

Hooked on Change

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Earlier this year our board met to review the Edna McConnell Clark Foundation's progress in helping high-performing nonprofits increase their capacity to serve more young people from low-income backgrounds with quality programs. Pleased so far with what the Foundation has accomplished since 2000, the year we began our pilot Youth Development work, trustees voted to continue focusing all our resources on this effort for the foreseeable future. They also agreed that so long as results warrant, the Foundation would "not undertake any new programs or initiatives" that divert resources from accomplishing the goals and objectives at the heart of this work.

Our trustees' endorsement of the approach we have been implementing over the past several years – to identify, select and support exemplary youth serving organizations – was extremely gratifying. Their resolution reflected both their satisfaction with our accomplishments as well as with staff's ability to assess our work and through it likely produce a meaningful social return.

The trustees also noted something in their resolution that was just as important as their acknowledgement of the Foundation's progress. They said they understood that it will take considerably more time "to fully establish the effectiveness of our strategy and grantmaking approach." The implication of that statement was not lost on any of us. It served as a reminder that our future success is not a foregone conclusion; but that our work contains risk and challenges. That's why we have to keep a close eye on what we're doing, constantly ask questions about how we're implementing our strategy, and make adjustments as appropriate. For example, are we doing a good job identifying and selecting grantees? Are we supporting them properly? Are they meeting the milestones in their business plans? Do we have evidence that young people participating in our grantees' programs are benefiting?

Change is the One Constant in Our Lives

While all of us at the Foundation accept the fact that change is a healthy element of our way of working, we sometimes wonder how this looks to people outside the foundation. For instance, does it even appear that we know what we're doing? Does the pace and amount of change seem reasonable or do we need to do a better job explaining what we're doing and why? The second half of this last question is extremely important because we take very seriously our responsibility to operate openly and to be as transparent as possible about our work. Yet I also realize that over the past few years we have been so preoccupied with getting our work "right" that the pace of

change might have outstripped our ability to keep everyone current on developments at the Foundation. I have no way of knowing that for sure, but I'd rather risk reporting on things that some people already might know about, especially if the alternative means leaving others in the dark. So in the interest of updating those who follow our work regularly or occasionally, here's a rundown of some of the key changes we have made since we started our new work.

Casting Our Net Across the Entire Country

Broadening our geographic focus is not the only way we're trying to ensure that we can identify a full sampling of excellent youth organizations and support them appropriately. Frequently we come across high potential organizations that meet our demanding criteria for support and that also seem committed to increasing their capacity to serve more young people. Yet, upon closer examination, we find that they're not yet fully ready to grow. Rather, they first need more time and resources to tend to basic pressures of management and to building their internal infrastructure. So, instead of initiating growth-oriented business planning with them right off the bat, we will probably need to help these organizations address more basic needs—such as implementing an evaluation system to measure program effectiveness; bolstering their overall financial health; and developing a strong leadership team. These are all things that will prepare them for growth and that organizations more fully ready to grow have already dealt with. Our preference always will be to find and invest in these “fully ready” organizations. However, we know there are in fact too few of these, and thus recognize the importance of identifying and supporting organizations that, with some limited and focused help from us, can become ready for growth within a reasonable period of time. There's no guarantee, of course, that every organization we select for this kind of support will get to the next level. But we're willing to make appropriate investments in such organizations and give them the time it will take to see if they can get there.

Other Ways We Are Helping Our Grantees

On the other hand we are not naïve. We don't make the mistake of treating all grantees as though their needs are identical and, as such, give each grantee the same kinds or amount of support. Instead, we look at each organization separately and determine the best package of support—financial as well as non-financial—that seems reasonable within the scope of what the organization is attempting to accomplish. For those organizations ready to grow, typically that means that in addition to making a substantial multi-year grant, we'll work with them on developing a theory of change, underwrite business planning, and then help them develop and implement an evaluation system. We will also explore with them other special needs they might have and whether it makes sense for us to help address them. For example, in some instances we have found and paid for communications consultants to help grantees develop more effective pitches to prospective funders and also coach them on presentation skills. We have also assisted their efforts to recruit new members and build stronger boards. We haven't reached final conclusions yet on the ideal mix of financial and non-financial support—and likely never will.

But we have discerned patterns of what needs are most common among our grantees; we have determined the kinds of support we feel best able to provide; and we are diligently working to develop more expertise in these areas. Most importantly, we are carefully tracking how well our approach to support is working, and asking our grantees to let us know what they think about what we are providing. As with everything we do, we will adjust later if needed.

Increasing Our Efforts to Serve the Hardest-to-Reach Young People

Anyone who has paid close attention to our growing roster of grantees might see that we have begun adding groups that serve older-age youth. Several recent additions are **MY TURN** of Brockton, Mass., the **Vocational Education Foundation, Inc.** of Brooklyn, N.Y., and the **Center for Employment Opportunities** of New York City. These organizations work with older and a somewhat harder-to-reach group of young people than the majority of organizations we have been supporting up until now that target school-age youngsters. While we have planned from the start to find and support organizations that serve large numbers of out-of-work and out-of-school youth, we have only stepped up this effort in the past year. Rather than a change in strategy, these grants reflect that we're now executing it more fully.

One of the things we left undecided when we started our new work was how much or how long to invest in any one grantee. While that is still an open question, we have begun making second grants to a small number of organizations. At a minimum, we know for sure that an organization will be considered for another grant only if it has successfully implemented its first business plan and or the terms and conditions of an initial investment, and can convincingly show to our satisfaction that additional support from the Foundation will result in a measurable and significantly greater social return, i.e., more youth being effectively served – or, in the case of what had been an earlier stage organization, has developed its capacities to the point where it now is ready to grow.

As an example, we recently made a second grant to **Boys and Girls Clubs of America** because of the organization's success in piloting a quality improvement program in a select number of clubs. Our second grant is enabling them expand this effort throughout their entire network and thus improving services to the millions of young people the group already serves.

One more change in the works is the possibility of the Foundation testing out providing support to private and public alternative schools. Although these are very different from the typical youth-serving organizations we have supported, we believe some of these schools may be especially well-suited to help older age youth who have had great difficulty in traditional schools, and who, without this alternative, might otherwise drop out and face an uncertain future. Given how few opportunities exist for investing in older age youth, if our way of working can help increase the capacity of these alternative schools to serve even more young people who need their help, then it only makes sense for us to be open to working with them. So we're considering a pilot effort with one or two of them to see what we and they can learn about increasing services for young people.

Grantees' Achievements Fuel Our Confidence

If I have done my job well here, it should now be clear why things here don't stay the same for very long. Some changes address or respond to challenges that will always be present—from how we will be able to find enough suitable organizations to support to whether we will be able to effectively support those we do find. Other challenges that we have known about from the start and haven't yet fully dealt with—but must someday—include determining the right time for exiting relationships with grantees (both for the high performers and also those that haven't been successful) and similarly, where the future funding will come from to help our grantees sustain the larger organizations we're helping them build. Finally, there are questions that we can only pose at this stage but need to be much further along in our work before we can even attempt an answer. For instance, will what we do as a foundation, and what we learn from our experiences, produce knowledge that will be useful to others in the youth development field, public policy circles, and the philanthropic sector?

Regardless of how the answers to those questions and many more like them as we continue to evolve, I can assure you that any changes we contemplate will be preceded by much thinking, discussion, as well as healthy debate, among ourselves and, almost always, with the wise counsel of others.

That, I *can* promise, will never change.