

SpotLight #8: Rauch Foundation—Ensuring Livable Communities: The Role of a Family Foundation in Developing a Regional Identity

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Abstract: Family foundation assets – a grounded commitment to particular places, deep civic relationships, and the ability to work as flexible, strategic partners – can be used to great advantage in improving community quality of life. The Rauch Foundation of Garden City, NY, on Long Island, reflects these values and applies them in their smart growth and livable communities work. Because of its commitment to a place, the Foundation has been able to introduce many Long Islanders and Long Island organizations to smart growth concepts. It has played a key role as a catalyst, initiating projects, accelerating, leveraging, collaborating, partnering, and convening. This SpotLight highlights the role the Rauch Foundation has played in developing a sense of region on Long Island.

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Overview and Background. The Rauch Foundation (www.rauchfoundation.org) was established in 1961 by two brothers, Louis and Philip Rauch, Jr., who directed the growth of the Ideal Corporation, an auto parts manufacturer in Brooklyn, New York, that was originally founded by their father, Philip Rauch, Sr. The Foundation has focused its grantmaking on investing in the future of the two communities that family members have called home – Long Island, NY and the state of Maryland. Until the mid-1980s the Foundation supported a broad range of projects, from the arts to education. However, in 1990, the board made a commitment to focus more strategically and intensively on fewer areas, so as to have a substantial impact on each.

The Foundation now works on three primary issues: promoting positive outcomes for young children, ages newborn to six, with particular focus on those with a disadvantaged socio-economic start; protecting the environment and improving the quality of life on Long Island and in Maryland; and strengthening the organizational effectiveness of nonprofit institutions that work on these issues through capacity building and leadership development.

Table 1: Rauch Foundation Demographics

Assets	\$35 million
Grants	\$1.7 million (\$215,000 in smart growth grants)
Board	4 family members, 6 non-family members, 3 next generation associates
Staff	2 program officers, 1 program associate, 1 administrative assistant

for fiscal year ending 11/30/02

The Foundation's smart growth grantmaking can be examined in the context of the region it calls home – Long Island, NY. A description of the region follows, along with

details regarding the scope of the Foundation’s smart growth grantmaking, its impact, and lessons learned.

The Long Island Region

Table 2: Long Island Demographics

Total Area	1,198 square miles <i>(Nassau and Suffolk counties only)</i>
Population	2.8 million
Total Jobs	992,227 <i>(77% of Long Island residents work on Long Island)</i>
Ethnic Composition	81% White 8% African-American 8% Hispanic 4% Asian 1% American Indian
Age Distribution	23% 0-17 years old 32% 18-39 32% 40-64 13% 65 and older
Adult Educational Attainment	88% at least high school graduate 30% at least bachelor’s degree

Long Island is the nation’s oldest and perhaps best known suburban community. It is home to a vast array of economic activities, from manufacturing to high technology and even agriculture. Long Island has the nation’s oldest and largest commuter rail system and houses many outstanding educational and scientific institutions. Yet, as Newsday put it recently, “...we are an island of islands. With two counties, 13 towns, two cities, and more than 90 villages and 126 school districts, we each live within our own little zone of comfort.” Long Island has also become the most spatially and racially segregated suburban region in the country. While Long Island has much promise, it has not been able to harness its human social capital to reach the area’s full economic and quality of life potential.

Most Long Islanders do not think of themselves as part of the Long Island region – they do not know who they are, how they are employed, how the various levels of government work and affect their lives. Most Long Islanders have no idea that in a national study of the nation’s 40 largest county governments, Nassau County was ranked the worst performing county and Suffolk County was tied for third-worst (Governing, February 2002). Long Islanders generally identify themselves by their backyard community and care only about what happens near where they live and where their children go to school. In short, Long Islanders know little about one another or their region.

The resulting regional effects are:

- (1) increased separation of communities by income and race;
- (2) escalating costs and rising taxes for government, schools and overall cost of living;
- (3) losses in many quality of life issues such as increased commute times, congestion, lack of open space and parkland; and
- (4) increasing negative media attention.

The Rauch Foundation's Smart Growth Grantmaking. The following table shows the Foundation's funding for 'smart growth' over the course of the past five years:

Table 3: Categorical Smart Growth Funding, 1997 - 2002

	Transportation	Targeted Organizational Support	Community/ Regional Initiatives	Business Initiatives	Data Collection/ Analysis	Totals
1997	\$0	\$50,000	\$15,000	\$0	\$0	\$65,000
1998	\$34,000	\$110,000	\$30,000	\$0	\$8,000	\$182,000
1999	\$0	\$115,000	\$0	\$15,000	\$0	\$130,000
2000	\$50,000	\$0	\$25,000	\$70,000	\$0	\$145,000
2001	\$85,000	\$20,000	\$50,000	\$0	\$0	\$155,000
2002	\$60,000	\$0	\$50,000	\$0	\$105,000	\$215,000
	\$229,000	\$295,000	\$170,000	\$85,000	\$113,000	\$892,000

Impact. Since 1996, the Rauch Foundation has introduced many Long Islanders and Long Island organizations to smart growth concepts – (1) the ideas, through education and consultation by national experts; and (2) the reality, by sponsoring community trips to livable communities in Milwaukee, Portland, OR, Seattle, Cleveland, Silicon Valley, and Charlotte, NC. The Foundation has played a key role as a catalyst, initiating projects, accelerating, leveraging, collaborating and partnering, and convening.

In terms of concrete results, the Foundation's grantmaking has been instrumental in questioning and delaying the New York State Department of Transportation's 2000

plan and in formulating alternate plans. One Foundation grant was successful in expediting the cleanup of a hazardous waste site, producing a \$16 million savings in taxpayer money. Yet, for the most part, the Foundation's main achievement has been to engage and activate others from government, nonprofit groups, business, universities and other foundations to work on creating an agenda for more livable communities on Long Island.

In 2002 after an outside review of its programs, the Foundation Board made a strategic decision to refocus its environmental grants and to play more of a conceptualizing and analytical role. What this means is that the Foundation expects to concentrate on data collection, annual indicators, and support of a regional network of leaders.

Lessons Learned. From its smart growth and livable communities grantmaking, the Rauch Foundation has learned the following lessons:

1. A Foundation Board needs to understand that a long-term commitment is required, probably over five to ten years. Specific small projects can be implemented in a short time but social and infrastructure change require many years.
2. More than other kinds of grants, smart growth grants involve a "messy" process. All parts of a community have a point of view and an agenda. Turf issues and politics are endemic and partnerships are more likely to fail and break apart.
3. Board and staff need to be critical and vigilant in evaluating progress. At a certain point, an outside assessment of strategic direction can be extremely valuable.
4. Direct board involvement by family and non-family trustees increases the value and power of making smart growth grants. Such participation can be a personally rewarding experience for a board member.

The Impact of a Family Foundation. This example highlights the impact that a family foundation can have on its region. Specifically, it demonstrates:

- The need for a long-term commitment in order to affect social and infrastructure change;
- The various ways that a place-based grantmaker can affect smart growth – from introducing the issue, to educating the community, to funding direct initiatives; and
- How family priorities and a commitment to place merge in the issues related to smart growth and livable communities.

Resources. Additional information is available on the Rauch Foundation's website at www.rauchfoundation.org, or by contacting Patricia Schaefer, Program Officer, Environment and Leadership, Rauch Foundation, 229 Seventh Street, Suite 306, Garden City, NY 11530-5766, tel: (516) 873-9808, e-mail: pschaefer@rauchfoundation.org.