42 food banks prepare to spend mega gifts from philanthropist MacKenzie Scott

by Ambreen Ali

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Often accustomed to tight budgets, these food banks are now figuring out how to handle multimillion dollar windfalls.



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As the head of Vermont's only food bank, John Sayles was used to getting the occasional call from a big donor. But when he learned that the billionaire philanthropist MacKenzie Scott wanted to hand over \$9 million, he was stunned. The unprecedented gift was more than the Vermont Food Bank's entire 2019 operating budget.

"You think somebody wants to make a \$10,000 gift. That's really significant and fabulous," he said, remembering the call with Scott's associate. "I went into shock a little bit. To have that size of gift that is unrestricted is a game changer."

Scott, whose fortune comes from Amazon shares she received during her divorce from Jeff Bezos in 2019, donated nearly \$4.2 billion to 384 organizations in the final four months of

2020. The finalists came from a list of 6,490 organizations that were vetted, and included 42 food banks and 30 Meals on Wheels programs around the country.

For food banks stretched by the ongoing demands of the pandemic, the multi-million dollar, unrestricted gifts offer a reservoir of immediate relief. The gifts—typically the largest that any of the food banks have ever received by far—may also usher in a wave of new infrastructure and innovation as food banks seek to use the massive amounts of funding not just to end hunger, but also its root causes.

One recipient, Feeding the Gulf Coast, serves a largely rural area of Florida, Alabama and Mississippi where 1 in 3 children don't have enough to eat. CEO Michael Ledger said the board and leadership are exploring all options before announcing a plan. The organization prides itself on spending 97 cents of every dollar it receives on feeding people and wants to be as judicious as possible as it explores "projects we may have only dreamt about," he said.

Such blank checks are hard to come by for food banks, which are accustomed to tight budgets. Kara Nickens, head of the Wichita Falls Area Food Bank in northern Texas, called the \$3 million gift the organization received "transformational." Before Covid-19, its annual budget was between \$5 million and \$6 million. It serves a 12-county area where people are spread out and may use the money to invest in new vehicles and additional staff to distribute food. "This gives you the opportunity to invest in something that a donor doesn't realize you need," she said. "That's one of the best things about the gift."

Kristen Miale, President of Good Shepherd Food Bank in Maine, similarly marveled at Scott's "amazing" level of trust. "We feel really good that she's trusting us to do the right thing," said Miale, who nearly deleted the email telling her about the gift because it seemed so cryptic. The food bank's \$25 million unrestricted gift will accelerate a \$250 million, multi-year campaign already underway to end hunger in Maine by 2025. Funds will go toward its plan to deliver 40 million meals a year through an upgraded agency network, expanded partnerships, and direct food deliveries to pantries.

For Vermont Food Bank, the gift means knowing that the organization can meet the high level of need in the community for the foreseeable future while also investing in innovative programs that address the root causes of hunger. The food bank doubled the amount of food it distributed in 2020 from the year prior and expect levels of need to remain high through this year.

The organization received \$4.7 million in emergency funds from the government last year to increase its capacity amid the pandemic, and is waiting to see whether it will receive emergency funding again, or need to dip into Scott's gift to meet the community's needs. In addition to sustaining food distribution, Sayles said the food bank would like to use the money to facilitate partnerships with other organizations around racial justice, equity and poverty alleviation. It would also like to make it possible for clients to order food from a computer or smartphone and facilitate easier pickup.

In El Paso, Texas, one of the nation's youngest food banks was rationing food and heavily under debt when a call came from one of Scott's associates. Susan Goodell, the chief executive of El

Pasoans Fighting Hunger, said the \$9 million gift will help the food bank founded four years ago establish the infrastructure it needs – including repairing a roof – to feed a community that has faced multiple crises in recent years.

"At the time of the call, we were in the worst month ever that the food bank had experienced," Goodell said. "Our leadership was debating whether we could maintain that level of food supply for the community."

In 2020, it distributed nearly 140 million pounds – more than four times as much as the 32.5 million pounds it distributed the previous year. And the food bank was stretched to capacity: In November, instead of providing a family of four the standard 80 pounds of food per week, it could only offer 50 to 60 pounds.

Thanks to the Scott donation, Goodell said the food bank is no longer rationing food and it is debt-free for the first time. It provided 129,000 people three meals a day in January. The food bank expects to use the funds to build a community kitchen to prepare meals for emergencies, support a home delivery program started in May in partnership with Lyft to get food to clients who are homebound, and complete work on a food "farmacy" that will give people who have diabetes, heart disease or other conditions that require a strict diet a place to access healthy food.

Goodell hopes the Scott gift will bring the organization to the attention of other national funders and draw more support. "As amazing as this gift is, it doesn't solve all of the challenges we face," she said.



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