

Nancy Roob TEDx Talk

TEDxPennsylvaniaAvenue

February 9, 2017

<http://www.emcf.org/nancy-roob-tedx>

[as prepared]

In Ten Years: A New Normal for Philanthropy

Twenty years ago, right around the time that I joined the Edna McConnell Clark Foundation, a community leader came to me and presented a plan for helping kids and addressing poverty in his neighborhood.

I was incredibly impressed. But it didn't fit our foundation's strategy.

So I wrote him a detailed letter offering suggestions for how he could narrow his focus in order to fit our criteria for smaller projects.

The letter did not go over well.

The community leader approached me at a meeting a few days later and went off. "You have no clue! Why do you think you know better than me what our community needs?!"

This is a heavily sanitized version of what he said.

That was a low moment for me. That leader was Geoffrey Canada.

Yes, I was the naive young person—the rube, if you will—who tried to convince Geoff Canada not expand the Harlem Children's Zone.

Geoff was not yet famous, but he was by far the most inspirational leader I had ever met.

He reduced me to tears – and as my husband Lukas who is here today can attest– the faucet didn't stop for days.

I realized then that our narrow approach was never going to solve problems for Harlem's kids.

Worse, it was just undermining Geoff's ability to lead and grow.

That epiphany has led to everything I have worked on since—and to the idea I’m excited to share with you today.

My dream is to see a massive, radical change in the way we funders invest.

Within ten years, I envision a new normal where dozens, if not hundreds, of funders join together so that funding flows more rationally and robustly to leaders with proven strategies for solving big social problems.

There are, as many of you know, many obstacles to expanding programs that work.

But if you are a social-sector leader, you know that your number-one challenge is the time you spend chasing dollars.

You also know that the better and bigger you become, the less capital is available to you, and the harder it is to raise.

Last year, in the U.S., individuals and foundations contributed almost 400 billion dollars to charity.

But most of it went in small bites to start-ups and individual programs.

The average foundation grant was only 35,000 dollars.

If we are to be brutally honest with ourselves we have to ask, “Is this piecemeal approach our best bet for solving serious problems?”

I believe the solutions are out there, even here right in this room.

But today, money trickles to what works. If we’re serious about solving our social problems, we have to make it flow.

Successful business investors work this way.

When a Kleiner Perkins, or other V.C., meets a visionary leader like a Larry Page or Sergey Brin, they invest holistically—not piecemeal— to help that innovator bring his or her vision and company to life.

I’ve also seen how this can work in the social sector.

While we were giving small project grants, Stan Druckenmiller, a highly successful investor and philanthropist, started making big, long-term investments in the Harlem Children’s Zone.

He said, and this is a quote I love, “I like to put all my eggs in one basket and watch that basket carefully.”

It is this kind of investing that has helped Harlem Children’s Zone become what it is today.

15 years ago our foundation made a big shift. We began making large unrestricted investments tied to performance.

But soon we saw that even this was not enough. Our resources alone were not big enough to affect the change we sought.

So we became fundraisers ourselves, hand-in-hand with our grantees.

Most recently we launched a new venture called Blue Meridian Partners.

Blue Meridian is pooling a billion dollars from a diverse group of philanthropists.

Together, we are making investments of up to 200 million dollars in high-performing nonprofits with the best strategies for helping the nation’s most disadvantaged children and families.

Our upfront capital is giving these leaders a chance to think big, go big, and achieve more than ever before.

Take for instance, Mark Edwards and Peter Belden, founders of Upstream USA.

They are tackling a root cause of intergenerational poverty in America: the one million babies born into poverty every year from mothers who did not plan to get pregnant.

Let me illustrate the link between poverty and unplanned pregnancy.

Mark tells the story of a woman who is a married mother of two and a very successful practicing attorney.

As a teenager she was poor and had to go through incredible hoops to get an IUD.

She was lucky. She got one. But she grew up with 11 female cousins who didn’t have the same luck.

Ten of these 11 cousins had unplanned pregnancies, and today all ten are on public assistance.

This lawyer says getting that IUD was her ticket out of poverty.

Today when a low-income woman comes into a community health clinic, it is not standard practice to talk to her about contraception.

Upstream is changing this by training healthcare providers to ask women if they plan to get pregnant in the next year.

If a woman says no, she is offered many options, including long-acting, reversible contraception.

And she can get it on the day she comes in.

This is already the experience for most women who go to private doctors.

But not for poor women who go to community health clinics.

Think about this: if you can help 10 million women avoid unplanned pregnancy, you've saved the country billions of dollars in health and other safety-net costs.

Best of all, you've printed millions of tickets out of intergenerational poverty.

Isn't this the kind of impact we want?

The payback dwarfs the size of the investment – no matter how big that investment is.

Now, how do Mark and Peter raise the hundreds of millions they will need for Upstream to reach its full potential?

How do they even think about this when the average grant size is \$35,000?

Well, they don't.

Instead, like many leaders they have to low-ball their expectations in relation to a constrained and piecemeal funding environment.

We need a new normal where the best leaders don't have to twist themselves into pretzels to chase small amounts of money.

We need a new normal where leaders like Mark and Peter can access large infusions of capital more efficiently – so their time can be spent on execution and performance.

This is the new normal that Blue Meridian is trying to achieve.

Another example is Nurse-Family Partnership, created by David Olds. Many of you know this program.

Specially trained nurses visit low-income, first-time mothers during pregnancy and until their child is two.

They help moms develop parenting skills and get education and job training.

Three decades of research shows this program works.

Children are significantly less likely to suffer child abuse and neglect.

Mothers are more likely to be employed.

One study estimates that every dollar invested returns over five dollars in future savings.

This year, there are 380,000 mothers who could be eligible for Nurse-Family Partnership.

But despite the public and private support it receives, Nurse-Family can only serve 35,000 mothers – less than one tenth of its full potential. Why not give as many children as possible a better start?

Can we even calculate all the benefits for that child? That family? That community? And our country?

Yes, our current solutions may not be absolutely perfect.

We may want the costs to be lower. We may want the evidence to be better.

But why don't we take the best that we have, like a Nurse-Family Partnership, and massively invest in those organizations?

They can continue to improve and build their evidence as they scale.

Now, imagine a portfolio of great strategies like Harlem Children's Zone, Upstream and Nurse-Family Partnership.

And imagine a marketplace of these portfolios.

Imagine there's not just one Blue Meridian, but 20 Blue Meridians – each bundling hundreds of millions if not billions of dollars.

Each focusing on a pressing social issue: the environment, health, or education.

Take Warren Buffet, for example. Instead of forming a new foundation, he pooled his resources with the Bill & Melinda Gates Foundation.

What if more of us in philanthropy worked this way?

What if we pooled our resources and then, together, fully invested in our best strategies?

Imagine if this was the new normal.

Of course, this approach to funding is not a substitute for investing in start-ups, grass-roots and community organizations.

And we must continue to advocate for public funding and systems change.

But there's one thing we have not really done.

We have not fully and adequately invested in taking what works on a smaller scale and bringing it a large national scale.

I believe that by collaborating and investing in this way we can make huge leaps toward solving our most intractable social problems.

People ask me why we came up with the name Blue Meridian.

For me, this meridian is a new pathway to the future.

And it's blue – like the clearest, most vibrant blue sky – because we have faith and optimism that we absolutely can and must do this together.

Thank you.