

OUR VISION IN ACTION: SPEND-DOWN STRATEGY

KEY TAKEAWAYS



- From its founding, Grove has been a spend-down foundation. It is one of the ways we put into action our values of trusting and shifting power to communities most impacted by injustice and oppression. We are committed to solving the problems of our time, in our time.
- A further call to action came in 2017 when Eva Grove stated, “*Now is not the time to hold back,*” transferred additional assets to the Foundation, and started the Grove Action Fund.
- The Foundation will distribute all our assets to grantees over the next decade.

WHAT DOES SPEND-DOWN MEAN?

Many private foundations were established to exist in perpetuity. They manage their assets to ensure they can continue to operate. This means that when the economy suffers, these foundations often decrease resources. Unfortunately, this is when grantees and their communities need the most support.

In contrast, Grove was set up with the requirement that all assets be “spent down” within 25 years of the deaths of both founders, Andy and Eva.

We believe that our generation is best equipped to solve the problems of our time, and those closest to the issues are best equipped to find the solutions. We apply these beliefs in our day-to-day operations through [trust-based grantmaking](#). In the context of our decision to spend down, we apply that principle across generations. We trust future generations to design the strategies needed to address future challenges.

AS A SPEND-DOWN FOUNDATION, GROVE IS DESIGNED TO ADDRESS TODAY'S PROBLEMS, TODAY.

As a spend-down foundation, Grove is free to step up when times demand it.

During the great recession of 2008, when most in-perpetuity funders reduced their grant budgets to sustain their endowments, the Grove Foundation increased our giving. Grove supported existing grantees with additional dollars and swiftly mobilized resources to local organizations providing healthcare, food access and housing assistance. The staff leaned into our values by prioritizing community-driven initiatives focused on those hardest hit by the recession.

We recognized that the recession’s impact would last beyond its official end, and we continued funding at an increased level. From 2007-2010, charitable giving in the U.S. decreased by 10%, while, during the same period, Grove’s grantmaking increased by 77%.

In 2017, the entire country and Grove faced a powerful backlash to progress towards social justice. Eva put it best when she declared, *“Now is not the time to hold back.”* The Grove Foundation accelerated the allocation of funds, created the [civic engagement](#) and [environment program](#) areas, and adopted a new [mission-aligned investment policy](#). In addition, Eva created the Grove Action Fund to share and build political power.

When COVID hit in early 2020, many foundations increased their giving. Grove increased our rate of giving, and Eva contributed additional assets specifically to address the escalated need.

In June 2020, after the murder of George Floyd and the onset of the racial reckoning, Grove staff reallocated some of the influx of new COVID funding to [build black power and address state violence](#). Grove’s spend-down structure allowed for accelerated resourcing. Grove’s internal shared leadership also allowed staff to craft the initiative and make a simple proposal to the board, who approved it immediately.



Grove can tolerate financial risk in exchange for mission impact with our investments.



Since our spending is not linked to financial returns on our assets, Grove has greater risk tolerance in choosing [investments](#). This flexibility makes it easier for Grove to select investments aligned with our values. It also allows Grove to invest a portion of our assets in initiatives with significant financial risk but strong mission-related objectives.

Being a spend-down foundation made these shifts and step-ups possible. Following Eva's May 2023 passing, Karen, as board chair, remains committed to accelerating spending in alignment with Grove's mission.

How are we spending down? What's the plan? Grove remains committed to racial equity, creating systemic change and our current partners through the spend-down period. Our grantee-centered approach supports and uplifts the frontline work of movement leaders activating critical social change in their communities. Civic Engagement, Black Led Power Building, Immigration, Safety Net and Reproductive Health, Rights and Justice will remain as our key program areas. We are not planning any major strategy shifts at this time.

Grove understands and acknowledges that our grantees will have questions about the spend-down strategy. We are actively collecting their feedback, ideas and insights to inform the final plan. We will share our journey as we lean into our shared leadership, learn from our peers, and center our mission and values to develop a detailed plan and timeline.