Duluth Superior Area Community Foundation:
Groundwork was laid in the ‘80s to promote private giving for the public good

In the early 1980s Duluth was cycling through one of the low points in its economic history. We had a declining population, high unemployment rates, and significant wealth leaving the area. This had a depressing effect on the United Way’s ability to raise funds sufficient to support the community’s nonprofit organizations that were struggling to meet increasing service needs.

After attending a national United Way conference, Duluth’s United Way Director Jay Hess and I realized that we were not alone in this predicament. Looking at solutions found useful in other communities, we became aware of the tremendous resource community foundations were in many cities. Was it time to start such a foundation in Duluth?

We visited public and private foundation executives in the Twin Cities with only one suggesting we “go for it.” Others suggested times were bad. We surveyed leadership in our community and learned it had been tried unsuccessfully twice before. The idea was not warmly received, but we minimized the opinions of the naysayers and persisted. Jay, and I as chair of the United Way Board, nagged the Trustees until they agreed to set up a feasibility committee. We never looked back.

In 1981, eight “Can-Do” folks on the committee quickly raised the $25,000 for a formal feasibility study that was required by foundations that might grant us start up funds. Our first support came in a three-year administrative grant from the Blandin Foundation. At the time, large private foundations were strongly supporting the start up or revitalization of community foundations on the premise that charitable decisions could be best made in the local community. Community foundations could also attract and hold charitable funds not accessible to private foundations. To achieve credibility among donors, it was believed at least a $1 million endowment was necessary. To achieve critical mass where the trust would build on itself, a goal of $3 million was set.

The Bush Foundation believed in our effort to the extent that they made a $750,000 challenge grant in 1983. At the time, it was the largest grant by a private foundation to a community foundation on record and a great vote of confidence on which to build. Thus, we lobbied the gatekeepers of community wealth-bank trust departments, accounting firms, estate planners, attorneys, major businesses, family foundations and individuals able to share their wealth. No longer did community foundations have to wait passively for wills to be executed but had an incentive to match outside dollars to create their endowments. The concept of a Duluth Community Foundation became a reality.

The committee hired part-time staff to assist us with mountains of data collection and applications for grants as well as the housekeeping chores of mission statements, bylaws, and incorporation in 1982. Part-time staff member Bula Hess became full time and much of the credit for getting the organization off to a good start goes to her exceptional ability to build relationships and solicit advice from those with wisdom and experience statewide and nationally. Much credit is also due Richard Burns, our volunteer attorney, who kept us legal and mindful of the big picture at all times.

One of our advisors, aware of our demographics, suggested it was important that Superior also become part of our service area. Bula Hess, a former director of the United Way of Superior, made overtures to leadership across the harbor, resulting in Robert Banks, Joel Gates, and Robert Gee joining the community foundation’s board. We promptly became the Duluth-Superior Area Community Foundation.
and incorporated again in 1983. As a result of the area concept, the first private trust turned over to us was the Douglas County Disaster Fund that helped earn a pro-rata share of the Bush Foundation challenge grant.

Our first grant making funds came from the initiative of James Claypool who had connections to an out-of-state company. While not part of our permanent endowment, funds from the St. Mary’s Parish Land Co., based in Denver, Co, gave us much valuable publicity and an immediate demonstration of the community foundation’s ability to attract funds from outside the area.

The big picture as outlined in our first Bush Foundation challenge grant application described the community foundation as a way to respond to the changing needs of the Iron Range whose economies were in decline with unemployment between 20% and 80%; to break down rivalries between Duluth and Superior; to introduce a broadened sense of community; to bridge the gap between the public and private sector; to respond to area wide issues; and attract outside dollars to the region. We met that challenge grant and, as they say, the rest is history. In 1990, Holly Sampson joined the staff as president and kept the growth spiral going. Under her leadership, the Community Foundation has grown from $5 million to over $33 million. During 2002 alone, grants and scholarships totaled over $2.2 million. Financial support was given to 126 nonprofit organizations and 367 individuals were awarded scholarships. The Community Foundation serves seven counties in northeastern Minnesota and two counties in northwestern Wisconsin. Affiliate funds have been established in Two Harbors, Bayfield and Grand Marais.

The generosity and stewardship of the founding trustees and their successors has kept the Community Foundation on the fast track of development. Fulfilling a current $1.5 million Bush Foundation challenge grant will likely push the endowment over $35 million. That’s a resource available forever (and with great promise for continued growth) to address changing community needs unmet by public funds or annual private giving.

This book is about community leadership and project development. So, what can we learn about how these project leaders touched our area in such a significant way? They saw a need, conceived a possible solution, found successful models, and created their own version. They moved quietly and persistently on their beliefs and vision for the Duluth Area. The effort was strengthened, not discouraged by doubters whose respectful feedback was part of the process. They were flexible and adaptive as their learning curve increased. We hope their story will encourage others to “go for it.”