

REFLECTIONS *on our last* 10 YEARS *of* WORK

INTRODUCTION

The Mary Reynolds Babcock Foundation values learning and reflection, particularly in dialogue with our community-based partners and the larger philanthropic community. We seek to listen well and understand, share that learning where possible, and make course corrections as needed.

We began charting our new ten-year strategic directions by analyzing the previous decade's work, context changes across the South and demographic shifts reshaping the region. In addition to a thorough examination of our grantmaking, investments and outcomes, we conducted interviews about our strategy and approach with grantees, fellow funders, current and former MRBF staff and other partners in the region. Strategy documents, briefings, reports, grant write-ups, commissioned research and other materials offered further insights into our work for our board's review.

In 2005, the Foundation shifted our mission to ***helping people and places move out of poverty and achieve greater social and economic justice***. This built on lessons from a decade of work we called building just and caring communities. As we sharpened our focus on poverty, we committed to integrated, layered strategies with openness to new approaches; bottom-up/top-down connections; a place-based focus paired with the newly defined "network officer" role; investment in leadership development; and patience for long-term change and capacity building. In addition, we eliminated separate program areas and committed to one unified grant-making program. We also deployed more of our financial assets through mission investing.

From 2005 to March 2014, MRBF invested nearly \$63 million in grants to 270 organizations and deployed another \$5.8 million through program-related investments (PRIs). These groups catalyzed significant results across the South, enabling families and communities to build assets and pursue pathways out of poverty. We saw impact across multiple pathways, but the leading category was individual asset building. Nearly 90 percent (244) of our grantee partners reported impact in this area, including more than 2,000 new homeowners, more than 3,000 people trained or placed in jobs, nearly 4,000 business created, retained or expanded, nearly 18,000 jobs created or retained, tens of thousands of customers receiving financial services, nearly \$50 million in land assets retained and nearly \$6.5 million saved through

individual development accounts. Grantees also reported marked success in policy and systems change, community asset development and civic engagement. Impact on low-wealth families included increased public investment in affordable housing, pre-school programs and child care subsidies; minimum wage increases in two states and protection of critical public services from proposed tax cuts.

While we have many lessons from the last 10 years, there is a handful of interrelated lessons that stand out as particularly relevant to our work moving forward.

- Place-based, multi-strategy networks are central to effective social change.
- Engaging deeply in place with all of our assets strengthens successful partnerships.
- Patient and flexible grant-making combined with organizational development support helps ensure sustained impact.
- Changes in context demand more civic engagement work.
- Commitment to systems change requires the ability to be nimble.
- Philanthropic partners are critical.



South Carolina Community Loan Fund



REFLECTIONS

Place-based, multi-strategy networks are central to effective social change.

By investing in networks collaborating on shared goals, MRBF hoped to achieve stronger outcomes and greater scale than by supporting organizations working alone. In our experience, successful networks boast alignment among organizations that bring a wide range of strategies, capacities and relationships. Many groups we supported invested years to build trusting relationships with employers, schools, chambers of commerce, public and private investors, food producers, supply chains and more. These formal and informal networks generally enabled less resource competition, greater institutional and policy change and more fruitful collaboration across organizations.

These networks often reflected social change strategies as diverse as community organizing, small business development, community economic development and state policy advocacy. We have seen that when organizations and networks bring a thoughtful analysis of the challenges in a specific place, they often employ strategies that enable pathways out of poverty for individuals and invest in large-scale, lasting policy and systems change. We believe this combination of outcomes facilitates progress toward economic and social justice.



Mountain Association for Community Economic Development

For example, MRBF supported a loose network in Appalachia that brought a range of approaches to the challenge of economic transition. For more than 10 years, groups integrated a complex web of strategies: concrete economic development models to generate broadly shared opportunity, policy change at the state and federal level to support sustainable development, local leadership development to increase civic participation and grassroots-led policy change, and strategic communications promoting a new conver-

sation about the future. MRBF followed the lead of our grantee partners and provided financial support across this range of strategies. While it is a long struggle rife with formidable structural challenges, hundreds of jobs have been created, the conversation has changed dramatically and millions of new dollars are flowing into the region.

We also learned how to better support networks. Ensuring access to “glue” resources for meetings, travel and other capacity building uses is critical, in addition to core support for individual organizations. As networks grow, it is important to evaluate long-term sustainability, particularly where local philanthropy is not robust. Our experience also suggests networks need both strong intermediary organizations and grassroots groups to intentionally bring the perspectives and voices of low-wealth people and communities into shaping anti-poverty work.

Engaging deeply in place with all of our assets strengthens effective partnerships.

The history, key issues, resources, policies and players vary greatly across our region. We opted to invest our time in building strong relationships to understand these factors in each place. To do so, we shifted from the traditional program officer role to develop “network officers” who spend considerable time in communities, deepening their knowledge of context to understand momentum around specific work and identify promising organizations and networks. They connect people and organizations, raise critical questions and offer resources, advice and analysis. In grantee surveys, respondents described network officers as critical connectors and thought partners.

MRBF also sought to increase impact by layering grants, PRIs, organizational development support, staff time and connections in every place we work. This investment of time and tools, combined with a real respect for local organizations’ perspectives, fostered trusting relationships with our grantee partners. While funder-grantee relationships are always fraught with power dynamics, this combination helped us engage deeply and honestly.

Over the last 10 years in South Carolina, MRBF invested in a tightly interconnected strategy that has enabled stronger community economic development outcomes. The Foundation worked to strengthen a community development network that helped member organizations build their programmatic capacity and step into policy work. Babcock grants and PRIs supported the growth of a community development financial institution (CDFI) and the development of a new credit union. Our investments also helped



launch a lending intermediary to leverage new public and private capital. These layered strategies resulted in a more resilient network with a broader base of financial support and greater outcomes to address poverty: houses built, jobs created and savings generated. Interviewees noted the network officer often “connected the dots” and brought new resources to the table.

Patient and flexible grant-making combined with organizational development support helps ensure sustained impact.

Recognizing that meaningful, enduring change takes time, the Foundation’s new strategy required flexible support, sustained relationships with grantees and a long-term commitment to issues and places. The average grant relationship grew to five years during the review period. General operating support allowed organizations to respond to new challenges and opportunities while delivering on program and policy goals. MRBF helped sustain the policy infrastructure in Arkansas by providing general support grants for more than five years to several organizations central to the work. The network secured important policy wins in the first few years of MRBF’s investment,



Arkansas Public Policy Panel

but as the environment shifted, deeper civic engagement became more important than ever. General support grants helped increase community organizing capacity, strengthen the voices of community residents and expand the state policy network. Grantees noted MRBF’s flexibility to be extremely valuable, helping them secure “small-scale wins to keep the base engaged” in the near term, while keeping the drum-beat going for policy reform over the long term.

Organizational development continued to be a key component of MRBF’s grant-making. Grants for strategic planning, board development, leadership transition, fundraising support and other organiza-

tional development needs were integrated into the Foundation’s approach. Interviewees across the South noted building organizational capacity in under-resourced regions is both time intensive and critical to long-term success, and our investments in this area paid off.

MRBF ensured our funds could be used for organizational development and network support for meetings, travel, communications and other costs associated with collaboration. Staff regularly checked in on organizational development issues, often including these outcomes in grant agreements. Network officers connected grantees with skilled consultants and other service providers to facilitate organizational development goals. MRBF supported the Federation of Southern Cooperatives, a long-standing organization with deep roots in cooperative farming, in its careful, intentional, multi-level staff leadership transition. Grantees reported such resources are rare and valuable in building their capacity for sustained impact.

Commitment to systems change requires the ability to be nimble.

Generational economic distress, structural racism, sexism and other barriers require intentional strategies, hard work and sustained support. Over the last decade we invested for the long term in places with these profound challenges and in strategies that require patience to see results. In some areas, we saw better outcomes for people and communities and improvements to policies and systems. Elsewhere, our partners encountered new obstacles in shifting landscapes and had to revise strategies and find new partners. Success sometimes meant stopping regressive policies or simply maintaining effective programs.

While MRBF is committed to long-term work, we must also be smart about how to focus our scarce human and financial resources. Planning and reflection in ten-year cycles may not suffice amidst rapid transformations in our region. Just as our grantee partners must adapt to changing circumstances, we must find ways to accelerate our own learning and make careful but nimble strategy adjustments when we can take advantage of momentum or opportunity. The Foundation also must seek out new ways of thinking about how to address poverty, build leaders and respond to changes in the context.

Changes in context demand more civic engagement work.

The last 12 years brought seismic shifts to the political climate in the South as the Citizens United ruling triggered a new surge in political spending and Republican victories in state legislatures and governors’ races further consolidated political power. Several interviewees reported a hardened civic



discourse followed the 2008 presidential election, and heated debates about the Affordable Care Act and Medicaid expansion only exacerbated hostilities in their states. Restructured tax policies and cuts to economic development resources, social services, work supports and other safety nets threatened progress on moving people and places out of poverty.

At the same time, the South's population boomed and its electorate rapidly diversified. With increases in Latino and Asian immigrants and the return migration of African Americans, seven Southern states are expected to become majority-minority over the next 40 years. Nonwhites now comprise approximately 50 percent of the Southern population age 24 and younger. Interviewees acknowledged these factors reflect a growing gap between the state policy environment and some priorities for people of color and low-income communities. While strategies that grow individual assets are crucial, conditions require more attention to civic engagement efforts—supporting people to participate more directly in public life through elections, community engagement and organizing, leadership development, and policy and institutional change.

We have learned over the years that effective civic engagement work requires a commitment to engaging people directly affected by poverty and encouraging their participation and leadership. We also believe in bringing the broadest possible range of organizational and institutional partners to the table to create effective and meaningful policy and systems change.

Two strong partners in Arkansas, for example, made great strides in asset building, educational systems reform, living wages accounts and early child care programs by engaging low-income people and families. The Tennessee Immigrant and Refugee Rights Coalition defended against more than 100 pieces of anti-immigrant legislation and secured over \$30 million for English language learning.

Philanthropic partners are critical.

MRBF recognizes our role as a progressive Southern funder to influence others and attract more philanthropic resources for social and economic justice. Through presentations, papers, thought leadership, media, publications and participation in networks, MRBF strategically used our voice to generate visibility for key issues and grantees, highlight opportunities and encourage others to learn, partner and invest. We created resources related to CDFIs, policy advocacy, communications, network and layering strategies, and issues and opportunities in the South. Our network approach has garnered attention through professional journals and regional and national philanthropy conferences. MRBF contributed articles and posts to national philanthropic journals and blogs, including *Emerging Practitioners in Philanthropy*, *National Committee for Responsive Philanthropy*, *Southeastern Council of Foundations* and others.



Participation in funder networks is a key strategy that can bring new resources to economic and social justice work. We played leadership roles in multiple groups, including the Appalachia Funders Network (AFN) and Grantmakers for Southern Progress (GSP). AFN galvanizes more than 80 private and public funders to accelerate an inclusive economic transition in Central Appalachia. GSP brings together Southern and national funders to catalyze strategic partnerships and address social, economic and political outcomes for impoverished and marginalized communities.

Nearly every interviewee – both grantees and funders – said national foundations view MRBF as a trusted partner for site visits and tours, a resource for identifying local allies and trends, a validator and source for due diligence, and a connector that can help national funders understand regional and local perspectives on poverty, social change and community building.

FINAL THOUGHTS

Many of these lessons are rooted in the perspective that our grantees and their partners bring the expertise, knowledge and skills necessary to make progress in their communities on hard issues. While most of these organizations acknowledge they have more to learn and skills to build, starting from a place of respect allows us to engage more deeply with them in their work.

Learning from our partners, making adjustments to the ways we support them and understanding how our region is changing will remain guiding tenets of our approach. As we roll out our new strategic directions, we will keep these and other lessons central to our work.

