen the fields in which our grantees are active.

We believe that the impact of the financial crisis will be felt for some years to come and that as a consequence the Foundation's grantmaking ability will also be reduced. This is despite a commitment by Directors to fund grantmaking in excess of the mandated 5% payout requirement. To effectively manage this reduced grantmaking ability, directors are committing the Foundation to a strategic review of its environment and human rights programs during 2010 with the objective of redefining its priorities for grantmaking over the next three to five years. We expect to announce the outcomes of that review by the end of the year.

Our expectation and our goal is that we will preserve the viability of the Foundation and continue to advance its mission as we work through these very difficult times. Despite these challenges, we look forward to working with you in the coming year to move forward a progressive agenda for change.

Sincerely,

Kathryn G. Graham, Chair

Stephen A. Foster, President and CEO

## **January, 2009: From The Chair And President**

Last year, 2008, was challenging for many non-profits and foundations, including The Overbrook Foundation. We remain committed to the important work of our grantees and we look forward to continuing our support of work in human rights and the environment. However, we are very concerned about the depths of the global financial crisis and the uncertainty it brings. We would like to update you on Overbrook's response to the crisis and to the opportunities the Foundation and our grantees face as we move into 2009 and beyond.

Overbrook is a family foundation started in 1948 by Frank and Helen Altschul. Its directors are descendants of the founders and one non-family director. The family has a long history in investment banking and the Foundation has relied heavily upon equity investment growth to sustain and build the endowment and to fund grantmaking over its 60 year history. Between 1990 and December 2007, the Foundation's fair market value increased from \$60.3 million to \$187.3 million after paying grants and expenses, growing 6.3% annually. This growth rate does not reflect the Foundation's investment performance as it has been reduced by both grants and expenses. Over this time period, the Foundation made grants of over \$100 million.

Since 2001, the Foundation's payout has annually exceeded the mandated 5.0% minimum required by the IRS. Between 1990 (the year of its last significant bequest) and the end of 2007, the Foundation was able to fulfill its mission while growing its portfolio faster than inflation. When facing national crises, the Foundation has reached into capital to support emergency grant making. For example, after 9/11, the Foundation made a one-time \$1 million commitment to stabilizing New York's non-profit community. More recently, it committed \$2.5 million to addressing climate change. We believe the current economic and financial crisis represents another moment in time for the Foundation to step forward.

Our endowment experienced great volatility and serious decline in 2008. As of December 31, 2008, the endowment totaled \$111.6 million as compared to \$187.3 million just one year ago. We know that our grantees have experienced similar challenges; and, we are concerned about the implications for support for all nonprofits dependent on fundraising from government, foundations and individuals in 2009. We seek to respond prudently to this very serious financial situation and change in our endowment, while at the same time remaining focused on the work of our grantees around critical concerns and the likely enormous opportunities in human rights and the environment in 2009.

We are taking a series of steps to manage through this difficult period that include:

- Honoring our commitments to current Human Rights and Environment Program grantees.
- Using a newly created, "by-invitation-only", fund initiated by the Foundation's Directors to take advantage of emerging opportunities for advancing human rights and environment work.
- Significantly limiting any other new grant awards to organizations not currently supported by the Foundation.
- Structuring the investment portfolio so that 2009 expenses can be met without requiring disposal of equity investments at an inopportune moment.
- Instituting a no growth administrative budget for 2009 and planning for additional cuts to administrative expense in 2009 and 2010.
- Undertaking an evaluation of all Foundation grantmaking in 2009 in anticipation of the need for further cuts and reorganization of program priorities in 2010 and beyond.

- Working with individual grantees on a case by case basis to assist them in whatever ways possible.

Beyond managing the Foundation's grantmaking, the Overbrook Board of Directors expects staff to play an activist leadership role in the philanthropic community. As such, the Foundation's program officers are heavily involved in organizing and managing funder collaborative partnerships such as the U.S. Human Rights Fund and the Civil Marriage Collaborative; creating vital new non-profit organizations to advance change; e.g., Catalog Choice, [www.catalogchoice.org](http://www.catalogchoice.org), and assuming leadership roles in a variety of foundation associations like the Sustainability Funders Work Group. Through these various efforts, the Foundation has been able to influence the direction of significant philanthropic resources to those issues most central to its human rights and environment mission. We will use all of these mechanisms moving forward to protect and strengthen the fields in which our grantees are active.

Despite the financial crisis and the decline in our endowment, we maintained a 6% payout rate in 2008 and expect to exceed that rate in 2009. But even with an increase in our 2009 payout rate, the Foundation anticipates significant cuts in its total grant expenditures for 2009. It is also likely that we will be forced to absorb further significant cuts in 2010. Because of these anticipated cuts, the Foundation plans to limit awards to very few new grantees in 2009, with one exception, the emerging opportunities fund that is bulleted above. The Foundation's resources will focus on maintaining its mission in support of the environment and human rights.

Our expectation and our goal is that we will preserve the viability of the Foundation and continue to advance its mission as we work through these very difficult times. Despite these challenges, we look forward to working with you in the coming year to move forward a progressive agenda for change.

Sincerely,

Vincent McGee, Chair

Stephen A. Foster, President and CEO