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Habitat for Humanity's Founder Blended Old and New Philanthropy

THE DEATH this month of Millard Fuller, founder of Habitat for Humanity, has prompted numerous tributes to him as an unusually effective innovator. He certainly was that. He created an organization that has become one of the most recognizable and successful charities in the world. In little more than three decades, it constructed more than 300,000 homes for low-income families.

However, in several important ways, Mr. Fuller was also someone whose approach embodied older ideas about philanthropy that are often disparaged or dismissed today. The accomplishments of Habitat for Humanity suggest that such notions about how to help the needy still have a lot to offer.

One of these ideas was that charities could benefit from operating more like businesses. Mr. Fuller was a social entrepreneur long before "social entrepreneurship" came into fash-

ion. Several features of Habitat for Humanity reflect lessons from his successful career in business.

Although donors provide working capital and underwrite operating expenses, Habitat actually operates much like a bank or credit society. Potential home buyers must be screened for eligibility, take classes on home finance, and repay the no-interest mortgages they receive. As payments come in, the organization uses the money to make new loans.

Mr. Fuller also established a chain of nonprofit building-supply stores to provide another source of earned income for Habitat and give homeowners places to buy low-cost materials for repairing and improving their properties. To expand, he used a franchise model, creating independent affiliates that shared Habitat's name, methods, and goals, but conducted their own programs. The formula behind Habitat for Humani-

ty's growth is, in essence, the same one used by McDonald's.

But business experience was only part of what Fuller brought to Habitat. He was also a religious man and from the time he started it at a Christian farming community in Georgia, saw the organization as an expression of his beliefs. That was true for the founders of many older charities as well, such as the YMCA or Goodwill Industries. However, these groups have generally become more secular as they have aged or expanded, especially if they sought to receive government grants.

Habitat for Humanity is one of the rare faith-based organi-

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zations that has managed to attract public support and people of many beliefs to its mission without abandoning or hiding its spiritual roots and convictions. It still uses religious language to describe aspects of its philosophy, such as "the economics of Jesus" and "the theology of the hammer." Work days—known as "builds"—usually begin with a prayer. Only the Salvation Army, perhaps, is comparable.

To be sure, Habitat has made accommodations to attract people from other faiths to its programs or avoid legal problems with its use of government money (which makes up a small, but significant portion of its revenue). Members of AmeriCorps who assist the organization, for example, can start their working days after the prayer is over so that they are not obliged to participate in a religious service on government-paid time. But that is a relatively tiny concession and hardly changes the fact that Habitat retains a sense of spiritual obligation toward its activities that used to be commonplace among American charities.

That kind of motivation is an important reason for the organization's success, since rather

than relying on professionals and other employees, Habitat depends heavily on volunteers. Even though they may have had little connection to the neighborhoods and home buyers that stood to benefit, presidents have stood alongside ordinary citizens to build houses.

That did not happen by accident, but came by taking advantage of social networks that already existed. The charity's religious roots enabled Habitat to recruit effectively at religious congregations, whose members are more inclined than average Americans to volunteer. And since most of them also belonged to other kinds of civic organizations or attended schools, enlisting additional groups to help was easier, too.

Speaking at a dinner held by the Manhattan Institute to honor winners of its social entrepreneurship awards, Mr. Fuller likened running Habitat to working in a political campaign that never ends. But it is not the sort of news-driven, professionally run campaign that is now the norm. Habitat still operates the old-fashioned way, starting with the faithful and adding other groups to form coalitions to eventually accomplish its goals.

Those goals go far beyond enlisting volunteers and building houses. Ultimately, Habitat's real goal is to transform poverty-stricken neighborhoods. But to do so, it emphasizes changing the lives of the poor, not just the social and economic conditions that surround them.

That also used to characterize the way many American charities went about their work. It is less likely to be embraced today. To Habitat, cleaning up neighborhoods and constructing low-cost houses are necessary but not sufficient steps to make a difference in how the poor live. In addition, those who need help also have to help themselves, to give back as much as they receive, and to take responsibility for their environment after the build has ended and the volunteers leave. The way Habitat works reflects these principles.

To many in contemporary philanthropy, such an outlook may seem paternalistic, wrong-headed, and even mean-spirited. But to Mr. Fuller, it embodied a conviction that the poor were equals, just as capable as anyone else of improving their lives if they had the opportunity—and were expected—to do so.

For him, Habitat for Humanity was a tangible means to express this sense of fellowship and compassion. More than the houses it has built, Millard Fuller's view of how philanthropy can best help the needy may be his most important legacy.

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