



COMMUNITY FOUNDATION  
OPPORTUNITY NETWORK

## **Aligned Action Network: Accelerating Social Mobility in American Communities**

*50 Community Foundations. 31 States. One Goal.*

### **PREFACE**

Tapping the full potential of CFON lies in realizing its potential as an Aligned Action Network. The Aligned Action Network builds on the platform of learning and sharing among dozens of community foundations aligning around closing the opportunity gaps and increasing social mobility in their communities, and the demonstrated implementation of rigorous strategies that are making a measurable difference in the lives of residents in their communities.

This document sets forth the case for CFON as an Aligned Action Network and outlines the requirements for the design and operation of that Network.

### **THE CHALLENGE**

Wealth inequality and declining social mobility are the defining challenges of our day. Contrary to the American myths of opportunity and meritocracy, the chance of a young American doing better than her parents has declined by 40 percent since the 1960s. A growing body of evidence bears this out: If you are born poor, statistically it is highly likely you will die poor. And if you are a child of color, your chances of pulling out of poverty are even lower. As Robert Putnam detailed in his groundbreaking book *Our Kids: The American Dream in Crisis*, millions of kids are falling through the “opportunity gap.” Their wealthier peers have better outcomes because they have better opportunities. It’s an arms race, and poor kids are losing.

Morally, that is deeply problematic and reflected in indicators such as increasing suicide rates characterized as “death by despair” that are the tenth leading cause of death in our country. Economically, it is debilitating reducing our Gross Domestic Product by trillions of dollars in the years to come.

If there is consensus on the problem, there is also remarkable agreement on the solutions. Papers by Putnam, Brookings Institution, the American Enterprise Institute and, most recently, the US Partnership for Mobility from Poverty, among others, provide clear blueprints to narrow the opportunity gap, increase mobility from poverty, and restore the promise of America. We know what to do.

Just because there is agreement on the solutions, however, does not mean that implementation is simple. To the contrary: since the causes of inequities in opportunity are complex and highly situational, even proven solutions must be emergent and adapted to the distinctive needs and characteristics of individual communities. Not only is there is no single solution, anything less than a multi-pronged approach connecting good science with local knowledge is destined to fail.

And that’s where community foundations are stepping up.

Community foundations are driving proven solutions to narrow the youth opportunity gap in places as diverse as New York City, Duluth, Tulsa, Seattle, Hartford, Central Alabama, Atlanta, New Hampshire, Milwaukee, Phoenix, Omaha, Lincoln, and Delaware. They are channeling philanthropic resources into interventions that work. They are connecting donors who are deeply rooted in local communities to effective solutions tailored to the unique requirements of those communities. They are building cross-sector partnerships. They are driving public policy changes. They are creating systems change. They are all pursuing a common goal: increase opportunity and equity for America’s marginalized young people.

Since 2016, dozens of these leading community foundations have come together through the Community Foundation Opportunity Network (CFON) to amplify and accelerate these individual efforts (see Appendix 1). This is the first time in community foundations' 100-year history that this many community foundations have united around a common purpose. The next step is to leverage the CFON network for scale. The long-term potential for CFON is to mobilize and align literally thousands of donors in communities across the country to direct their contributions toward local solutions that will have collective, measurable impact.

## **THE OPPORTUNITY**

In its groundbreaking report released in May 2018, the *US Partnership for Mobility from Poverty* posed this challenge: *What will it take to dramatically increase mobility from poverty?*

In a provocative study entitled *Four Pathways to Greater Giving*, The Bridgespan Group posed this challenge: *What will it take to unlock dramatically more philanthropy from America's wealthiest families?*

CFON is an aligned action network with the unprecedented potential to answer both questions in at least 50 communities across 31 states in the U.S. Here's why:

Community foundations are the trusted partners with donors in their communities, with an enduring track record of integrity, innovation, and impact spanning more than 100 years in many locales. Equally important, community foundations are the trusted partners for local nonprofit organizations tackling the most vexing challenges. Many also work closely with the public sector and have substantial experience advancing public policy and investment.

The 50 foundations in the Community Foundation Opportunity Network account for over \$71 billion in assets and over \$3.3 billion in annual grant making, totals which represent 70% of all community foundation assets and grants among U.S. community foundations. These foundations have extensive experience serving ultra-high-net-worth donors and they have all committed significant philanthropic capital – financial, human, social, and political – to narrowing the opportunity gap. Some are focusing on specific proven strategies such as increasing access to early childhood learning and development, family economic security, wrap around community services, and on-ramps from education to careers. Others are pursuing comprehensive “cradle to career” initiatives.

## **THE STRUCTURE**

CFON is designed to empower foundations and their partners on the ground to learn faster, develop new approaches, prototype those ideas, attract significant philanthropic investments, and scale innovations and strategies that produce results. To achieve that, CFON operates on three interconnected pathways to action, each building capacity for the other:

Path 1: The Learning and Sharing Collaborative is the common ground for the participating foundations to learn from each other, benchmark with each other, gain access to resources and thought leadership, and understand and develop the preconditions for success at the local level. Serves all CFON participants.

Path 2: The Strategy Action Lab is the “proving ground” for foundations to rigorously test strategy and develop or strengthen the preconditions necessary for leadership resulting in measurable improvement. Serves cohorts of 6-8 CFON participants focused on a specific set of strategies.

Path 3: The Aligned Action Network will become a trusted, nationally branded platform to attract and deploy significant philanthropic capital to accelerate the work in selected communities where the participating foundations can demonstrate 10 standards of success. An initial pilot is planned to engage 4-6 communities.

*See Appendix 2 for greater detail on these three levels of structure.*

## THE CONTENT FRAMEWORK

CFON has adopted the framework developed by the US Partnership for Mobility from Poverty (PMP), and adapted it to include an explicit focus on equity and belonging, to guide the content of the work within these three paths:



## THE APPROACH FOR BUILDING OUT PATH 3: THE ALIGNED ACTION NETWORK

With annual contributions from participating foundations augmented by modest support from national funders, CFON has demonstrated the value for individual foundations to accelerate learning and improve performance. The development of its capacity as an aligned action network poses a challenge of a different order of magnitude. This work includes building out the network data system and reporting capability, and the alignment of individual foundation priorities and strategies to achieve common outcomes.

The creation of this network capability will occur in three phases. Phase 1 entails building the network infrastructure to the point of demonstration proof that will enable CFON to make the case to donors with the resources to operationalize and scale network performance in Phase 2. Phase 3 scales the network to include all interested community foundations and their communities.

### Phase 1: Network Infrastructure

In practically every philanthropic endeavor to improve the quality of life and well-being for residents in our communities we have moved from single factor solutions to systemic approaches (e.g. from housing to wrap-around services), and we have seen the power of key metrics (e.g. functional zero homeless rates or 9<sup>th</sup>-grade on track) to drive systems change. These singular metrics tightly define a system's change lever.

We propose identifying a set of overarching metrics that span the Partnership for Mobility from Poverty (PMP) framework, and then selecting a single lever-of-change metric around which to initially organize the aligned action network as it becomes operational.

Participating CFON foundations will:

- Develop and adopt the comprehensive set of metrics based on pre-existing commonly accepted metrics that are operationalized
- Evaluate their foundation's current/proposed strategic priorities for alignment with the PMP framework
- Conduct research to determine which metrics are best suited as drivers for change levers
- Select a single metric that is determined to be most promising and has the greatest alignment with the foundations' priorities

- Agree on a common outcome that is integral to the foundation’s priorities, community-wide and donor engaging

In parallel, the “CFON Hub” will:

- Determine the data collection, analysis, reporting, and dissemination requirements
- Develop or identify a suitable partner for operating this data system
- Produce baseline reports on the full array of metrics and the change-lever metric for each CFON community
- Create a common brand and marketing templates for the initiative to increase social mobility and close the opportunity gap

### **Phase 2: Network Operationalization**

CFON is testing the proposition that ultra-high-net-worth donors are, indeed, seeking high potential investments to leverage their philanthropic contributions for measurable impact of meaningful indicators of increased equity and social mobility. At the onset, not every community foundation in CFON will have the interest or demonstrated track record to perform in ways required to deliver on this ambitious agenda. There are a few, however, that are able to prove the concept.

The “CFON Hub” will:

- Assess the fit and readiness of individual community foundations to participate in the Path 3: Aligned Action Network
- Convene participating foundations in the Aligned Action Network to share and align their strategic actions for increasing community and collective impact
- Facilitate networking with allied partners and partnerships to leverage the impact of CFON
- Report regularly on the change-lever metric

Participating CFON foundations will:

- Adopt (at the board level) the change-lever metric as one of their reportable/accountable metrics
- Explicate the locally adopted theory of change that defines the local strategies that will be deployed to achieve the common outcome
- Contribute data to the CFON Hub for aggregation in the common metric
- Participate in the Aligned Action Network processes
- Document and publish local stories of change and impact
- Host donor events to inform donors of their participation in CFON’s Aligned Action Network and showcase the work of the foundation that is making a difference locally and nationally
- Establish protocols for co-investment in the branded initiative to increase social mobility and close the opportunity gap

### **Phase 3: Network Scale**

The preconditions and requirements for community foundation participation are clearly defined and additional community foundations are added as they are able to demonstrate their capacity to contribute to the overall goals of the network.

The “CFON Hub” will:

- Provide technical assistance and training (perhaps through a partner organization) to prepare a pipeline of community foundations to join the network.

- Qualify individual community foundations to participate in the Aligned Action Network
- Convene participating foundations in the Aligned Action Network to share and align their strategic actions for increasing community and collective impact
- Facilitate networking with allied partners and partnerships to leverage the impact of CFON
- Report regularly on the change-lever metric

Participating CFON foundations will:

- Regularly report on agreed-upon metrics to achieve the common outcome
- Continuously refine and update their theory of change that reflects local learning and new advances in research
- Participate in the Aligned Action Network knowledge building processes
- Document and publish local stories of change and impact
- Host donor events to inform donors of their participation in CFON's Aligned Action Network and showcase the work of the foundation that is making a difference locally and nationally
- Document co-investment in the branded initiative to increase social mobility and close the opportunity gap

## **APPENDICES**

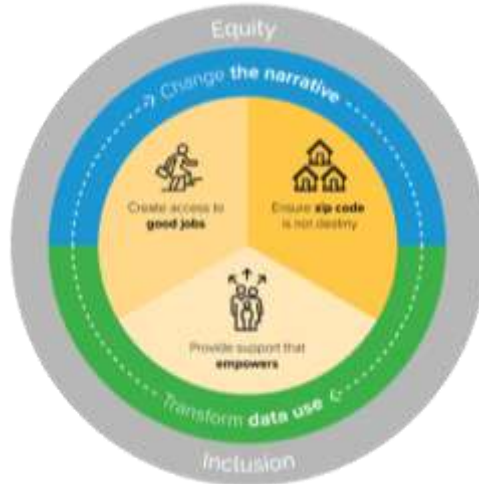
Appendix 1: CFON's Organizing Framework and Theory of Change

Appendix 2: Expanded Descriptions of the 3 Pathways

## APPENDIX 1

### THE STRATEGIC FRAMEWORK

To organize its work, CFON has adopted the strategic framework developed by the US Partnership for Mobility from Poverty, adding an explicit emphasis on equity and belonging/inclusion.



### THEORY OF CHANGE

CFON is animated by an aspirational vision and mission, and adheres to a clear theory of change:

**Vision:** All young people, regardless of place, race or identity, and income, have access to opportunities that set them up for success.

**Mission:** Using the unique position of community foundations, CFON accelerates and strengthens progress toward closing the opportunity gap and increasing social mobility.



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## APPENDIX 2

### THE THREE PATHS: EXPANDED DESCRIPTIONS

#### Path 1: The Learning and Sharing Collaborative

*The common ground for participating foundations to learn from each other, benchmark with each other, gain access to resources and thought leadership, and understand and develop the preconditions for success at the local level. Serves all CFON members.*

Foundations can engage through a number of activities/events such as:

- Attending quarterly webinars and the annual Learning & Action Forum convening
- Participating in CFON surveys to gather information about current work that is then shared with other CFON foundations
- Submitting their work and information to be published on the CFON website ([www.cfon.org](http://www.cfon.org))
- Asking/responding to questions from one another through an active listserv
- Participating in other offered learning experiences

#### A Sampling of Past Activities and Partners

- Webinars featuring, among others...
  - Nisha Patel, US Partnership for Mobility from Poverty
  - Henry Timms, past CEO of 92<sup>nd</sup> Street Y and co-author of “New Power”
  - David Rosado, Foundation Center
  - Cyrus Driver, National Public Education Support Fund
  - Julie Sweetland, Frameworks Institute
- Four Learning & Action Forums featuring presenters such as Bob Putnam, Richard Reeves, George Kaiser, Nisha Patel, Robert Doar, Michael Ettinger, Gabe Kaplan, Margery Turner, Asha Curran, and others.

In 2019, CFON partnered with CF Leads to offer an “Introduction to Community Leadership” workshop specifically designed for CFON members and future plans include opportunities to connect with foundations around specific topic areas and/or in similar geographic locations.

#### Path 2: The Strategy Action Lab

*The “proving ground” to rigorously test the foundation’s strategy and support the self-examination of its preconditions for leadership resulting in measurable improvement. Serves cohorts of 6-8 CFON members focused on a specific set of strategies.*

A Strategy Action Lab brings together a small group of peers to accelerate their learning, improve their strategies through shared learning, develop a disciplined approach to strategy, and gain direct access to the best national data and research to increase impact. Lab participants work together over time, learning from each other and supported by a facilitator and strategy coach.

The first CFON Strategy Action Lab launched in January 2019. The Lab topic is **creating access to good jobs**, including post-secondary achievement and other pathways to economic opportunity such as:

- On ramps that provide skills and connect youth, low-income adults and others to living-wage jobs
- School to career pathways and connecting employers and educators
- Post-secondary education including support for community colleges
- Apprenticeships and partnerships and other vocational training

Together the participating foundations will share their theories of change and strategies. They will test what it means to work on a common challenge, learn what it takes to establish common outcomes and measures of those outcomes. And CFON will learn what is required to support this network of distributed, autonomous community foundations working toward a common goal. What type of infrastructure is needed for communications, data systems, reporting, and accountability?

A second Strategy Action Lab, focusing on **Early Childhood Development**, will begin in February 2020.

### **Where did the idea for Strategy Action Labs come from?**

The methodology for Strategy Action Labs was born out of a concept known as “Social Laboratories” pioneered by Zaid Hassan and his team at REOS. As challenges facing our society become increasingly complex and difficult to tackle for any one organization or sector, we need new approaches to collaborating and problem solving. The basic premise behind social labs is that if we have scientific-based labs for solving our most difficult scientific challenges, we should have a similar space for solving our most urgent, critical social challenges. The organizing principles behind CFON’s Strategy Action Labs are the following:

- **They are social** - they bring together diverse participants from distinct community foundations to work together and improve each other’s strategies to closing the opportunity gap over time.
- **They are experimental** - these are not one-off pilots, but rather ongoing, sustained efforts focused on the improvement of strategy.
- **They are systemic** - ideas and concepts developed in the labs are intended to be systemic, and deal with the whole system to address root causes, rather than just symptoms.
- **They tap the power of community foundation networks** - these labs allow community foundations to strengthen their own work locally, by learning from others working on similar challenges in their own communities.
- **They are action-orientated** - labs are not simply about strategy development, but also provide members a disciplined way to discover, learn, pilot and then take action together.

Social labs allow practitioners to dig into the strategy, as well as the implementation, and are inspired by other important frameworks and concepts such as community organizing, design thinking and developmental evaluation. As Lucy Bernholz described the concept in the Stanford Social Innovation Review:

*“The groups that constitute each lab come together not around a project, but around a shared problem. They work through a facilitated process of discovery in which they identify points of agreement and areas of potential intervention. The process then relies on rapid experimentation and external feedback - practices that blur the line between planning and implementation in a useful way. The goal is to try things out at a scale that’s large enough to produce informative results, but not so grand that the risks of implementation become too large for stakeholders to bear.”*

Most importantly, Strategy Action Labs are the proving ground to define and develop the performance capabilities required of community foundations to function in Path 3 as an aligned action network.

The inaugural Strategy Action Lab focusing on *Access to Good Jobs* is facilitated by an external consultant, and includes representatives from the following CFON foundations:

- Adirondack Community Foundation
- Community Foundation for Greater Atlanta
- Community Foundation of Greater Chattanooga
- New Hampshire Charitable Foundation
- The Seattle Foundation



### Path 3: The Aligned Action Network

*Will become a trusted, nationally branded platform to attract and deploy significant philanthropic capital to accelerate the work in selected communities where the participating foundations can demonstrate 10 standards of success.*

CFON is designed to allow foundations to learn faster, develop new approaches, prototype those ideas, and scale innovations and strategies that produce results in each community served, aggregated across the country to achieve demonstrable improvement in outcomes that matter.

More specifically, CFON is prepared and committed to examining and developing the kind of infrastructure that is needed to:

- Become a trusted, nationally branded platform that could attract significant philanthropic capital and compete with other highly valued philanthropic brands, and
- Produce measurable outcomes of complex challenges at scale and with the capacity to span local community-based solutions, society level systems, and policy drivers.

#### Standards for Success

The collective impact of CFON is dependent on the willingness, capacity and ability of each participating foundation to bring about measurable change in their communities. Success at the local level is prerequisite because meaningful measurable impact is local impact. As such, each community foundation must demonstrate that it has:

1. **Standing and Stature** demonstrated by a record of proven success leading, convening, organizing, and aligning diverse community stakeholders to accomplish significant good works for the community, bringing imaginative ideas to bear on persistent challenges that unlock new solutions that gain traction and scale. The community foundation has legitimacy and credibility and is considered the “go to” partner for civic leaders and community stakeholders.
2. **Local Area Network** of trusted and respectful relationships with diverse stakeholders, inclusive of donors, residents, nonprofits, universities and researchers, other funders, governments, and corporations that collectively bring enormous pools of social, intellectual capital to bear on the challenge.
3. **Wide Area Network** including, but not exclusive to CFON where the foundation is able to engage with other colleagues in other networks and access other research and resources to deepen its understanding and capabilities, and expand its vision for what is possible.
4. **Foundation Commitment** embraced by the Board of Trustees that is willing to champion a bold stand by the community foundation for equity, opportunity and social mobility, recognizing that by doing such it is no longer a neutral convener but an active participant driving change in the community.

There are also key demonstrations of a foundation’s ability to perform and deliver at this level:

5. **Disciplined Strategies** based on research and evidence developed and implemented to deliver measurable outcomes improving community vitality and well-being.
6. **Policy Expertise** tapping political capital based on deep and trusted relationships with elected officials and political leaders who will be instrumental in moving the requisite policy agenda to advance opportunity and social mobility.

7. **Common Standards and Data Systems** required to collect and analyze data for agreed-upon outcomes, measures, and reporting that has both local value and network value for CFON to operate as an aligned action network.
8. **Philanthropic Capital Stacking** of community foundation grants, impact investments, national foundation investment, community development finance vehicles, public investments – to achieve results at scale.
9. **Donor Engagement** and the proven ability to align grants from donor advised funds under their management and influence, dramatically unleashing the fastest growing segment of philanthropy giving today.
10. **Communications** respect and reach to serve as a key influencer with the communications savvy to articulate and distribute messages that connect to key stakeholders.