GRANTMAKERS FOR EFFECTIVE ORGANIZATIONS

NORTHERN CALIFORNIA GRANTMAKERS

GOVERNANCE CASE STORY:

McGregor Fund

A board transformed: Committed to mission and accountable to community

Quick Info

Organization: McGregor Fund

Type of grantmaker: Private/ independent foundation

Board size: 9

Funder's assets (as of May 2026): $235 million

2025 grantmaking budget: $10.9 million in standard grants and $1.3 million in emergency grants

Grant size (range): $50,000-$1,000,000 over 1-3 years, primarily unrestricted operating support

INTERVIEWEE:

Kate Levin Markel
President

About the Series

What does it take to build governance that fuels transformative philanthropic practice and lasting social change? At its best, governance sets a strategic rudder that clarifies and maintains focus on an organization's mission and priorities, despite the buffeting winds of fear and resistance that challenge our work. Good governance isn't magic: It involves mindsets, structures and practices that foster frank conversation; reveal power inequities; and harness the contributions of people with diverse lived experiences, identities and talents.

Because boards are an essential lever for change in philanthropy, Grantmakers for Effective Organizations and Northern California Grantmakers are partnering on this series of case stories to surface and promote concrete practices that help funders better align their governance with their mission and values. There's no one right way for grantmakers to do governance, so we hope these case stories provide diverse examples of ways funders have evolved in this area and offer translatable lessons.

For more information and resources, including the rest of the case stories, see GEO's work on governance and NCG's governance page.

About the McGregor Fund

The mission of the McGregor Fund, "to relieve the misfortunes and promote the well being of human kind," was imparted in 1925 by its founders, Tracy and Katherine McGregor. Both felt called to improve conditions for Detroit's poor and relieve suffering through their philanthropic giving, volunteer activities, and social enterprises that provided jobs and skills. Tracy also played a large role in governmental reforms to advance various human and economic rights and fair treatment. Today, the foundation continues its mission and the McGregors' legacy by centering racial equity and working toward racial justice in grantmaking focused on basic needs, housing, recovery and restoration, and skill building and employment.

Governance Background and Context

While the board of the McGregor Fund never fit the mold of a family board, it was originally composed of business leaders and influential people who had been close associates of the founders. Board members were humble, kind and deeply committed to the organization's mission. Yet the board remained fairly homogenous over the years, in part because it lacked term limits. The organization instituted a retirement age of 72 in the early 2000s, but the board continued to recruit from its immediate networks and select new members based on professional and volunteer experience and without consideration of life experience.

When Kate Levin Markel became the foundation's president in 2015, the organization's board members didn't closely resemble the community they served, and she felt committed to shifting the composition to become more representative, particularly by focusing on native Detroiters. "There's something different about personally having been through experiences that much of the community goes through every day," Markel said. "When board members can identify on personal terms with the fund's mission, it allows them to enter into a different relationship with our partners and to ultimately be more trusting and less risk averse."

Over time, the board developed a shared understanding that its composition and culture would be strengthened by more closely aligning its membership with community members' life experience. A cascade of retirements opened the opportunity to bring on new board members within a concentrated time frame. "Once our board committed to prioritizing governance that would be experientially aligned with the community, we moved quickly," said Markel.

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>
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> *President*

The board temporarily expanded from nine members to 11 over two years, as permitted under the fund's flexible bylaws. This growth offered another opportunity to shift the composition of the group decidedly. Through an interview process, the board was able to add members who brought perspectives grounded in community-aligned life experiences — notably from lives spent in the city of Detroit. "Whether it was firsthand experience with flawed social safety net programs, lowered expectations and higher barriers in their academic career, or engaging in the struggle for civil rights, most of our new board members resonated with our work differently," said Markel, adding that the new board recognizes root causes within a racial and economic justice context, defines risk differently, maintains that incremental improvements to oppressive systems will not be sufficient, and is ready to support a bold vision for the community. "They question philanthropy's fake rules," Markel said. "They can see through the failings of many of the social, public policy and funding systems we have in place, and they dream of something different alongside our grant partners."

Levers of Change & Impact

Levers of Change

Board commitment to the mission.

The prior board members always prioritized what would best serve the fund's mission over their own egos, and they were always very careful to avoid being in situations publicly where they were perceived to wield power for, or within, the foundation. The board's commitment to mission always kept it open to considering other changes that would allow the fund to have the greatest impact.

A mechanism to ensure reasonable turnover.

In the absence of term limits, the board's decision to impose a retirement age was the first step in the journey toward ensuring that board perspective, culture and practice could be adaptive and remain in tune with community needs and opportunities.

Bringing on board members with insight into the community and the work.

The addition of new board members who brought an in-depth understanding of the community and its strengths and challenges allowed the board to learn differently by asking new questions and having deeper conversations with grant partners.

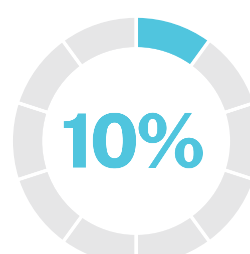
Intentional trust building.

The fund dedicated itself to maintaining a high level of trust and respect among board members and between board and staff. One notable recent experience was a 2025 board retreat in which the group developed a clear and shared understanding of the fund's purpose, values and view of philanthropy as a partner to the community.

Impact

By 2024, McGregor's board had turned over fully since 2016, with four longtime members having retired in December 2023. Therefore, 2024 became a year of reorientation. Then, in early 2025, the board completed a reframing and new articulation of the foundation's purpose, values and commitment to the principles of trust-based philanthropy. Running through these efforts was an underlying shift in mindset toward the foundation being accountable to the community, rather than thinking of grantees as accountable to the foundation.

Over time, the shift in board composition changed how the board operated and thought; increased values alignment among board members, the staff and partners; and led to more ambitious, shared aspirations and willingness to try new things in collaboration with staff and partners.



The board supported a two-year spending rate of 10% so the organization could get more resources out the door.

Levin Markel believes that this repositioning of the board, and its relationship to the staff and grant partners, made possible an unprecedented action: In March 2025, the board approved a two-year spending rate of 10% to respond to acute needs. This included the intention to fund emergency relief efforts beyond the fund's typical program areas and support for staff in developing an expanded funding plan in real time. In her annual letter, Markel thanked the board, writing: "To the McGregor Fund Board of Trustees, who've brought empathy and urgency to supporting emergency relief efforts and owning our role in rectifying racial injustice. Your wisdom and conviction have steadily guided us through uncharted times."

Lessons & Advice for Peers

1 Have patience, but be ready to act.

Staff are often eager to move quickly, but it takes time to change long-standing governance norms and behaviors. Trying to move too quickly risks getting too far ahead of the board and experiencing both setbacks and lost trust with partners. At the same time, it's important to have a solid plan so that you can act when the opportunity presents itself.

2 Rethink who is accountable to whom.

Traditional philanthropy often mimics the financial sector, including its requirements to ensure that borrowers are vetted and accountable, Markel said. "But program officers aren't loan officers." Instead of primarily seeing grantees as accountable to the foundation, the foundation should be accountable to the community and the grant partners who both serve and represent it.

3 Prioritize personal connection to the community served.

Change was possible because of the prior board's willingness to see the benefit of having trustees whose backgrounds, experiences and viewpoints more closely aligned with the community served by the McGregor Fund.

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