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## "Get to Know Barbara." Inside the JPB Foundation — Inside Philanthropy

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[The JPB Foundation](#) is a fascinating study in philanthropic contradictions. With nearly \$4.4 billion in assets, it is among the 25 largest foundations in the nation, and yet it is largely unknown in nonprofit circles. The foundation's vast wealth derives from a fortune associated with the Bernie Madoff scandal, which exemplified all the worst elements of capitalist greed, but JPB's focus is on long-term, systemic approaches to economic and environmental justice that are rooted in the priorities of community leaders closest to the issues.

"Get to know Barbara." This is the advice from grantees and fellow funders alike to anyone seeking to engage the foundation.

"Barbara" is Barbara Picower, and she *is* the JPB Foundation.

"The foundation is infused with Barbara's ethos—respect for the wisdom of nonprofit leaders, humility, but also confidence in asking questions and being a full participant in the conversation," says Deepak Bhargava, who was president of the Center for Community Change when the JPB Foundation came knocking six years and several increasingly large grants ago. Bhargava is now a distinguished lecturer of urban studies at the City University of New

York and serves on JPB's board.

In less than a decade, Picower has built up JPB into a grantmaking powerhouse that will give away \$260 million this year and that takes a hands-on approach to achieving impact in issues areas known for their complexity.

"For a long time, philanthropy wrote a check and said best of luck," Picower told me. She said JPB aims to be different. "We want you to succeed and we will do whatever we can to help you succeed. We ask organizations what they need the money for and we try to give them what they need."

Ford Foundation CEO Darren Walker speaks highly of Picower's genuine curiosity and says he actively seeks out her partnership for new initiatives because "she is willing to go outside what is comfortable" and "she has a level of flexibility and agility that is rare in philanthropy today."

That nimbleness reflects Picower's total control of JPB—a control that CEOs of legacy institutions like Walker could only dream about. "Most foundations don't have a living donor who is as involved as I am," Picower said. "It is one of the things about JPB that makes us unusual."

But Picower's highly personalized leadership style has also attracted criticism. In reporting this article, we heard complaints about her imperiousness from a number of nonprofits and funders. But only one person, a former JPB employee, would go on record with specific quotes—and then only anonymously. "Of course, grantees say nice things because she has so much power over them, but make no mistake, she is the queen and everyone knows she acts like one," that person said. They added: "Certain powerful

fundere have great things to say about her because she will financially back efforts they want to see thrive.”

The emergence of the JPB Foundation in recent years as a leading funder of work on poverty and the environment, as well as medical research, is part of a larger story about how the era’s vast fortunes are being harnessed to philanthropy. In a dramatic shift from a few decades ago, living donors oversee a growing number of the biggest grantmaking institutions in the U.S.—although, as Picower rightly notes, few are as involved in the day-to-day work as she is.

Many of these newer foundations aren’t so well known—and some have seemed happy to keep it that way, including JPB. The foundation doesn’t issue press releases about its work or otherwise draw attention to itself. “It’s not that we don’t tell people what we do, it’s just that we don’t want it to be about us, we want it to be about what we do,” Picower said.

JPB’s website is sparse, lacking detailed information about grantees or grant amounts. A “Contact Us” link leads to a page with the street address in Manhattan, and in any case, discourages grantseekers from getting in touch: “We do not accept unsolicited proposals.”

Of course, many nonprofit leaders are keen to connect with this deep-pocketed foundation. For those who do have the opportunity to meet with the JPB Foundation, there are a few basics to know.

## **1. All Roads Lead to Barbara**

The JPB Foundation was established in 2011, after Picower and the estate of her late husband, Jeffrey Picower, reached a settlement with the U.S. Attorney in Manhattan to benefit the victims of Bernie Madoff’s Ponzi scheme by returning \$7.2 billion

he earned through investments with Madoff. In a *New York Times* article [detailing the settlement](#), the largest single forfeiture in U.S. judicial history, Barbara Picower said, “I am absolutely confident that my husband, Jeffrey, was in no way complicit in Madoff’s fraud,” saying that she intended to use the bulk of her remaining inheritance from him to continue the couple’s philanthropic work. Since then, Picower—who is in her 70s—has attended to every last detail of building a major foundation.

Picower wasn’t new to philanthropy when she started JPB. “I’ve been doing this for over 30 years,” she said, mentioning years of earlier giving for medical research and education. A previous grantmaking entity that she ran with her husband, the Picower Foundation, at one time had \$1 billion in Madoff-managed assets before it was [forced to shut down](#) in 2008.

When Picower decided to create the JPB Foundation, set to launch with a multi-billion-dollar endowment, she turned to the Bridgespan Group to help her map out an ambitious grantmaking agenda, working with the consulting firm for about a year. She said that it was “in that process we figured out that we wanted to continue funding medical research, start funding in the area of poverty—which we had not really done before—and the environment. We decided to focus on reducing the barriers to moving out of poverty. On the environment, I had been blind to many of the connections between poverty and the environment. But we discovered that everything we fund seems to have an impact on other areas.”

JPB’s lean staffing and board structure keeps decision-making tightly controlled by Picower, who serves as the foundation’s president and chair. Picower is well-regarded as a respectful listener, but she is also understood to be the driver and ultimate

decision-maker—which explains why many of JPB’s grantees and funding partners refer to the foundation in the singular person of “Barbara.”

The foundation has a board of 10 people that is composed of a few law and finance professionals associated with the foundation, two employees of the foundation (plus Picower herself), and a few social justice heavy hitters who are themselves current or former grantees of the foundation including Bhargava, former Planned Parenthood President Cecile Richards, and Harlem Children’s Zone founder Geoffrey Canada. (JPB has given at least \$100 million in combined grants to the latter two organizations.)

One of those trustees is Jeffrey Picower’s former business assistant, April Freilich, who, according to an [article in Forbes](#), received a payout of \$13.5 million from Jeffrey’s will and also serves as JPB Foundation’s chief operating officer and senior vice president. *Forbes* staff writer Nathan Vardi wrote, “In fact, the new JPB Foundation looks very much like the old Picower empire. Freilich is the treasurer of the JPB Foundation, and one of its trustees is William Zabel, the longtime lawyer for the Picowers who is a founding partner of the big law firm Schulte Roth & Zabel. Zabel was also a trustee of the Picower Foundation.”

The foundation also has programmatic advisory committees stacked with impressive names in social justice and medical research.

“I didn’t want to have a lot of staff,” Picower says of JPB’s lean structure. “I don’t know how you make impact if you’re trying to give out a thousand grants a year. We decided to make big grants.”

Picower says she relies heavily on two program vice presidents,

Betsy Krebs and Dana Bourland, to identify new grantees and engage in due diligence. In turn, those directors have a small staff—one program officer for each sub-program area, and another senior program executive overseeing the medical research grantmaking. That’s a total of 10 program staff averaging 25 to 30 grants or collaborative efforts in their portfolio, making JPB an especially lean organization given the size and scope of its grantmaking.

Picower says that for her own education and connections to new funding possibilities, she learns a lot from other funders and grantees. She has a few funders with which she works in partnership frequently, including the Ford, Packard, Hewlett and Schusterman Foundations.

## **2. You Can’t Pigeon-Hole JPB’s Approach to Any of its Issues**

In less than a decade, JPB has carved out a unique role for itself in two grantmaking fields, poverty and the environment, that are crowded with other funders.

In its poverty program area, the foundation maintains three sub-program areas—economic justice, health equity, and democracy. JPB funds some direct service, academic research, community organizing, and a wide variety of other interdisciplinary approaches to systems change.

Krebs, who leads the foundation’s work on poverty, says that “listening to the people we’re trying to help is a core method of learning about the subject area.” Its top grantee in this program, the Center for Community Change, is well-known for its deep ties to frontline advocates and practitioners, and JPB has worked closely with the organization in developing its poverty portfolio.

(Data from Candid shows that CCC has received at least \$40 million from JPB.) “Our work with CCC led to new partnerships, for example, with National Employment Law Project to build economic opportunity for low-wage workers,” Krebs said.

Major support from JPB has also gone for movement-building groups that top foundations often avoid, like the Center for Popular Democracy, the Movement Strategy Center and the People’s Action Institute. JPB’s hefty backing for activists who directly challenge power arrangements in U.S. is all the more striking because the foundation is piloted by a living donor. As we often report, other major philanthropists entering the anti-poverty space, like Steve and Connie Ballmer, have stayed away from organizations that take a more confrontational approach to advocacy. In making large grants to grassroots groups, Picower is willing to go where many living donors won’t.

In its environmental program area, JPB also has three sub-programs: energy, environmental health, and green infrastructure. “The environment program started with a directive to not fund large federal climate initiatives and instead to focus on community-based environmental interventions,” said Dana Bourland, who leads this part of the foundation’s work. “Engaging communities is front and center in our efforts. We view work that supports the grassroots to be one of the best levers for building a just and equitable society, so much so that strengthening the field of environmental justice is now a fourth area of the environmental program.”

While the poverty and environmental program areas have many overlaps, the foundation’s medical research program is considered separate and discrete, but no less important in Picower’s far-reaching personal engagement. JPB pursues a “consortium model”

that it says is an innovative approach to medical research. For each disease it works on, the foundation supports five to eight scientists who agree to conduct their research within a collaborative framework, meeting multiple times over the course of each annual grant period to share insights and discover new directions from individual and joint research.

A consistent theme across all of JPB's program areas is providing similarly motivated actors pursuing different strategies with the resources, time and space they need to collaborate, network and draw upon each other's strengths.

### **3. JPB Embraces Collaboration**

One reason that the JPB Foundation has emerged so quickly as a major player in philanthropy is that it's made a point of collaborating with more established grantmaking institutions at every turn.

The Ford Foundation has been an especially important partner. Currently, for example, the two foundations—along with a handful of other top funders—are key backers of SuperMajority, a major advocacy effort focused on gender equity (see more below).

Another significant collaboration is the African-American Heritage Action Fund at the National Trust for Historic Preservation. That project came together after the white supremacist rally in Charlottesville, Virginia, and according to Darren Walker, aims to confront “what to do with Confederate statues, and even more, what needs to be erected.”

Walker said that the National Trust asked him to put together a coalition of funders and he said that “Barbara was the very first person I called because she is the least constrained. She is

unconstrained by ideology, and not limited by narrowly defined program categories. She asks, ‘What are you working on I can collaborate on?’ She is really seeking powerful ideas. The only other funder I know who so wholeheartedly seeks co-investing is Laurene Powell Jobs.”

Carol Larson, president and CEO of the Packard Foundation, shares Walker’s appreciation for Picower’s approach. “I had heard of Barbara over the past six or seven years and how interested she was in learning, listening and collaboration,” Larson said. “JPB and Packard share a lot of grantees, such as CBPP and Planned Parenthood. We would meet in various settings and I was really impressed with her as a new donor, that she didn’t have a go-it-alone attitude that many super-wealthy getting into philanthropy have.”

Larson also appreciated the foundation’s operating style. “JPB has the ability to think really big. And they have deep respect for people on the ground.”

The JPB Foundation seeks to join collaborative efforts, but it is also proud of the collaborations it has actively developed itself. One of Picower’s most gratifying efforts in the foundation’s environment portfolio is a multi-organization initiative called Energy Efficiency for All that she described as a “forced marriage” between NRDC, National Housing Trust and the Energy Foundation aimed at increasing energy efficiency in low-income communities. The organizations had not worked together before, and according to Picower, “they were not excited about collaborating.” JPB incentivized the three organizations’ joint planning and long-term cooperation with a \$6 million grant and has continued to support their work.

“The three organizations had to submit a single proposal with individual responsibilities,” said Picower. “They had to do a lot of co-planning and had to collectively report, and we reserved the right to not fund any of them if one grantee wasn’t doing well. Eventually, they really got into it. And over the years, the collaborative convinced utilities to allocate \$450 million of ratepayer funds on energy efficiency in affordable rental housing. EFFA is now operating in 12 states and with a flourishing social impact network comprised of over 300 organizations.”

Shelley Poticha, a managing director at NRDC, confirmed Picower’s telling of the collaborative’s strained start. “The affordable housing market hadn’t been a strong focus for NRDC. What brought the organizations together was a shared interest in reducing demand for energy and reducing poverty. That wouldn’t have happened without Barbara. What JPB did was, one, make it clear that if NRDC wanted funding, it had to align with the foundation’s overarching goals, and two, pressured us with a series of questions about how NRDC’s work would both achieve energy efficiency goals and improve people’s lives on economic measures. It really forced us to think and plan differently. This sounds like it may be heavy-handed, but we appreciate the humbleness of the foundation despite their enormous assets.”

Picower and JPB also catalyzed new collaboration between the Center for Community Change and other leading national groups that work on poverty—the Center for American Progress, Shriver Center on Poverty and Law, and the Center on Budget and Policy Priorities. “Even organizations that are doing really well need the help of lots of other people to have an effect, so we decided to put together a network of organizations,” Picower said of this effort.

Bob Greenstein, president of the Center on Budget and Policy Priorities, said, “Barbara started with a question about whether the organizations’ respective state offices could find opportunities to collaborate. It’s not that none of the groups had worked together, but our relationships hadn’t been deep—limited to specific projects. Each of the organizations involved in this collaborative had state-level work, but they weren’t consistently working together. The outcome of that initial collaboration far exceeded expectations. Then JPB provided resources to meet twice yearly and expand the group. That has led to more collaboration, without JPB telling the organizations what to do. The funding really helped build state-based networks.”

Greenstein added: “Many funders like to foster, encourage or mandate collaboration, but usually, it isn’t successful because people spend a lot of time trying to show they are collaborating but really still protecting their own turf. But JPB is an example of encouraging, not forcing, collaboration. The meetings are structured so that nonprofit groups really run the show. JPB creates a forum and an atmosphere where nonprofits want to collaborate.”

Deepak Bhargava, who led CCC when the new partnership was developed, echoed Greenstein’s point: “Sometimes, such convenings become ‘performances’ for the funder, but Barbara’s approach really enabled open dialogue,” he said. “That can feel risky in front of donors, but she has the ability to set an expectation for safety, honesty and directness because she is not micromanaging. I would love to see more of that among foundations.”

Betsy Krebs said that, all told, JPB is involved in more than 15

funder collaboratives. “For some field-building efforts, JPB is the sole funder; for others, we’re working as part of a larger collaborative.”

#### **4. It Takes the Long View**

One of the newest and most high-profile collaborations for JPB is a massive \$250 million fund broadly seeking to mobilize women on the issues central to their daily concerns. The fund is housed at Rockefeller Philanthropy Advisors and has commitments from JPB, Ford, Packard, Schusterman and an anonymous donor, each giving \$10 million a year over five years. One of the earliest and largest beneficiaries of that fund is [SuperMajority](#), led by Cecile Richards, Ai-Jen Poo of the National Domestic Workers Alliance (NDWA), and Alicia Garza of Black Lives Matter and Black Futures Lab.

“SuperMajority came out of the priorities and ideas of a group of organizers that have a history of working together,” said Poo.

“Barbara has been passionate about women’s equality for a long time, and poverty, and has been funding NDWA for years. In the course of getting to know her, I’ve had so many conversations with her, and she saw this as a special time to shape the future. She started talking to Cecile Richards. Nonprofit leaders had the SuperMajority idea and then funders like JPB came in with financial support. Barbara immediately got the SuperMajority idea because she was already thinking that way.”

The manner in which JPB backed SuperMajority, in concert with other funders, is illustrative of Picower’s highly personalized operating style. “Barbara really looks for other leaders to connect to, and I feel connected to her,” says Packard’s Larson. “Barbara is

a hard-driver—if she’s disappointed, you know it. But she really thrives on relationships. Their [JPB’s] strategy is to empower others to set the agenda and lead.”

The funding commitment of five years to SuperMajority is also reflective of Picower and JPB’s long-term approach. “Barbara is patient—they provide long-term support,” said Poo. “They recognize that civic engagement is essential to fixing poverty and the environment. They really recognize the need for supporting leaders and investing in leadership. They know success takes long-term strategy.”

In providing large chunks of multi-year grant support, the JPB Foundation has embraced an approach long pushed by many nonprofit leaders, as well as groups that seek to strengthen social justice funding, such as the National Committee for Responsive Philanthropy.

But the former JPB employee says that this approach has had downsides. “Some of the organizations Barbara has given the most massive amounts of money to are, unfortunately, disjointed as a result,” the former staffer said. “They expanded too far too fast, and it seems to render them unable to perform at a larger scale. The reports received from some of them showed major issues, but money continues to flow. The great work they do can sometimes be diluted.”

Still, there’s been little public criticism of JPB’s grantmaking. And in a familiar dynamic within the foundation world, grantees who are in a position to call out problems have strong incentives to stay silent and instead offer only praise for Picower’s leadership. Said the former JPB employee: “My biggest sadness about working there

was watching people in the nonprofit, political and philanthropic worlds, people I greatly admire for their work, genuflect to her and not say anything to her when witnessing her treating people so awfully. There is something to be said about achieving whatever you set out to, such as fundraising, but also speaking up when something isn't OK.”

It's worth keeping in mind that the JPB Foundation is still quite young and it remains a work in progress—led by a strong-willed living donor who's shown a willingness to break the mold to achieve impact, but also a keen desire to learn and improve. As Picower said early in our conversation: “We do things differently from a lot of other foundations, and we do it with a lot of dollars.”

With Picower firmly in command of an institution with more than \$4 billion in assets, that modus operandi is likely to guide the JPB Foundation for many years to come.