

Smarter Philanthropy for Greater Impact: Rethinking How Grantmakers Support Scale

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This sponsored supplement, “Smarter Philanthropy for Greater Impact: Rethinking How Grantmakers Support Scale,” was produced by *Stanford Social Innovation Review* for Grantmakers for Effective Organizations (GEO). It was created to capture the latest thinking about how nonprofit organizations, grantmakers, public funders, and social entrepreneurs can increase the impact of successful solutions to urgent social challenges. In the following pages, leaders from across the social sector offer their perspectives on “scaling what works”—what it means, what it takes to do it right, and what needs to happen to ensure that proven and promising solutions find their way to more communities and impact more people.

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As the *Scaling What Works* initiative comes to a close, GEO would like thank and recognize our 22 funding partners whose generous support made this work possible.

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What Would It Take?

By Kathleen P. Enright

Growing social impact requires grantmakers to think and act—and invest—in different ways.

What would it take to provide all children with the services and the support they need to stay in school and graduate? What would it take to break the cycle of poverty once and for all? What would it take to bring new skills and real opportunities to the millions of people living and working on the fringes of today's economy?

These are the kinds of questions that motivate those of us in the social sector to get out of bed and go to work and do our jobs. Every day, nonprofit organizations and social entrepreneurs across the country are doing heroic work to alleviate problems from poverty and illiteracy to inequality. We're making some progress. People and communities are getting some help.

And yet these questions still loom large over our work. So what combination of

things needs to happen to actually solve some of these problems once and for all?

This is what the conversation about scale and impact in the social sector is about. It's about moving from local solutions that are helping a specific population or community to finding broader solutions to the enormous social challenges that so many of our communities face. It's about lifting up promising and proven ideas so they can have even more impact. And it's about changing systems and policies on the basis of what's working so we can produce lasting benefits for everybody.

In the hope of broadening the conversation in philanthropy about scale and impact, Grantmakers for Effective Organizations (GEO) launched the *Scaling What Works* initiative in 2010. We wrapped up the initiative at the end of 2013, and this special supplement in the *Stanford Social Innova-*

tion Review is our opportunity to reflect with others on what we learned. It's also a chance to try to capture the excitement, the discovery, and the debate as fresh attention and new resources are focused on how best to make progress on some of our most stubborn—and most urgent—social problems.

Redefining Scale

Although only a few foundations, mostly larger ones, explicitly say that scaling up solutions is a part of what they do, all grantmakers want their grantees to have a greater impact. Traditionally, this has meant supporting grantees to replicate their programs and grow their organizations so they can serve more people or broaden their reach in other ways. But GEO's work over the last four years has shown that there are many ways to grow impact. Advocating for policy change, transferring technology or skills, or spreading a new idea or innovation all can lead to far-reaching and lasting change. As we heard in conversations with many grantmakers across the country, "We're all doing it; we're just using different words."

What's missing is a shared understanding among nonprofits, grantmakers, and government and corporate partners of the varying approaches to growing impact successfully. Making progress through many of these approaches will require a change in both mindset and practices. We need to push beyond a focus on growing individual organizations and set our sights on the ultimate change we seek, embracing collaborative action as a primary means to get there.

Until recently, organizational growth was the uniformly accepted measure of nonprofit success. "The organization got started in one school district in Boston and now it is in 23 states!" This kind of growth is impressive. Yet many of the organizations that

causes we all care about. Approaches like catalyzing networks and supporting advocacy hold a great deal of promise because they offer ways to respond that are as sophisticated, complex, and far-reaching as the problems they seek to address.

Four Approaches to Grow Impact

How can the nonprofit sector turn this conversation about scale into an agenda for action that will have a significant impact on the issues we care about? Through a major exploration conducted in collaboration with Ashoka, Social Impact Exchange, Taproot Foundation, and TCC Group, GEO sought to identify and describe the multiple pathways to impact and to match the pathways with specific grantmaker actions

Growing impact is less about growing the size of a program or organization than it is about leveraging resources and relationships to achieve better results.

were wildly successful at growing through program replication are now rethinking and retooling their work in hopes of growing their impact even further. The bottom line: The most important thing we need to scale up is not the size of an organization, but the results it achieves. The Bridgespan Group's Jeff Bradach highlighted this point exactly when he observed, "The question now is, 'How can we get 100× the impact with only a 2× change in the size of the organization?'"¹

Seen in this way, growing impact is less about growing the size of a program or organization than it is about leveraging resources and relationships to achieve better results: significant and sustained benefit for people and communities. It's about helping nonprofits "punch above their weight" and get outsized results compared to the resources they have at hand.

So let's be clear about what we mean by scaling up. For GEO, it means "growth in impact." The conversation about scale is therefore about the variety of ways in which nonprofits and their funders are creating more value for communities and making fast and substantial progress on the issues and



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that support each approach. We also hoped to understand the grantmaking practices that impede progress. To illustrate the multiple pathways to grow impact, GEO has adapted a framework from Julia Coffman that originally appeared in *The Evaluation Exchange*. (See "Pathways to Grow Impact" on opposite page.)

In our conversations with grantmakers and nonprofits, we have found that it's important to acknowledge that innovation and impact are not the same. Innovation for its own sake isn't the goal; rather, innovation is important insofar as it enables the expansion of social impact. Although it's true that innovation can lead to breakthroughs, impact can also grow to the extent that we provide adequate resources to spread ideas and strategies that have existed for years. For instance, we have known for decades the dimensions that make mentorship powerful, particularly the frequency and consistency of interaction. Providing more resources to mentorship programs that have integrated this knowledge into their practice may not be innovative, but it clearly helps to grow social impact.

Changing the Conversation

I periodically serve as a guest lecturer at Northwestern University teaching undergraduate students interested in nonprofits.

When I ask what their aspirations are for the future, by and large they say, "I want to start a nonprofit." They don't say that they want to make sure every poor kid gets the best possible education or that they want to defend health care as a universal human right. They want to found something—and frankly, it doesn't matter what. If we are going to succeed in creating powerful advances, we need to turn this aspiration and mindset on its head.

Most high-performing nonprofits are led by inspiring, visionary leaders. Leadership is a vital ingredient for all efforts to grow impact. Yet the type of leadership the most effective social entrepreneurs are exhibiting, and the approach that will insulate their organizations against dependence on a single person or idea, is collaborative and networked. It's what Robert Greenleaf called "servant leadership." Ashoka Fellows coined the title "evangelist-in-chief" to describe a leader who inspires others to adopt a certain idea or approach that advances the social change an organization ultimately seeks.

Thorkil Sonne of Denmark is an example of this kind of leadership. In response to his son's autism, Sonne founded the organization Specialisterne to employ high-functioning people with autism in information technology jobs. Seeking to serve a much larger number of people with autism spectrum disorders, he began to spend more time getting to know the work of related organizations, speaking publicly and connecting others to the work. His focus isn't on growing his own organization *per se*; it's on generating attention and support for the idea that people with autism have unique skills and can be highly successful in certain types of jobs. Thorkil Sonne, who founded two Danish organizations serving people with autism spectrum disorders, recognized the need for a leader dedicated only to developing and managing stakeholder relations and creating the public interest and will to take their concepts much further. He appointed a CEO, became chairman, and began to concentrate on generating the attention and support for his goal of securing one million jobs for people with autism and similar challenges worldwide.

As leaders in the social sector, we need to follow Sonne's example and change the narrative about how to increase social impact. The key to success is recognizing and re-

Pathways to Grow Impact

APPROACH	EXAMPLE
Program: Increasing the reach of a program that research has shown to be effective.	The Center for Employment Opportunities (CEO) has grown its operation and replicated its model for providing comprehensive employment services to men and women with recent criminal convictions. Through investments from several funders, including the Social Innovation Fund, CEO has recently expanded outside of New York City and opened offices in upstate New York, Oklahoma, San Francisco, and San Diego.
Idea or Innovation: Spreading a new way of thinking or a new solution to a problem to different contexts or places.	After September 11, 2001, AOL, Yahoo, and Cisco Systems had a vision to make it as easy to donate online as it is to shop online. They came together to create Network for Good , which offers a customizable donation-processing service to enable all nonprofits to accept gifts online. Anyone who has made an online gift has witnessed the scale that Network for Good's "Donate Now" button has achieved.
Technology or Skill: Increasing the number of people who have a skill or the number of organizations that use a technology, practice, or approach.	After successfully expanding its own operation for years, KaBOOM! refined an approach that enables any community group to lead a successful playground project. Not only has the codification and dissemination of this community-led process resulted in more playgrounds being built, KaBOOM! has discovered that it also leads to greater community ownership and more playground use.
Policy: Ensuring that ideas expressed as policy are transformed into behavior throughout a place or jurisdiction.	College Summit works with high school principals, teachers, and influential students in lower-income communities to raise the college enrollment and success rates for 50,000 students in 180 high schools in 12 states. After years of work, they successfully advocated policy changes that give data on the number of students from the high school who attend and are successful in college, in addition to high school graduation rates. This information makes it easier for students, parents, and educators to build a culture and expectation of college readiness, advancing College Summit's core purpose of raising college enrollment and retention rates.

warding behavior that contributes to something bigger than any person or organization can achieve. In the past, the questions enterprising nonprofits struggled with may have been What's our growth strategy? How many cities can we be located in five years from now? Today the questions are shifting to How can we amplify others' efforts to advance our ultimate goal? What policymakers do we need to engage with to be successful in the broader social change we seek?

Next Steps for Grantmakers

For grantmakers seeking to increase social impact, it is important to remember that philanthropy can do harm. Insisting on open-and-shut evidence of impact or setting unrealistic deadlines for results can doom both a grantmaker and a grantee to failure. Nonprofits often confront enormous and complicated challenges that defy easy and fast solutions. When funding nonprofits, grantmakers should try to structure their investments in ways that help rather than hurt their grantees.

Regardless of one's approach to growing impact, the same four fundamental grantmaker practices are crucial.

- **Provide flexible funding in appropriate amounts over the long term.** GEO and others have found again and again that nonprofits need flexible, reliable dollars over the long term. Providing larger grants and more general operating and multiyear support is crucial because it enables nonprofits to pay for the organizational infrastructure (staffing, systems, technology, etc.) that they need to succeed. David Carleton, director of Catalyst Kitchens, says Boeing's flexible support has been important to his organization's success. "They provided funding with no strings attached and no restrictions, just pure support for our mission and strategy. Not only was it critical financial support in our start-up year, but it was a vote of confidence that boosted morale and momentum—and sent a positive

message to other funders." Catalyst Kitchens provides food-service job training to build self-sufficiency among participants and combat food scarcity.

- **Fund data and performance management capabilities.** Nonprofits that seek to grow their impact need reliable data about what's working, what's not, and how to improve continuously. Grantmakers can help build this capacity by investing in grantees' data collection and performance management systems. As part of its efforts to improve the lives of children in Detroit, the Skillman Foundation is supporting an organization whose exclusive focus is to provide nonprofit and government decision-makers with data and analysis so they can make more informed decisions. When used in the wrong way, however, data and performance management indicators can backfire. Grantees sometimes are punished for delivering worse-than-expected results when measured against unrealistic indicators. At other times funders and grantees waste precious time gathering data that do not lead to improvements.
- **Invest in capacity building and leadership development that help organizations grow impact.** Many grantmakers support nonprofit capacity building and leadership development, but often they do not provide the kind of help that nonprofits require—such as the ability of individuals and organizations to collaborate and build relationships. Funders can help build collaborative capacities by making connections for grantees; giving grantees the time, space, and special resources to carry out collective action; and providing general operating support as well as dedicated leadership development grants so they can help their staffs and boards develop the skills they need.
- **Consider supporting movements as well as organizations.** Throughout history, social movements have been important in advancing opportunity, well-being, and justice for all people. Today many grantmakers are shifting from solely supporting individual organizations and programs to supporting the multiple organizations and intersecting networks that constitute movements. This can be important

and meaningful work, but it requires grantmakers to be patient and take the long view. The eight funders that compose the Civil Marriage Collaborative, a pooled fund tackling marriage equality, had the fortitude and patience to fight for the long term. It took 15 years of public education and community organizing to shift public perception of gay marriage in the United States. Today a majority of Americans support same-sex marriage. The collaborative has been providing funds since 2004 and gave \$1.62 million in grants in 2013 to the groups on the front lines of that effort. (In November 2013 GEO hosted a conference exploring grantmakers' support of movements. For more information on the conference, visit www.scalingwhatworks.org)

Looking Forward

Grantmakers and their grantees cannot be expected to take on the challenge of scaling up social solutions on their own. As always, government action will be an important driver of future progress. The Obama Ad-

ministration launched the Social Innovation Fund (SIF) in 2009 as an experiment in public-philanthropic partnership to support the best community-based solutions. (See "From Innovation to Results" on page 14.) Other experiments under way in the federal government will yield more insights about the potential for collaborative action between governments, community organizations, and private grantmakers.

In order to make progress, all sectors will need to take a realistic look at their respective roles. As the SIF began its work, it was surprising to learn that the federal government saw philanthropy as a place to go to amplify its investments, and at the same time foundations and other "intermediaries" participating in the program saw the federal government as a source for the same. The reality, of course, is that private philanthropic resources will never come close to attaining the reach and impact of government, especially as government resources are redirected away from the social safety net or other services to help the poor.

The question for philanthropy and government alike is How can we deploy

resources to the greatest effect? This question was the focus of a gathering for grantmakers that GEO and the Nonprofit Finance Fund convened in the fall of 2008. As the first clouds of the economic crisis were starting to appear, we had little idea how well-timed the conference would be. A comment at that gathering from Clara Miller (then president and CEO of the Nonprofit Finance Fund and now president of the F. B. Heron Foundation) has stayed with me. What she said, in a nutshell, was that the biggest change that could help the nonprofit sector operate more effectively is for philanthropy to better coordinate how it deploys financial resources.

Pioneers in the field understand this. For example, grantmakers like the Edna McConnell Clark Foundation, first through its capital aggregation campaign and now as an SIF intermediary, have made great strides in generating resources closer to the scale of the problems they are working to solve. The SIF itself, although not without its challenges (which have included a required private match that was too high), has certainly catalyzed joint funding and collaborative work throughout the United States.

As our collective thinking has matured and as we are able to draw from a larger base of experience, the common thread is the focus on growing impact rather than on growing organizations. GEO's vision for the sector is one in which philanthropic leaders can't imagine making strategic decisions in isolation. It's a sector where grantees aren't compelled to adopt a grantmaker's measures of impact but rather are supported to identify and track the measures that make the most sense for them. In this future, grantmakers and nonprofits work in concert through wide-ranging networks, and the watchwords for philanthropy are flexibility, collaboration, and respect.

What will it take to achieve the wide-ranging changes we all want to see happen in our communities and our country? After four years of work alongside many of the pioneers in philanthropy and social change at all levels, GEO is confident we've landed on one thing it takes. It takes grantmakers who are committed to working with nonprofits to ensure that they have everything they need to grow their impact over time. ✨

Notes

- 1 Jeffrey Bradach, "Scaling Impact," *Stanford Social Innovation Review* 8, no. 3 (Summer 2010): 27.

GEO's Journey on Scaling and Impact

Grantmakers for Effective Organizations (GEO) was established more than a decade ago to build a community of change agents in philanthropy and to make the case for shifts in grantmaking practices that lead to better results. In 2009, GEO had an important opportunity to engage deeply on the issue of scaling up community solutions when the Obama Administration launched the Social Innovation Fund at the federal Corporation for National and Community Service. With a stated focus on "mobilizing public and private resources to find and grow community-based nonprofits with evidence of strong results," the SIF approach mirrored the goals of many grantmakers in the GEO community.

GEO's membership includes many of philanthropy's pioneers when it comes to supporting program replication and organizational growth, including REDF, the Edna McConnell Clark Foundation, Venture Philanthropy Partners, New Profit Inc., Social Venture Partners, and others. The credibility and accomplishment of these institutions informed the creation of the SIF and heightened attention to the importance of making decisions about scale based on evidence.

Knowing that many GEO members were poised to work with the SIF as grantmaker "intermediaries" and that our member community already represented experience and intelligence that could benefit the SIF, GEO launched the *Scaling What Works* initiative in 2010. Twenty-two funders supported *Scaling What Works* because of their interest in a more formal exploration of scale and impact and their excitement about the potential of this public-private philanthropic experiment.

Scaling What Works wrapped up its efforts at the end of 2013. Over four years of learning, convening, and other activities, GEO sought to strengthen the field's understanding of what it takes to grow the impact of community-based solutions. For more information and resources, please see www.scalingwhatworks.org

Emerging Pathways to Transformative Scale

By Jeffrey Bradach and Abe Grindle

Learning about solving social problems, not just making incremental progress, from pioneering nonprofits.

In just 12 years, Gerald Chertavian has nurtured Year Up from start-up to star status among nonprofits that offer job training and educational support to disadvantaged urban young adults. A remarkable 84 percent of Year Up's graduates land full-time jobs or enroll in college within four months of completing their yearlong skills-training and internship program. Such success has propelled the program's steady climb from 22 students in one city in 2001 to more than 2,000 students in 12 cities today.

Year Up's growth can be captured by a simple catchphrase: "scaling what works." It is a phrase that has energized social entrepreneurs and philanthropists alike, and a rallying cry to direct more funding to interventions that actually get results. Leaders such as the Edna McConnell Clark Foundation,¹ Grantmakers for Effective Organizations,² Results for America, the Coalition for Evidence-Based Policy, and many others have worked tirelessly to advance this effort. Even the federal government embraced the idea. Soon after taking office in 2009, President Obama launched initiatives to identify and support social programs with proven benefits.

But success has its limits. Chertavian now confronts a dilemma shared by many other successful social entrepreneurs.³ He has a proven program and steady site-by-site growth. Yet Year Up reaches only a tiny fraction of the 6.7 million low-income young adults in the United States who are

out of work and out of school. "Given the magnitude of the problem, we can't be satisfied with a plan that just doubles the size of Year Up," says Chertavian. "We need a new path to close the gap between what we've achieved to date and what we still need to accomplish."

That new path requires innovative ways of thinking about scale. It is no longer sufficient simply to scale up what works in an incremental manner. Three years ago, a *Stanford Social Innovation Review* article proposed the notion of scaling *impact* rather

on all our progress to date and could grow impact in ways that lead to lasting solutions.

1. *Distribute through existing platforms.*

One way to scale up a project is to hitch a ride with an existing network or system that can replicate a program in hundreds, or even thousands, of locations.

Sixty percent of Americans live within three miles of a YMCA (Y). Capitalizing on this fact, the national Y is using its nationwide network of community Ys to spread a diabetes prevention program that origi-

Social sector pioneers have started to tackle an even more fundamental question: How can we grow our impact to actually solve problems we care about?

than organizations, asking, "How can we achieve 100× the results with just 2× the organization?"⁴ More recently, Chertavian and other social sector pioneers have started to tackle an even more fundamental question: How can we grow our impact to actually *solve* problems we care about? In short, how can we achieve truly *transformative scale*?

Strategies for Transformative Scale

In their quest for answers, pioneers such as Year Up and the organizations that follow are experimenting with ways to help far more people while keeping a lid on the growth of their own organizations. Reviewing their efforts to date, we can identify nine approaches that hold real promise for addressing at a transformative scale a number of major social problems. The approaches that follow aren't exhaustive, nor are they necessarily new. But they represent a set of experiments that build

nated with the National Institutes of Health (NIH).⁵ By altering participants' eating and exercise habits, the program reduces the incidence of type 2 diabetes by 58 percent in people at risk for the disease.

Critical to the success of this effort was the Y's ability to create a sustainable funding model for the program. The original NIH model involved health professionals working one-on-one with high-risk people, a high-cost approach that prevented widespread adoption. Together with the Indiana University School of Medicine, the Y adapted the program to a group model led by trained community instructors. Using this model, which delivered the same compelling results at one-fourth the cost, the Y was able to persuade health insurers to reimburse program costs. That, in turn, cleared the way for the Y to expand the program to 614 locations, with many more to come.⁶

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The potential to deliver successful programs using the existing infrastructure of a national nonprofit network is huge, but getting there won't be easy. Any initiative that chooses to go this route has to figure out how to ensure that providers in a widely dispersed network can reliably deliver consistent results.⁷ This means investing in systems such as network-wide performance measurement. Social entrepreneurs who wish to extend their impact via networks will also have to relinquish some control to achieve the scale they seek.

2. Recruit (and train!) others to deliver the solution. Rather than relying on a single player, such as the Y, to help bring a program or initiative to a larger scale, it's possible to teach a collection of unrelated nonprofits or agencies to deliver a successful program to far greater numbers of beneficiaries.

Year Up chose this route when it partnered with Miami Dade Community College in 2012 to establish the Professional Training Corps. Modeled after the Reserve Officers' Training Corps (ROTC), this program sets students on an associate degree track while providing them with the small cohesive community, high-quality professional development, and internship experience that mirror the Year Up program. The pilot, if successful, will provide a template for spreading the program to community colleges across the country and reaching a

projected 100,000 students a year.

Organizations that pursue this pathway typically must build a new set of capabilities. "Doing"—actually delivering a program—and "enabling"—training another organization to do so—are two quite different processes, and it's important to be very clear about what is required to do enabling well.

3. Unbundle and scale up the parts that have the greatest impact. Successful social-sector initiatives typically involve lots of moving parts that combine to deliver the desired results. But what if you don't need all the parts to get the same or nearly the same results? If you can identify the essential components that account for most of the impact but require only a fraction of the total cost and effort, it may be possible to break them out and take them to a large scale.

KIPP, the Knowledge Is Power Program, is a national network of public charter schools that has taken this approach to leadership training. Since opening its first two schools in 1995, KIPP's network has grown to serve more than 50,000 students in 141 schools in 20 states and the District of Columbia.

Two years ago, KIPP launched the Leadership Design Fellowship, an eight-month program for public and charter school district administrators that provides intensive training on KIPP's principal-development model. KIPP chose leadership development because of its core belief that outstanding schools are

built, led, and sustained by great leaders. The idea behind the fellowship program is that its graduates—some of whom lead districts with hundreds of thousands of students—will implement KIPP's principal-training model in their own districts, thus extending KIPP's impact without adding to its size.

In contrast to trying to replicate an entire program or initiative, the lower cost and broad reach of leadership training may make this type of unbundling a very good investment for dramatically increasing impact.

4. Use technology to reach a larger audience. Technology can provide another lower-cost pathway to growing a program's reach and impact. Khan Academy, for example, delivers instructional videos online to millions of people around the globe. As a result, the organization has remained very small even as its audience has exploded.

Even traditional nonprofits can use technology to accelerate the spread of an existing program or practice.⁸ College Summit, whose mission is to help increase college enrollment and success rates among low-income high school graduates, has gone this route. With a \$2.5 million grant from the Bill and Melinda Gates Foundation, College Summit developed 20 Facebook apps that will help guide low-income students through the college admission process and support their success on campus. Apps deliver automated alerts for important deadlines, facilitate formation of student support groups, and guide students through the process of transferring from community college to a four-year university, among other services. Time will tell whether this experiment succeeds. What's clear today is that this kind of technology-enabled project could help nonprofits significantly expand the reach and impact of their work.

5. Don't just build organizations and programs, strengthen a field. Nonprofits and funders committed to far-reaching social change understand that their goals cannot be reached without the support of a critical mass of organizations and individuals working together as a field. Key players include policymakers, researchers, community groups, service-delivery enterprises, advocacy groups, talent recruiters, funders and investors, and others.⁹ Field-building strategies often follow one of two paths: growing the field by raising awareness of an issue to

Continue to Expand Proven Programs

Even as we explore these nine strategies for transformative scale, we should remain committed to scaling up proven programs through organizational growth as rapidly as possible. Consider Youth Villages. The program started in Tennessee 20 years ago and has developed a highly effective approach to intensive in-home treatment services for troubled kids who typically would be placed in foster care, detention centers, or other juvenile facilities. The results are impressive. For these hardest-to-serve youth, Youth Villages achieves twice the results of the typical program at only one-third the cost. This stellar performance, coupled with some critical philanthropic investments, has enabled the program to expand to serve some 22,000 children in 12 states in the past twelve months.²⁰

A few philanthropic innovators have stepped up to help Youth Villages expand. The Edna McConnell Clark Foundation led a pioneering effort to raise \$40 million from co-investors to make the last phase of Youth Villages' growth possible.²¹ Nevertheless, there are at least another 300,000 children who could benefit from Youth Villages' services. Imagine the result if private and public funders were to commit the level of resources necessary to actually serve all of this need. After all, there's still no inherent limit to the size a nonprofit can achieve. The real limitation is money.

generate support and funding, or improving the performance of existing players already committed to the field.

Building on the evidence base created by Big Brothers Big Sisters of America in the 1990s, MENTOR: The National Mentoring Partnership exemplifies both approaches. More than 5,000 organizations provide mentoring to three million disadvantaged young people, but another 15 million youths need these services. Moreover, not all kids currently enrolled in mentoring programs are served effectively. MENTOR works to close this gap by enhancing the quality and quantity of mentoring relationships for America's youth. Its goals are to increase the resources and capacity of the mentoring field to reach more young people and to improve the effectiveness of the field by developing and disseminating standards, research, and tools. This field-building effort complements the work of Big Brothers Big Sisters of America, the largest mentoring organization in the United States, which reaches more than 200,000 young people—but still only a fraction of those in need.

Fields also need data and metrics to track and improve performance and to channel resources to what is working. Expanded use of data—thanks in large part to the advent of low-cost information technology platforms—is one of the most powerful forces shaping fields today. The Strive initiative in Cincinnati, Ohio, has rallied a range of players around shared performance metrics for supporting the success of every child “from cradle to career.”¹⁰ And the Millennium Development Goals harness the power of measurement to drive the field of global development, just as the Common Core standards are driving the use of data to strengthen US public education. Such efforts align the strategies of diverse players toward common goals, enable assessments of what is working on the ground, and support learning and improvement.

Others have pursued leadership development as a way to improve the performance of an existing field. For example, in K–12 education, organizations like New Leaders for New Schools, the Broad Superintendents Academy, The New Teachers Project, Teach for America, and the Center for Inspired Teaching have produced a wave of leadership talent, which has helped to shape the education reform movement. It is striking that few other fields have such a robust leadership

development pipeline, which may bode ill for their ability to achieve true transformative scale and impact even given significant programmatic innovations.

One caution is that field-building investments take a long time to play out, and their effectiveness can be difficult to assess. But in many instances, the absence of appropriate investments in field infrastructure, from training organizations to matchmakers for mergers and collaborations,¹¹ severely limits the potential for transformative impact.

6. Change public systems. Our public systems, such as education, juvenile justice, and child welfare, operate at a vast scale. But too often they are not achieving *impact at scale*. Public system reformers often pursue one of three distinct avenues to achieve transformative impact: change a critical component of the system; inspire change by

Fields also need data to track and improve performance and to channel resources to what is working. Expanded use of data is one of the most powerful forces shaping fields today.

demonstrating a better way and embarking on a change management process; or gradually inject new leadership.

The Annie E. Casey Foundation is choosing the first approach in its efforts to change the juvenile justice system. Over the past 20 years, the grantmaker has invested more than \$100 million to try to change decisions about whether to send a troubled young person to jail, to a detention facility, or to home-based rehabilitation. Rigorous evaluations show that the home-based option championed by the foundation works best for most kids. The program has spread to 200 sites in 39 states and is poised to continue growing. (See “The Road to Scale Runs Through Public Systems” on page 12.)

Teach for America demonstrates an approach to changing a system that relies on an infusion of new leadership and talent. With 170 full-time staff members devoted to alumni services, it is investing heavily in the continued development and placement of its 30,000 alumni, with the goal of injecting highly capable, reform-minded leaders into critical positions within the education system and other public and private entities that affect it. The goal is to achieve impact at

a transformative scale by changing the education system from the inside out.

These examples acknowledge and respond to a simple truth: the path to transformative scale in sprawling public systems requires changing the systems themselves. Otherwise, as Casey Foundation CEO Patrick McCarthy notes, “A bad system will trump a good program every time.”

7. Embrace the need for policy change. Government funding is often considered the Holy Grail for social-sector initiatives. An act of Congress, for example, can theoretically turn a demonstration project into a national standard overnight. Well-known examples include the adoption of hospice care, which spread nationwide after gaining Medicare reimbursement; and state-funded kindergarten, which began as privately funded programs in a number of cities but

transitioned to public dollars in response to widespread demand.¹²

The Nurse-Family Partnership (NFP) provides a contemporary example. NFP serves low-income, first-time mothers by partnering them with a registered nurse who provides ongoing home visits that continue through the child's second birthday. Today NFP reaches more than 26,000 mothers in 43 states. When well implemented, the program has been shown to provide \$5.70 in benefits to society for every dollar spent.¹³

In 2010, Congress established the Maternal, Infant, and Early Childhood Home Visiting Program and committed \$1.5 billion over five years to expand and improve state-administered home visitation for expectant and new mothers. (Currently, 13 home visiting programs meet federal eligibility criteria.) The legislation was the result of a concerted lobbying campaign led by the Nurse-Family Partnership National Service Office and supported by President Obama, among others.

At the same time that it provides a model for policy change that leads to larger scale, this example also illustrates the challenges facing any social initiative advanced by the federal

government. The 13 programs approved for federal funding are not identical, and many states are ill-equipped to identify which programs will provide the best outcomes given their particular context and needs. As the Pew Center on the States concluded in 2011, many states “are not prepared to capture or maximize the additional investment.”¹⁴

8. Don’t ignore for-profit models for scale. In some cases, a for-profit business model might be the most effective strategy to achieve transformative scale. In the developing world, businesses have helped meet the basic needs of many millions of the poorest people, providing necessities such as clean water, health care, electricity, agricultural supplies, communications, and financial services. In Mexico, *Farmacias Similares* became a runaway hit by selling prescription medicine for at least 30 percent less than the competition and by making doctors available for \$2 a visit.¹⁵

Sometimes nonprofits and philanthropists can unleash the scaling power of for-profits by demonstrating the viability of a new market or business. Microfinance is the classic example. The concept started out as a project run by nonprofits and government agencies. Over time, these organizations built a track record of sufficient scale and financial performance. The result: commercial entities—and eventually the enormous for-profit capital markets—saw potential and dramatically scaled up the industry.

Many market-based approaches to social problems require a combination of nonprofit, philanthropic, and government support to prove that an innovation is worthy of for-profit investment.¹⁶ None of these examples is intended to suggest that for-profits are the solution in every circumstance, or to minimize the significant challenges that can emerge as they try to balance profit and social impact. Yet because of access to enormous capital markets and a business model that inherently promotes greater scale, we need to understand how for-profits can be part of the solution to many social problems.

9. Alter people’s attitudes, beliefs, and behaviors. For a certain category of issues, impact at a transformative scale requires altering the attitudes, beliefs, and behaviors of many people so that the change becomes the new social norm.¹⁷

Public health and issue-based advoca-

cacy groups, among others, have developed an extensive suite of social marketing and grassroots-organizing tools that they deploy to obtain these results. Two recent innovations are worth special attention.

First, more and more organizations are building informal, peer-to-peer networks to achieve transformative scale. This work is based on the understanding that many norms and practices are shaped in a community, and therefore certain types of changes must be scaled through the community. In Senegal, the practice of female genital mutilation was largely eliminated in one generation through the work of Tostan, an African-based nonprofit that helped to spark discussions and advocacy among villagers that spread from village to village.¹⁸

Second, a burgeoning body of work in behavioral economics and psychology helps us understand how people make both large and small choices in everyday life. Sometimes those choices are harmful both to the person and to society. The UK government recently created the Behavioral Insights Team, aka the “Nudge Unit,” which aims to steer people to better choices through small behavioral changes. For example, standard letters warning people to pay their overdue car tax get only about an 11 percent response. A simpler test letter declaring in big letters “Pay your tax or lose your [make of car]” got double the response.¹⁹ Another test letter with a photo of the car in question got triple the response rate. Many of the issues that the social-change sector cares most about affecting, such as health, education, and criminal justice, are rooted in behavioral choices that may be subject to similar nudges.

Considerations for Making Headway

All of these strategies hold promise for moving from selective and limited impact to transformative scale. Exploring them will require experiments (and some failures). But in the long run, the social returns can be huge. At the same time, it’s important that we are realistic about the magnitude of the work ahead. A few cross-cutting considerations are important no matter which strategy one chooses to pursue.

■ **Be clear about success.** Crystal-clear objectives are an essential component of any strategy. To achieve transformative scale, your core objective must be to solve the problem, rather than sim-

ply to expand a successful program.

■ **Focus on a well-defined unit of impact.** Without evidence of impact, there’s no reason to scale up. Always be clear about the impact you are aiming for, and measure continuously to ensure that you are achieving it. Keep an eye on whether a new pathway is actually serving the intended population, a common pitfall of technology solutions and for-profit models.

■ **Rethink capitalization.** All transformative scale strategies require thinking differently about capital, both what we are willing to fund (such as overhead and infrastructure) and the amount of initial capital and ongoing revenue required to scale up. Funders also need to provide risk capital, knowing that in the quest for big solutions some experiments inevitably will fail.

■ **Innovate to drive down costs.** One of the great barriers to scale is the cost of interventions. Although it is generally true that you get what you pay for, the social sector has much to learn from social innovators in developing countries who have no choice but to hold costs at rock-bottom from the very start as they aim to serve great numbers of people.

■ **Focus on driving demand.** Both “supply” and “demand” are required for transformative scale. It isn’t enough to focus only on supply, with a build-it-and-they-will-come mentality. Truly unlocking demand can be a game-changer.

■ **Invest in new capabilities.** Grantmakers should keep in mind that transformative scale often requires substantial investment in capabilities that many nonprofits don’t currently possess. That means funding nonprofits to make training investments, hire new people, or adopt new technology or more sophisticated financial management systems.

■ **Engage the community.** The success of transformative scale strategies often hinges on the involvement of local communities in the formulation and implementation of the solution. Knowledge of local circumstances and engagement of local players can be critical to helping a solution spread and stick.

Taking “what works” to transformative scale will be the defining challenge of the

social sector in the coming decade. The hard work of figuring out how to do that has begun. Now we need to test which strategies are truly practical, perfect them, and ultimately push ourselves to new ways of thinking and acting that will determine our ability to address in full the most important challenges facing this country and the world. ✨

The complete version of this article appears on www.ssireview.org

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TWO GRANTMAKERS, TWO APPROACHES TO SCALE

Pathways to Scale for a Place-Based Funder

By Katie Merrow

During our 50 years of working to improve the quality of life in communities across our state, the New Hampshire Charitable Foundation (NHCF) has learned many lessons about what it takes to increase our impact. We've found that three approaches are essential to achieving large-scale impact: partnering across sectors; long-term investment to strengthen grantees; and supporting promising and proven programs.

Partnering across sectors. To solve pressing social problems, it is important to reach across sectors and build partnerships among government, nonprofits, and business. To combat New Hampshire's rising rates of youth substance abuse, for example, NHCF entered into a 10-year partnership with the state of New Hampshire to co-fund substance-abuse prevention coalitions.

We are also leading a state commission charged with developing a plan to reduce substance use in New Hampshire. Our work on the commission brings state agencies and community partners together around shared goals and measurement systems, and we

have leveraged more dollars for evidence-based prevention. We reinforce this work by funding local advocacy efforts promoting policies that prevent youth substance abuse.

NHCF has benefitted from partnerships with the business community as well. When a local technology entrepreneur came to us wondering whether his platform that helps small businesses compete against big chains might benefit the charitable sector, we saw a ready-made opportunity to scale up our efforts to strengthen nonprofits. NHCF partnered with the entrepreneur's company, CCA Global, and the New Hampshire Center for Nonprofits to develop a Web-based platform that provides nonprofits with vetted tools and real-time instruction to improve operations. More than 1,500 nonprofit employees and board members are taking advantage of this platform to make measurable improvements in organizational behavior, board engagement in fundraising, and leadership. This project leveraged CCA Global's innovative product, the Center for Nonprofits' relationships and deep knowledge of the sector, and NHCF's ability to convene and raise significant start-up capital.

Katie Merrow is vice president of program for the New Hampshire Charitable Foundation.



Long-term investment to strengthen grantees. One of the ways that NHCF helps nonprofits increase their impact is by making long-term investments in building grantee infrastructure. Grantees need consistent, multiyear support in order to build strong leadership, effective operations, community partnerships, and the

tinuum to advance evidence-based practice in our state.

We do so in two ways. First, we fund the development and evaluation of promising local approaches to issues we care about. When a high school program to prevent substance abuse showed promising results and a strong fit with our strategy, we funded

One of the ways that New Hampshire Charitable Foundation helps nonprofits increase their impact is by making long-term investments in building grantee infrastructure.

other pieces of infrastructure necessary to scale up impact. This is especially important in the many rural areas of our state, where scaling up programs is more challenging.

An example of how we help New Hampshire nonprofits scale up their impact is our five-year investment in early childhood development. We provided grantees with multiyear funding, built their evaluation capacity, and supported their coming together to establish shared goals and strategies and to learn from each other. This community-driven collaborative has substantially increased the number of young children in northern New Hampshire receiving developmental screening to identify critical needs, from 0 percent to 14 percent. The collaborative's goal is to reach 100 percent. In another case, we provided three years of flexible support while a grantee worked to complete an evaluation and draft a business plan to expand operations. The grantee is now positioned to seek national funding to grow.

We also leverage federal dollars to build nonprofit infrastructure in New Hampshire and increase resources for areas where the foundation has invested deeply. In the past three years, NHCF helped New Hampshire secure \$52 million in federal grants by directly funding grant writers, providing a required state match, or funding collaboration and collective action that attracted multiyear federal grants in areas like substance use, housing redevelopment, and children's behavioral health.

Supporting promising and proven programs. Our foundation supports proven programs wherever possible, but we will also support promising programs when they are a better fit with local needs and capacities. We intentionally work along a con-

tinuum in New Hampshire schools and simultaneously co-funded a formal evaluation with state and federal partners.

The second way we advance practice is by bringing knowledge to grantees about how to implement proven programs. We fund a local

Center for Excellence that provides grantees with technical assistance to ensure fidelity to evidence-based models or to adapt models without compromising effectiveness, as they did when New Hampshire communities adopted a proven coalition model to reduce youth violence and addiction.

The Path Ahead

Place-based funders like NHCF are a ready-made network for disseminating knowledge about what works and advancing proven practices about how to scale up. We have in-depth knowledge of grantees and the communities they serve that can inform successful efforts to scale up. Looking ahead, we need more accessible co-funding arrangements with national funders that will create a more robust pipeline of scalable initiatives. Philanthropy has a real opportunity, but we need to work together in new ways to create a network for change. ✨

TWO GRANTMAKERS, TWO APPROACHES TO SCALE

The Road to Scale Runs Through Public Systems

By Patrick T. McCarthy

Twenty years ago, the Annie E. Casey Foundation launched an initiative aimed at tackling a persistent problem in the juvenile justice system: Too many young people who came into contact with the system were being confined unnecessarily in secure detention. Building on research showing that such confinement leads to significantly worse outcomes for youths, the foundation set out to help local agencies implement alternatives to detention.

Today the Juvenile Detention Alternatives Initiative (JDAI) is being implemented in more than 200 counties in 39 states and the

District of Columbia. One in four US youths lives in a participating community. The use of secure confinement in these communities has dropped 43 percent, and there has been no decrease in public safety. Although JDAI has not been implemented in every community in the country, the approach, tools, and lessons learned have been shared broadly, and other juvenile justice leaders are taking action on their own.

JDAI is one example of a philanthropic initiative that has dramatically scaled up its impact over time. The Edna McConnell Clark Foundation's pioneering work, the opportunities provided by the US government's Social Innovation Fund, and the hard work of legions of social entrepreneurs mean that many proven programs now are

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reaching more people who need them. It's an impressive, energizing story. But we still have a long way to go before we can say we've solved the problem of how to scale up human services programs effectively.

From Program Replication to True Scale

Replicating proven programs with fidelity is both critical and tough to do right, but we should be careful not to confuse program expansion with achieving population-level scale. Achieving that scale means attaining a meaningful, measurable result for a specific population. Supporting a particular evidence-based program or model to expand reach, grow in size, and capture a greater percentage of market share may be a necessary part of the path toward a large scale. But we shouldn't declare victory until, for instance, all children in Baltimore enter school ready to learn, or all youths between the ages of 18 and 24 in Maine are connected to school or work, or all children in the United States read proficiently by the end of third grade.

To reach these types of ambitious goals, the road to scale inevitably will run through public systems. And decades of experience tell us that a bad system will trump a good program—every time, all the time. Whether programs focus on youths involved in the juvenile justice system, students in public schools, families in the child welfare system, or young mothers receiving public health services, even the greatest programs cannot succeed in a lasting way if they depend on dysfunctional systems. Programs can sink or swim, depending on how systems handle issues from intake, eligibility, and case planning to the selection and compensation of private providers. Similarly, policy decisions that determine program priorities, budget allocations, or staffing levels can accelerate or impede progress toward greater scale.

The JDAl Story

In developing the JDAl strategy, the Casey Foundation noted the many ways that the juvenile justice system could trump any programmatic intervention we could mount in communities, so we decided to start with changing the system itself. JDAl works directly with the local agencies responsible for juvenile detention. We help them in such critical areas as adopting

screening tools and processes for objectively assessing risk and making admission decisions; implementing case processing reforms to minimize unnecessary delays; collecting and using data to track the young people's progress; and developing effective non-secure alternatives in the community. A common thread in the JDAl approach is strong collaborations among the important actors in the system, including the courts, probation officers, prosecutors, defenders, and community groups.

The results speak for themselves. In addition to reductions in confinement in the targeted communities, we're beginning to see the national needle moving, too. In 1997, almost 28,000 young people were in detention. In 2011, only 19,000 were in detention. Recent federal data indicate that both the number and rate of young people confined have decreased by more than 40 percent nationwide since the mid-1990s, when this issue first became a priority for the Casey

resources are used rather than requiring new dollars, so there are no savings to be had by downsizing or dropping JDAl from the budget. In fact, by preventing unnecessary secure detention, communities have been able to close facilities or avoid building new ones, and the resources saved can be reinvested to expand alternatives to detention. Ending JDAl could actually cost jurisdictions money.

Following the Evidence

Of course, not every outcome we want to change is best achieved by working directly with a public system in this way. But few programs are not at risk of being trumped by bad systems.

In addition, just as public systems can affect what programs are able to achieve, so too can effective programs influence public systems. Innovative approaches can function as proof points and help build evidence for new ways of serving a public system's

Replicating proven programs with fidelity is critical and tough to do right, but we should not confuse program expansion with achieving population-level scale.

Foundation and others, notably the John D. and Catherine T. MacArthur Foundation. Although many factors have influenced this trend, this is genuinely a population-level shift that would have been hard to imagine just 20 years ago, when youths were being described as "super-predators" and mass incarceration was at its peak.

With JDAl's strategy of working directly with the public system to reform core functions, inappropriate detention is prevented for every youth who comes into contact with the system in that community. In other words, we move the needle—achieve scale—for an important outcome in a targeted population.

The strategy of directly engaging the public system also helps ensure that JDAl implementation won't be sloughed off in the next change of leadership or budget crisis, events that can derail even the strongest programs. The goal of JDAl is to advance fundamental system reforms so they become deeply rooted and cannot easily be removed or reversed. In addition, the program changes how existing

clients. As we glean more information from evaluations of proven programs, we can see common principles of effective service delivery that can guide changes in public systems in areas from case processing to procurement criteria for contracted services. Given that these systems serve whole populations, it is incumbent on all of us who care about those populations to help public systems follow the evidence.

Twenty years is a long time to stick with a single program, especially for a foundation. At the Casey Foundation, we have stuck with JDAl for a variety of reasons, including its evidence of effectiveness and the fact that we've found cost-effective ways to help an accelerating number of communities adopt the program. But for any foundation that is focused on tough, pivotal problems, the most important reason to stay the course with a program like JDAl is that it is moving the needle for whole populations in community after community, state after state. That's scale, and it's something we can't achieve through program replication alone. ✨

From Innovation to Results

A conversation with **Michael Smith**, director of the **Social Innovation Fund**

Michael Smith was named director of the US government's Social Innovation Fund (SIF) in July 2013 after serving as senior vice president for social innovation with the Jean and Steve Case Foundation. In this conversation, he reflects on the SIF's efforts to expand the impact of innovative and successful solutions to community challenges across the country, and on what lessons philanthropists can learn from those efforts.

What do you bring from the world of private philanthropy to the SIF?

At the Case Foundation, I was working for entrepreneurs, supporting entrepreneurs, and helping to build social enterprises. That experience convinced me that every sector brings something to the table. Government is less agile than business and philanthropy but is unmatched in reach and potential scale. The nonprofit sector brings grassroots credibility, deep knowledge of the issues and communities, and the networks that provide the collective brainpower and the reach to make solutions possible. Philanthropy contributes the risk capital that's critical for piloting innovative programs and often serves as a connecting point across sectors. The private sector acts quickly to make promising investments. The business world also brings expertise with return on investment, an appreciation of markets and market forces, and continuity through shifts in national priorities, leadership transitions, and political stalemates. Blending together the best of each sector will undoubtedly present occasional disagreements, as in any relationship, but it will yield stronger solutions in the end.

The SIF supports and helps to scale up community programs that have proven to have impact. How can you balance the focus on proven concepts with finding "hidden-gem" solutions that might not

be getting the attention they deserve?

The SIF is built on four interdependent pillars that distinguish it from other programs and that make it vital to the social sector and the nation: innovation, evidence, scale, and cross-sector partnerships. We seek to lift up innovative solutions that counterbalance ineffective programs. We want to identify evidence-based approaches in a field that too often measures success by numbers served or by isolated stories. By scalable solutions, we mean ones that can be replicated nationwide. And our focus on cross-sector partnerships rooted in grantmaker intermediaries ensures that the work is citizen-centered and that these initiatives can grow and take hold at the local level even after SIF dollars are gone.

The SIF's biggest contribution will be a cornucopia of tested, replicable solutions and lessons about what works, what doesn't, and why. We view ourselves as a robust deal pipeline and solutions laboratory for a diverse array of funders. But there is an inherent tension in trying to lift up and invest in solutions that are both new and evidence-based. Reducing that tension is not easy, but it is our mandate. My goal is to create a diversified SIF portfolio in the same way you would create a balanced retirement account—allocating investments to a mix of high-performing solutions with high levels of evidence as well as more innovative, perhaps more nascent, solutions that show early evidence of being game changers and can be evaluated more rigorously.

What most excites you about what you hear from the institutions that are receiving SIF funds?

I am absolutely knocked off my feet by the level of rigor in measuring impact that I see in SIF-funded programs. Eighty-six interventions are being tested through high-quality evaluation models—from quasi-experimental designs to randomized control trials. This fidelity to evaluation won't just benefit their organization, it will provide tremendous benefit to the entire social sector. Whether it's determining how to keep HIV patients in treatment or how sports can help disconnected youths find a path to success, what the SIF-funded efforts are learning has the potential to transform service delivery and change lives far beyond the boundaries of our grant recipients.

If the field of philanthropy could change on the basis of what SIF is learning about growing impact, what would those be?

It is critical for the funding community to accept that not all of our grantees are "above average." I recommend that funders who are interested in building evidence-based interventions keep three things in mind.

First, we need to ask: What are the results? Long before we bring in a third-party evaluator, funders and nonprofits should work together to define their intervention, determine expected impacts, implement systems to capture data, and commit to reviewing outcomes and making course corrections at regular intervals.

The second thing to remember is that evaluation should be about proving *and* improving. Evaluation results should represent the beginning of a process where all stakeholders use what is learned to enhance and even overhaul programs. The third consideration is the toughest: how to stop capital from flowing to programs that aren't demonstrating good results, and, in some cases, are doing harm. These programs often continue to be funded by well-meaning program officers or government appropriators to the detriment of our communities, and also to the detriment of effective organizations competing for scarce dollars. We can't continue operating in this way. We have to be willing to say no, suggest mergers, and most important, demand results. ✨



Perspectives on the Social Innovation Fund

A conversation with **Carla Javits**, president and CEO of REDF

Carla Javits is president and CEO of REDF, a California-based non-profit and venture philanthropy organization with more than 15 years of experience. As a grant-making intermediary with the Social Innovation Fund (SIF), REDF has been creating jobs throughout California for people facing the greatest barriers to work. They do so by investing capital and business expertise in social enterprises, businesses with a “double bottom line,” that make money in order to employ people.

Why did REDF participate in the SIF?

REDF takes a market-oriented approach to job creation and workforce development for people who are willing and able to work, but who have the hardest time finding and keeping a job. We applied to be a SIF intermediary because REDF was eager to join a national learning community that would allow us to develop and engage the ecosystem of government, nonprofits, philanthropy, and business needed to expand social enterprise, and to learn from and inform them about the power of this model.

The SIF builds support and visibility for what works. It seeks to direct more public money toward proven and promising solutions that improve people’s lives and their communities. It emphasizes evaluation and assessment of results to drive change.

By working with the SIF, we are demonstrating the value of establishing and growing social enterprises to create more jobs. This approach offers people a chance to work in a supportive environment—which has been demonstrated time and again to be the most critical factor in getting people attached to the job market. It is also a sustainable approach that contributes to the economy and generates revenue. To date, the 50 social enterprises REDF has supported have generated more than \$140 million in revenue, allowing them to expand their operations and hire more people.

What does the government get out of working with intermediaries like REDF that it wouldn’t get by making these investments on its own?

REDF delivers expertise and a deep understanding of the social enterprise model on the ground. We are experienced at due diligence to identify the organizations and business models that are likely to work best. We know how to combine grantmaking and business assistance in order to help these enterprises grow.

Because of our practical experience and contact with the communities in which these enterprises operate, we deliver support and financial resources efficiently. In part we can do this because we are flexible and less constrained by governmental limitations. One of the greatest values of the SIF is to offer a window into how government can work more effectively with private sector intermediaries to deliver public services.

The partnership with government is critical. Not only does it provide these organizations with the support to grow and employ more people, it creates national visibility for the social enterprise model and offers government a new way to work with the private sector to integrate more people into the workforce.

How important is it for the federal government to invest in growing the impact of solutions like those that REDF is investing in?

It would be hard to find an area of government that’s not affected by the fact that large numbers of people in our society have no chance to get into the workforce. This affects tax receipts, entitlement programs, prisons, home-

lessness, education, and more. It is in the government’s interest to provide the incentives and the capital to help build social enterprises.

For example, that could mean setting targets for the purchase of goods and services from these types of businesses, or tax and other incentives related to “supplier diversity,” and hiring of people from targeted populations.

What does it take to build a good working relationship between a private grantmaker and government?

It isn’t easy to navigate the rules of the federal government. It is helpful when there is clarity and two-way communication about those rules up front. Also, the government needs to offer grantmakers some flexibility in what they fund and how they fund.

As a grantmaker, you need to work with people in government who understand that



their role is not just to enforce regulations, but to be entrepreneurial about making things work. This has been the ethos of the SIF staff.

The SIF has made a positive contribution by putting the focus on two priorities: using grant-making intermediaries to do the work of identifying, supporting, and developing evidence about the effectiveness of successful activities; and keeping the focus on community solutions by helping to improve and scale up promising initiatives at the local level.

On the other hand, government should not view intermediaries and private-sector funders as a way to outsource the costs of government. I think some people see this as a way to get others besides government to be the long-term backbone of support for these programs. But what it’s really about—or should be—is ensuring efficient use of public *and* private resources aligned with the objectives and resources of each. The bottom line is delivery of the greatest possible value and return on taxpayer and private investments. ✨

Partners in Impact

By Daniel Cardinali

Communities In Schools' journey to scale holds lessons for funders interested in supporting growth.

In 1977 the organization that became Communities In Schools was one of many small, entrepreneurial nonprofits seeking to solve the dropout crisis among low-income students. Today we are serving 1.25 million young people and their families in 2,400 schools every year, in some of the most challenged communities in the United States. An independent evaluation concluded in 2011 found Communities In Schools to be the nation's only scaled-up dropout-prevention organization proven to both reduce dropout rates and increase graduation rates.

Of all the things that happened between 1977 and today to enable and support the growth and success of Communities In Schools, perhaps the most important was the relationship we developed with our funders. Our organization's journey holds lessons for foundations and other social investors interested in supporting large-scale, evidence-based change.

In Search of Early Investors

None of the nonprofits working on dropout prevention in the 1970s had the history or the heft to approach funders with a solution that was proven to work on a large scale. That left everyone with the same chicken-or-egg problem: how to attract investment to a workable solution, when investment is required to establish credibility.

When philanthropies have few data to go on, investment decisions often come down to leadership and personalities. Communities In Schools was fortunate at this critical juncture to have a founder, Bill Milliken,

Daniel Cardinali is president of Communities In Schools.



who could form and nurture philanthropic relationships as well as anyone in the nonprofit sector.

Two funders in particular understood Milliken's vision and offered critical support during the delicate early phase. At that time, Anne Cox Chambers, an owner and board member of media conglomerate Cox Enterprises, was the person who first recognized the potential of the program and offered significant financial resources. As a businesswoman, she appreciated the fact that young organizations need latitude and flexibility, and her support came with few strings, allowing Milliken the freedom to experiment and "fail forward." (Thirty years later, after several terms on the board, Chambers con-

Of all the things that enabled and supported the growth and success of Communities In Schools, perhaps the most important was the relationship we developed with our funders.

tinues to provide general operating support to Communities In Schools.)

With Chambers's help, Communities In Schools established a pilot program in Atlanta that showed great promise, and her imprimatur was the key to attracting the next round of investment. Lilly Endowment expanded the program to seven additional communities throughout the United States. As is typical of early-stage investments, four of the seven sites eventually failed, but Lilly Endowment continued to fund the experiment, allowing three sites to flourish. One of those sites, Houston, laid the foundation for the program's rapid expansion throughout Texas, the

single strongest state in the Communities In Schools network today.

Organizing for Maximum Impact

By the late 1980s, Cities in Schools, as it was called back then, began to grow. It had established affiliates in Florida, Georgia, North Carolina, South Carolina, and Texas. The early experiments were highly localized, and that led to some soul-searching about our national identity and structure. Should Communities In Schools be a centralized, top-down organization with national standards and practices, or a network of autonomous, local nonprofits sharing resources and support at the national level?

Once again, philanthropists were crucial to answering the question. Because education is an intensely local issue, Milliken and the leadership team decided in favor of local ownership of the initiatives, and Bell

South Foundation provided a four-year grant to establish state offices to support the local efforts in Florida, Georgia, North Carolina, and South Carolina. The decision in favor of local control opened the door to enormous financial and human resources in the communities where the program was working.

At the same time, the Communities In Schools network began to tap significant public dollars to blend with the philanthropic investments it received: public education funds; grants at the municipal, county, state, and federal levels; and legislative financing at the state and federal levels. For the most part, public dollars sustained

the core work of the organization, and philanthropic investments funded innovative programs. The net result was enormous growth throughout the 1990s.

The mix of public and private funding continues today. The Communities In Schools network currently receives 60 percent of its funding from public sources, and private donations (individual, corporate, and foundation) account for 40 percent. But dollars alone don't tell the whole story, because 80 to 90 percent of our human capital comes from our 70,000 volunteers and 16,000 community partnerships at the local level.

A Pause to Reassess

By the late 1990s, when I arrived at Communities In Schools, the network was in its most explosive growth phase. In the middle of that decade, we were serving fewer than 500,000 kids nationwide; by the early 2000s, the number had grown to nearly 1.5 million.

Even as we celebrated our success in reaching more students, doubts began to emerge about the efficacy of our efforts. With a significant investment by Cisco Systems, we established a performance management system that offered our leaders much deeper insights into the daily operations of the network. In reviewing the new data, we realized that growth for its own sake had become the primary goal of the program. Once we realized this, we began to recalibrate our goals and temper growth with an increasingly strong commitment to quality.

Philanthropy, once again, was a powerful partner at a time when the stress of rapid growth was beginning to expose the cracks in our foundation. Fixing those cracks was not the role of public funders; we were completely reliant on private investment to help us reimagine our capabilities, articulate our vision for how the Communities In Schools model could improve public education, and establish standards of evidence that would justify future growth. Without funding partners willing to take risks and provide capital to learn from our mistakes, Communities In Schools' eventual success would have been impossible. Five private funding partners were particularly instrumental in helping us through this phase.

- The Knight Foundation provided \$350,000 to fund a two-year, third-party evaluation jointly designed and administered by national experts and

Communities In Schools network leaders committed to high-quality evidence.

- The Atlantic Philanthropies provided \$5 million for a five-year longitudinal evaluation and an additional \$1 million of general operating support to ensure financial stability at the national office.
- The Gates Foundation provided \$2.5 million to support the national office's efforts to drive organizational change throughout the entire network.
- The Omidyar Foundation (now Omidyar Network) provided \$750,000 to fund a consulting contract with the Bridgespan Group to reorganize both the Communities In Schools network and operations in the national office.
- The Robertson Foundation made a \$1 million general operating grant based

Communities In Schools built trusting relationships with our funders that enabled us to be open and honest with them as we went through the transformation process.

on one condition: that Communities In Schools national had to halt growth and focus on organizational development.

Taken together, these efforts were nothing less than transformational. For the better part of a decade, we embarked on a program of deep organizational change that focused on stabilizing the national office and network, developing a performance management system, initiating the five-year longitudinal evaluation, and preparing every part of the organization for extensive quality improvement based on our evaluation findings.

For an organization accustomed to success and rapid expansion, this was a period of painful self-examination and humility. Fortunately, we had built trusting relationships with our funders that enabled us to be open and honest with them as we went through the transformation process. We were forced to acknowledge our shortcomings, rein in our growth, and refocus our efforts to better support our mission. Private philanthropy was pivotal in helping Communities In Schools reshape itself into a financially strong, cohesive, quality-driven network positioned to lead transformative system change on a national scale.

Renewing the Drive for Scale

Armed with a better understanding of what works and a better way of measuring the work of our affiliates, Communities In Schools is now poised to resume our previous growth trajectory while maintaining verifiable standards of success. This, of course, will require new funding, and our philanthropic partners have responded enthusiastically.

In 2010, for example, we were named by the Edna McConnell Clark Foundation (EMCF) as a member of its Social Innovation Fund portfolio through a public-private partnership with the Corporation for National and Community Service. EMCF has become a critical partner because of its expertise in aggregating philanthropic capital and facilitating organizational change. EMCF brought The Wallace Foundation to

the table in a matter of weeks, establishing a \$12 million investment pool that enabled Communities In Schools to invest significantly in its next phase of organizational development and targeted expansion.

Communities In Schools also worked closely with EMCF to launch a three-year, \$75 million capital campaign in 2011 to accelerate our growth. Through extraordinary board leadership, corporate and foundation philanthropy, and a host of individual donors, we exceeded our fundraising goal by the end of 2013.

Communities In Schools plans to double its reach over the next ten years. But even with that level of growth, our services will reach only 2.4 million students at a time when approximately 11 million children in K-12 public education are living in poverty. We are working on plans based on this realization to empower a much broader spectrum of organizations to provide the integrated services that have been crucial to the success of Communities In Schools. This represents a new strategy with a new series of challenges and opportunities—and we hope it will attract a new set of private funders willing to partner with us in seeking to end the dropout crisis. ✨

We Need More Scale, Not More Innovation

By Dr. Robert K. Ross

Solutions to urgent social problems are all around us. To broaden their impact, support community organizing and advocacy.

Innovation has been critical to economic and social progress since the invention of the wheel. But innovation isn't everything. In fact, when it comes to addressing today's urgent social problems, from education and public health to civil and human rights, innovation is overrated.

The greatest impediment to solving these problems is not a lack of innovation. Rather, it is our inability to scale up solutions that we know work. Grantmakers that want to see social solutions take hold need to focus less on finding the next great idea and more on helping grow the impact of ideas that are already working.

Consider the example of Homeboy Industries. This 25-year-old community-based nonprofit was birthed in East Los Angeles, Calif., and now serves a broader geographic community. Homeboy has achieved national acclaim for giving former gang members and felons a second chance by providing them with meaningful employment. The founder and executive director, Father Greg Boyle, coined a now-famous motto to explain his theory of change to confront the thorny, complex matter of

Dr. Robert K. Ross is president and CEO of The California Endowment.



gang violence in urban America: "Nothing stops a bullet like a job."

The California Endowment has provided financial support to Homeboy for several years. The organization's innovation comes in the form of a collection of community-based, integrated, one-stop support services cobbled together over time, from workforce training and mental health services to tattoo removal. Father Boyle describes what the organization does as engaging in unconditional "hope, love, and compassion" for a throwaway population of young people.

Homeboy has a clear, well-structured program supported by research that demonstrates its effectiveness. The success rate of the program's graduates is three times better than a comparable population of ex-offenders emerging from the Los Angeles County juvenile detention system. Homeboy saves taxpayers between \$60,000 and \$120,000 for every young person who gets a job, keeps a job, and stays clear of "la vida loca," the violently crazy, prison-destined ganglife.

Missed Connections

Ironically, Homeboy is located about 15 blocks from the downtown offices of the Los Angeles County government, including its

juvenile justice and probation systems. Despite being under continuous fire from the courts for its failure to implement meaningful systemic reforms, the county probation system has rarely incorporated any of Homeboy's innovations into its programs. Homeboy's lessons for reform are celebrated worldwide but ignored in its own county.

Local probation departments are not the only ones asleep at the switch. The California state government is currently undertaking extensive restructuring of its criminal justice and incarceration systems. Billions of dollars are being moved from state criminal justice oversight to local and county systems, creating a significant opportunity to reform sentencing and rehabilitation practices, expand community-based approaches, improve recidivism outcomes, and lower costs. There's a real chance to end the incarceration super-highway that traps so many black and brown young men. Homeboy, and similarly effective community-based innovations, should emerge as a focal point of reform efforts.

But no. The juvenile justice and criminal justice systems trudge along, engaging in business as usual and all but ignoring the evidence-based practices that are staring them in the face—programs that cost less and keep communities safer.

A Power Shortage

The Homeboy case is a quintessential example of the Sisyphean challenge of social change philanthropy. We keep pushing innovation up a hill made too steep by the force of political stasis. We fund an innovation, publish data on its effectiveness, and hope that little elves will magically appear to—presto!—transform our evidence-laden innovation into scaled-up programs that lead to positive social change.

But our hopes of transformation are dashed by our inability to foster the social and political power to demand, convince, cajole, and even force these larger systems to change.

To stick with the Homeboy example, multiple forces are impeding the progress of juvenile justice and criminal justice system reforms in California. The growing for-profit prison industry, for example, wields significant lobbying and political power. Another opposing force is the law enforcement lobby, including the correctional officers union, one of the most powerful labor unions in the state.

Reforms that reduce prison populations

run counter to the interests of for-profit prison companies and some of these unions. The voices of reform-minded advocates, innovators, and community leaders are drowned out by well-financed, politically connected forces.

But the problem is not just about political power and money. There's often a values disconnect that reformers must overcome. The people running juvenile probation systems and many of our elected leaders sometimes see things differently from Father Boyle. Too many officials view the young offenders as a throwaway population and design the system to be a revolving door that keeps these young men out of our schools and off our streets.

Those of us in philanthropy are guilty as well, because we allow the imbalance of power to persist. Our fascination with innovation has a high price: We treat social problems as if they require primarily a technical fix: "If we can just find the next systems upgrade, or killer software app, we'll solve the problem." This focus diverts our attention from the underlying social structures that perpetuate the problem. By obsessing about the technical, we can avoid being political and dodge the messy fights that social change and social justice require.

Joining the Fight for Scale

So what's a private foundation committed to social change to do? The answer: fund advocacy and organizing. We need to focus less on the search for new ideas and more on funding the community's fight to scale up known solutions.

A few years ago, The California Endowment's board of directors visited a Fresno nonprofit focused on creating health-promoting environments for young people in 14 economically distressed communities across California. During this visit, we heard directly from youth leaders about a burning issue that was not on our radar screen: schools' over-reliance on suspensions.

Little did we know that school suspensions had reached epidemic proportions, not only in Fresno but across the United States. The civic response to the Columbine High School shootings, along with the 1980s-fueled War on Drugs, has resulted in a zero-tolerance culture in our nation's public schools. One in nine US middle school and high school students was suspended during the 2009-10 school year. For African Americans and Latinos, suspension rates

have doubled since the 1970s.

What began as a well-intended effort to make sure schools are safe has, in practice, evolved into something that is unnecessarily imperiling the life chances of countless young people every year. Just a single suspension in ninth grade doubles a student's chances of dropping out, according to a recent study by the University of California, Los Angeles.

The following are some of the comments we heard from that group of 16- to 21-year-olds in Fresno.

- "We want you to help us get rid of these overly harsh zero-tolerance policies."
- "They are pushing our young black and brown men out of school."
- "These suspensions criminalize and stigmatize us."
- "There are better ways to hold people accountable, and maybe even get them some help."

A few grantees were already working on this issue. Our job was to fuel the fire that many others had started. We worked with grantee organizations to get more data, and in the process we learned that the state of

Philanthropy has to recognize that community power, voice, and advocacy are, to use a football analogy, the blocking and tackling of winning social change.

Texas had just completed a study showing that, on average, half of its high school students had been suspended at least once.

Further research showed that alternative practices to zero-tolerance suspension policies had emerged as well, including "restorative justice" approaches that require students who've just had a conflict to talk it out and make amends. Also emerging are teen courts, and even meditation in the classroom. Each is demonstrating better results than quick-trigger suspensions.

After youth leaders connected with each other across several cities in the state, The California Endowment funded their coordinated advocacy efforts. They met with or testified before school boards, city councils, and state officials. They blogged, tweeted, made videos, wrote plays, and spread the word however they could. They demanded change.

The school suspension issue began to make its way into the civic and political dis-

course. Newspaper editorials and op-eds began to appear. School boards in Los Angeles, Fresno, and Oakland announced policy changes on suspensions. The California legislature created a Select Committee on Boys and Young Men of Color. Bills on school discipline reform made their way to Governor Jerry Brown's desk, and he signed five of them into law.

The message was powerful and simple: Stop the wanton practice of suspending and expelling kids from school. Discipline and accountability are important, but there are healthier and smarter measures that work.

Standing Up to Power

In the fight against zero-tolerance policies in California schools, innovative practices, data, and research were important. But social innovation without advocacy and organizing would have been in vain. It was the mobilization of the community, and in particular young people, that paved the way for the innovation to break through.

Funding advocacy and community organizing may not be as glamorous, neat, or tidy as supporting the next great program or orga-

nization. It's difficult to capture the results in a glossy bar graph or pie chart, and it doesn't necessarily lead to easy photo opportunities like stocking a neighborhood food bank. But philanthropy has to recognize that community power, voice, and advocacy are, to use a football analogy, the blocking and tackling of winning social change.

We must find our way, as a field, to focus on scaling up solutions—and doing this requires us to engage in power politics. We need to help build the voice, engagement, and power of those living in the most distressed communities. We need to throw our weight behind long-term social change efforts and the movements for social justice. We are not just one killer app away from solving poverty, improving public education, or ending homelessness. As the great abolitionist Frederick Douglass stated, "Power concedes nothing without a demand. It never has, and it never will." ✨

More Resources, More Co-Investors, More Impact

By Nancy Roob

Grantmakers can help scale up proven solutions.

Several years ago, the board and staff of the Edna McConnell Clark Foundation (EMCF) settled on a new approach to advance the foundation's goal of transforming the life trajectories of economically disadvantaged young people. Under this strategy, which we refer to as "growth capital aggregation," we work with co-investors to deliver more capital and resources to organizations that have demonstrated the strongest evidence of success.

Since launching the Growth Capital Aggregation Pilot on behalf of three grantees in 2007, we have leveraged \$90 million of our own resources to help 16 grantees secure nearly \$280 million in additional funding from 50 private co-investors and the federal government.

What began as an experiment has evolved into EMCF's core investment strategy. Currently, we are focused on two areas: supporting four grantees (Citizen Schools, Harlem Children's Zone, Nurse-Family Partnership, and Youth Villages) in separate, individually structured co-investments; and working in partnership with 14 philanthropic co-investors to support a pool of a dozen grantees through our work as an intermediary of the federal Social Innovation Fund. (For more on the Social Innovation Fund, see pages 14 and 15.) We and our co-investors aggregate our funding through what we call the True North Fund.

How It Works

Although growth capital aggregation is still a work in progress, we have learned five lessons about how to make the process work.

Co-investors and the grantee need to unite around a single growth plan. Agreeing to the same terms and conditions of invest-

Nancy Roob is president and CEO of the Edna McConnell Clark Foundation.



ment, performance measures, reporting, and payout creates efficiencies for the co-investors and above all for the grantee. This makes co-investors and the grantee partners in the pursuit of a common, shared objective. Furthermore, freed from having to report individually to diverse funders and meet their differing demands, the grantee can concentrate on executing its growth plan.

Co-investors should provide at the outset all of the capital the growth plan requires. For-profit corporations would never embark on an ambitious business plan without the funds to see it through, yet funders routinely expect nonprofits to launch an initiative that is not fully capitalized. Growth capital aggregation enables a grantee to see its plan through, uninterrupted by the necessity to raise more capital. In a 2012 study of the impact of the growth capital aggregation pilot on the three participating grantees, researchers Bill Ryan and Barbara Taylor concluded, "Today all three grantees are much stronger organizations. They serve more youth, earn more annual revenue, and are well-positioned to benefit from new federal funding opportunities for proven programs. And they accomplished all of this in the midst of the worst economic downturn the U.S. has seen since the Great Depression."¹

Co-investors should link growth capital to performance rather than programs. Philanthropy frequently limits its support to programs and imposes restrictions that prevent nonprofits from investing to build their evidence base and their organizational capacity, which are prerequisites for sustainable growth. EMCF grantees are free to put their growth capital to any uses that will help them build their capacity for expansion, improve the quality of their programs, or sustain them at greater scale. Although our grants are unrestricted in this

sense, we hold grantees strictly accountable for—and payout is contingent on—meeting annual milestones for performance based on their growth plans. Grantees and all co-investors agree up front on what the milestones are. In return, EMCF and co-investors agree to provide all the assistance we can to help grantees meet those milestones.

Creating strong relationships among co-investors requires transparency and accountability. In addition to holding grantees accountable, EMCF holds itself accountable to our co-investors. Our partners, after all, have invested their money and their trust alongside us, and we report to them quarterly as fully and as scrupulously as we do to our board of trustees. Foundations are not accustomed to holding themselves accountable to other funders the way nonprofits do, and conducting ourselves differently has posed challenges. But it has been worth it. This transparency has strengthened our co-investors' confidence in us and deepened our partnerships. Acknowledging honestly whatever problems grantees encounter has made it easier for us to help them solve those problems. And making ourselves accountable to co-investors has made us more understanding of the challenges our grantees experience when they report to us.

Growth capital should be focused on sustainability and scale. Support from the True North Fund is intended to help propel a nonprofit from one level to the next and ensure that reliable, renewable funding can sustain its operations and its quality at the new, greater scale. The Center for Employment Opportunities (CEO), for example, is a True North Fund grantee that helps people recently released from prison find employment and avoid recidivism. Federal dollars from the Social Innovation Fund and private dollars from the True North Fund helped CEO gain a foothold in California, where it recently won a major state contract.

Philanthropy can't solve all social problems on its own. But at EMCF, we believe we have identified one way for philanthropy to help: by capitalizing proven organizations more effectively and providing them with the resources that they—and the vulnerable populations they serve—deserve. ✨

Note

1. William P. Ryan and Barbara E. Taylor, "An Experiment in Scaling Impact: Assessing the Growth Capital Aggregation Pilot," The Edna McConnell Clark Foundation, December 2012.

In Collaboration, Actions Speak Louder Than Words

By Jane Wei-Skillern

Collaboration, collective impact, networks—regardless of the term, there is keen interest among social sector leaders in working across issues and organizations in order to achieve systems-level change.

Yet to foster strong collaborations, good intentions are hardly sufficient to guarantee success. Foundation and nonprofit leaders need to change the way they work, sometimes by putting the interests of a collaborative or network ahead of those of their individual organizations.

When the Gulf region of the United States was devastated by Hurricanes Katrina and Rita in 2005, more than half a million families were displaced and in need of shelter. Twenty-one Habitat for Humanity affiliates rose to the challenge to help low-income families in the region find permanent housing by collaborating with peer organizations in new ways.

Instead of internally managing the entire process, the affiliates shifted to a networked approach. They ceded control and relied on partners to deliver much-needed services. Partners ranged from Rebuilding Together and Church World Service to repair more homes to the Salvation Army and Lutheran Social Services to identify and prepare potential homebuyers. With each organization doing what it does best, the network served more people, and did so more efficiently and effectively, than ever before. The Habitat affiliates and their partners were able to build 1,500 homes in the first 18 months following the disaster, more than 15 times their usual annual production.

According to Marty Kooistra, former vice president of collaborations and strategic partnerships for Habitat, “Letting go of tradition and control and al-

lowing others to excel in what they do felt risky initially. But the solution to a problem is usually not understood by any one of us individually. What you require is a system orientation and a highly engaged process to see root causes before you can jointly emerge with a viable solution.”

Research on a variety of high impact networks suggests that some common patterns in leadership and strategy contribute to their success. The best results come when network leaders do three things: advance the overall mission before the organization, build strong relationships based on trust, and let go of control.

Advance the overall mission before the organization. Networks are successful when they are led by visionary leaders who think beyond their own organizations. Tra-

Foundation and nonprofit leaders need to change the way they work, sometimes by putting the interests of a network ahead of those of their individual organizations.

ditional organizational planning encourages leaders to scan the environment for competitive threats and available opportunities. But network leaders see their organizations as part of a larger system, rather than a carefully guarded fortress.

The William Caspar Graustein Memorial Fund has been able to use networked approaches to achieve impact that is exponentially greater than the fund’s modest budget. The grantmaker’s investment in networks to advance early childhood education in the state of Connecticut is deeply rooted in the community, involving parents and community partners who develop improvement plans, share information, and provide advocacy support. According to David Nee, executive director at the foundation, “This

kind of grantmaking has required flexibility and responsiveness to the communities and partners. We start by listening; others’ perspectives have informed both our strategic and operating decisions. On any number of routine operations, we are very flexible about no-cost extension and reporting requirements. Our current strategic plan resulted from listening to more than three hundred community- and state-level partners.”

Build strong relationships based on trust. Leaders who pursue profound change through networks also focus heavily on building relationships based on trust. When developing the Youth Matters Initiative, a career and college readiness program, staff of the Hawai’i Community Foundation consulted with dozens of leaders in the field to identify who had a reputation for working collaboratively. The foun-

dation placed more emphasis on getting the most appropriate people in the room than on selection of participants based on their formal roles. Furthermore, the foundation reflected on its own policies and practices to understand whether they might actually hinder the process of trust-building among participants. For example, the foundation realized in hindsight that issuing competitive RFPs to participants inadvertently fostered unhealthy rivalries among those it had hoped would collaborate. As a result, in later initiatives the foundation used alternative funding mechanisms.

Conventional grantmaking principles often require that grants produce a measurable return within a relatively short period of time. But network relationships require

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significant investment and time to develop. Grantmakers need to provide patient capital and flexible support, knowing that relationships based on trust are built over time. More than a decade after the Memorial Fund began seeding networks among families, schools, and communities throughout the state, its network achieved major policy milestones: state legislation in 2011 that called for a two-year planning process to establish a coordinated system of early childhood development, and in 2013 legislation that unified approximately \$450 million over two years from across several agencies to support it.

Funders and nonprofits alike become better network participants when they cultivate empathy and practice humility, demonstrating understanding of other partners' perspectives and their value to the field. For example, when the Memorial Fund's Nee received an award in recognition of his leadership, he said, "Without the efforts of hundreds of parents, community residents, providers, and advocates, our strategy would have been empty rhetoric." Successful network leaders eschew the spotlight for themselves and instead use such opportunities to share attention across the network and raise visibility for their shared work. Directing recognition to the parts of the network that need it most strengthens trust and enhances the success of the collective effort.

Let go of control. Working collaboratively within a network requires that partners give up some of the control they are used to wielding. The Hawai'i Community Foundation, for example, wrestled with determining how big a footprint it wanted within its network. It decided to play a "strong forward role" and then gradually step back. The foundation made clear that it was available to provide support, but let grantees take the lead.

Another way to increase impact is simply to let others run with your ideas. Rather than trying to serve the tremendous need for playgrounds on its own, KaBOOM! is building community capacity to fulfill its vision of "a great place to play within walking distance of every child in America." KaBOOM! has worked behind the scenes to redirect funding to support peer organizations that might well be perceived as direct competitors. On the ground, KaBOOM! shares its core program expertise with local neighborhood leaders by giving away its

playground building kit, providing technical assistance, and sharing access to a support community, even if the project is independent of KaBOOM!

By its own estimates, a dollar spent by KaBOOM! on online tools in 2009 helped to improve 10 times as many neighborhoods as a dollar spent more directly on playground equipment. Although KaBOOM! does not

attract the media recognition or funding that typically flows from direct playground construction, it supports the community leaders because these network participants are fundamental to fulfilling its mission.

Although finding trusted partners and ceding control to others without a guarantee of success may seem perilous, the potential is almost certainly worth the risk. ✨

COLLABORATIVE APPROACHES

Leveraging a Movement Moment

By Lori Bartczak

The 50th anniversary of the March on Washington last year served as a reminder of the power and potential of movements for advancing social change. As in the 1960s, when a window of social-change opportunity mobilized people across issues, identities, races, genders, and economic status, today we are in a period of rapid shifts that suggest we are experiencing another "movement moment."

Many grantmakers recognize this moment as both an opportunity and a challenge. Examples such as international democratic movements and steady progress in lesbian/gay/bisexual/transgender (LGBT) rights show what can happen when a range of diverse stakeholders rally around a common vision and work together to advance ambitious goals.

But behind the scenes, this work is challenging. It requires dramatic shifts for many grantmakers, both in mindset and in practice.

Philanthropy's (Many) Roles in Supporting Movements

Grantmakers support movements in diverse and often interconnecting ways, from decades-long general operating grants to public opinion research to community leadership development efforts. Through most of these important activities, grantmak-

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ers occupy one of five roles: investor, broker, connector, learner, and influencer.¹

Investing money and time. As is the case for strong organizations, movements need support for infrastructure—things like support for leadership that prioritizes intentional relationship building, data and technology systems, and administrative functions. Perhaps more than anything, movements need flexible support in the form of long-term and unrestricted funding.

"In gardening, we are aware that you have to pay attention to the soil, continuously amending and caring for it in order to ensure a plant's growth," says Vic DeLuca, president of the Jessie Smith Noyes Foundation. "That same nurturing, feeding, and watering is necessary to facilitate the growth of strong organizations and collaborations."

In its environmental justice work, the Noyes Foundation recognized that many activist organizations in the southeastern part of the United States were critical to the cause but needed capacity-building support, and fast. In response, the foundation established the Special Assistance Grants program, which allows foundation staff to make grants of up to \$7,500 without board approval, sometimes within a few days of a request. Special Assistance Grants have paid for things like technology systems, travel expenses, and board training—all necessary expenses for collaborative work

but items rarely covered by program-restricted funding.

Brokering new partnerships.

Movement-supporting grantmakers serve as brokers by leveraging other resources for their grantees' work. An important way grantmakers can do this is through co-funding partnerships. Participating in funding collaboratives not only leverages more money for grantees, it also brings more efficient money, through streamlined application and reporting processes and shared learning among partners.

The Civil Marriage Collaborative is a pooled fund of eight foundations that has awarded more than \$17 million to date. The movement is starting to experience some legislative wins—marriage equality was a reality in 17 states as of early 2014—and for the first time ever a majority of Americans support same-sex marriage. A networked approach among grantmakers who support the movement has been critical to these successes.

Serving as connective tissue.

Grantmakers with experience in supporting movements say they cannot overemphasize the importance of their role as the “connective tissue” between organizations and networks advancing a movement’s vision. Linda Wood of the Evelyn & Walter Haas, Jr. Fund says, “As foundations, we have a bird’s-eye view of the movement, so we

Grantmaker Roles	
Movement-Building Role	Grantmaker Activities
Investor	<ul style="list-style-type: none"> ■ Give flexible grants and in-kind support ■ Offer technical assistance ■ Develop leaders ■ Support evaluation
Broker	<ul style="list-style-type: none"> ■ Leverage other funding ■ Participate in funding collaboratives
Connector	<ul style="list-style-type: none"> ■ Sustain movement clusters ■ Build trust and relationships ■ Host or support convenings
Learner	<ul style="list-style-type: none"> ■ Conduct or support original research and identify trends ■ Support research on strategic communications and public opinion ■ Focus on organizational learning
Influencer	<ul style="list-style-type: none"> ■ Fund or conduct policy advocacy ■ Influence peers ■ Model movement principles

Advancing learning. Grantmakers can also support movements by helping them advance a deeper understanding of their issues and solutions. This can mean underwriting research, supporting evaluation capacity for networks or organizations, or investing in learning efforts to inform the field’s understanding of movement build-

Grantmakers with experience in supporting movements emphasize the importance of their role as the “connective tissue” between organizations and networks.

have an obligation to connect the dots with other funders, to support opportunities for funders and activists to work together, and to get money to the work at the right time.”

The Seattle Foundation’s Neighbor to Neighbor Small Grants Program, which awards grants of up to \$5,000 to new projects in local communities with economic and racial disparities, connects grantees with like-minded organizations, encourages them to participate in regional initiatives that relate to their issues, and introduces them to other funders so they can advance their collective work.

ing and what it will take to create lasting and widespread change.

The Ford Foundation supports a variety of learning activities to advance its work on gender rights and equality. To take the pulse of the community and gain insights for future work, the foundation supports targeted opinion research and other outreach activities. The foundation board carves out time for internal reflection and learning as well, setting aside time in meetings for conversations about timely social issues. For example, in the wake of the recent Supreme Court decisions on marriage rights, the board and

staff explored how the foundation’s efforts were supporting this work.

Influencing change.

Movements are fundamentally about changing power.² Funders can use their advocacy capacity and expertise to help advance movement goals. In Arkansas, the Winthrop Rockefeller Foundation brings its learning and research directly to policymakers. Staff members testified before the state legislature, drawing on research the foundation had previously funded, and ultimately influenced the creation of a commission that will study and recommend ways to increase the number of Arkansans with college degrees and remove barriers that impede access to higher education.

But recognizing that the people closest to the problem need to have a voice at the table, funders can also support grantees’ efforts to build advocacy capacity. “If grantees or community leaders are positioned to use their voice, the foundation stands back,” says Regan Gruber Moffitt, senior associate for public policy at the Winthrop Rockefeller Foundation. The foundation also supports grantees’ advocacy efforts.

Three Values for Movement Builders

No matter what role or roles a funder might play in supporting movements, three core values are critical to this work.

First, grantmakers must embrace *courage*, because supporting social movements requires confronting existing power structures, putting a stake in the ground on issues and values, and taking risks.

Second, grantmakers must embrace *trust*, because in social movements change starts at the grassroots and involves players at all different levels, each with its own interests, and the process is often messy.

Third, grantmakers must have *patience*, because this work takes time. Funders who support social movements would agree that working in this way is worth the waiting and uncertainty that can come along with it. As Linda Wood of the Haas, Jr. Fund puts it, “Progress inevitably involves both exhilarating highs and crushing setbacks. As funders, we have to have the fortitude to hang in there, because the end goal of a more just and sustainable society is so important.” *

Notes

- 1 With thanks to Linda Wood from the Evelyn & Walter Haas, Jr. Fund, who framed the first three roles in an interview.
- 2 Barbara Masters and Torie Osborn, “Social Movements and Philanthropy,” *The Foundation Review*, 2010, vol. 2: 2.

Scaling What Works

A LEARNING INITIATIVE OF



Grantmakers for Effective Organizations (GEO) is a powerful community of more than 450 grantmaking organizations committed to building stronger and more effective nonprofit organizations. For more than a decade, GEO has reshaped the way philanthropy operates by promoting philanthropic practices that enable nonprofits to improve their performance and achieve better results.

GEO launched the *Scaling What Works* initiative in 2010 to expand the number of grantmakers and public sector funders who are working together to broaden the impact of high-performing nonprofits. From 2010 to 2013, GEO hosted conferences and skill-building workshops, facilitated networking and peer learning opportunities, and offered tools and resources to connect grantmakers to the practices that help their grantees plan, adapt, and grow their impact.

We invite you to join us in building connections with like-minded peers, embracing more effective practices, and strengthening our ability to work together to speed the pace of our response to society's most pressing social challenges. For more information about GEO and *Scaling What Works*, please visit www.scalingwhatworks.org and www.geofunders.org