INDEPENDENT SECTOR

THREADS
WEAVING THE FABRIC OF A STRONGER FUTURE.

CHICAGO HIGHLIGHTS

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WEAVING THE FABRIC OF A STRONGER FUTURE.

HIGHLIGHTS
FROM
COMMUNITY
CONVERSATIONS

Event held at the American Red Cross of Chicago and Northern Illinois

May 7, 2015

OVERVIEW OF THREADS

At the start of 2015, Independent Sector launched a series of community conversations called "Threads" in cities across the nation. The purpose was to convene leaders from nonprofits and foundations, and our other allies to explore the impact of society-wide trends on our sector today and in years to come. Threads are designed to engage over one thousand leaders in over a dozen cities to generate thousands of data points about (1) practices that are limiting the effectiveness of sector organizations and (2) innovative ideas for how to increase our impact. Each three-hour Thread featured:

- **Part I – Trends:** An overview of 9 global and national trends shaping our sector's work, followed by a full group discussion to solicit feedback and generate additional insight about the trends;
- **Part II – Challenges:** Small group discussions at which we asked participants to identify challenges they face at the organizational, sector, and societal level;
- **Part III – Bright Spots:** More small group discussions to brainstorm solutions that have moved the needle on a particular social/environmental issue (what we call "bright spots");
- **Part IV – Feedback:** A large group discussion of potential roles that national organizations like Independent Sector can play to help the sector better accomplish its important work.

Information from each Thread is coded separately, and then analyzed alongside data from other events to create a national picture of challenges and bright spots. While these findings are not scientific per se, we believe they represent important perspectives from the field that can help drive our sector forward.
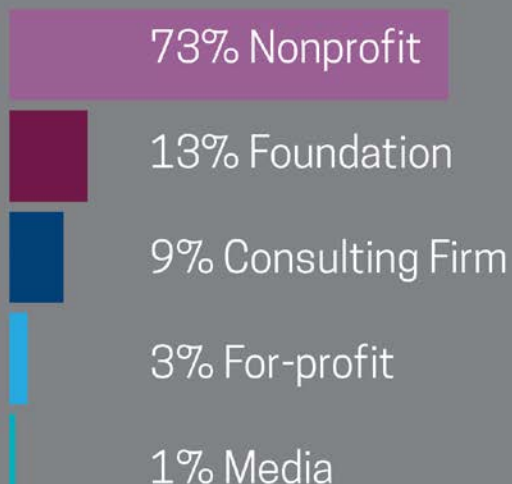
THREADS CHICAGO – PARTICIPANT INFORMATION

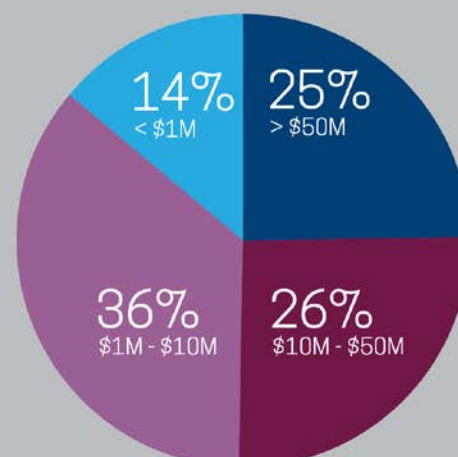# TRENDS SHAPING THE FUTURE OF THE CHARITABLE SECTOR

Threads Chicago kicked off with a presentation by Diana Aviv, President and CEO of Independent Sector, on **nine trends** shaping the world and our work. She did not make value judgments about the trends. Instead she sought to (1) make people aware of how the trends are shaping our world and therefore our work; and (2) encourage people to respond to the trends in light of their own organization's practices and particular circumstances. After this presentation, she encouraged participants to share their reactions to the trends. The following themes emerged.

Major Themes

1. Income Inequality – Many agreed that economic inequality was one of the nine primary trends impacting our work. Some stated it was the root of other social problems. If our nonprofit community helped close the income gap, they reasoned, some issues (though not all) might be much easier to address.

2. Infrastructure to Collaborate – Attendees noted that launching deep collaborations can be costly. One individual (who works in the field of homelessness) said her organization saw an excellent opportunity to partner with the Department of Veterans Affairs. The problem: they didn't have the infrastructure to do so or the funds to set it up.

3. Swarms and Individual Engagement – A common theme arose around individuals having greater access and ability to digitally influence a cause. One participant captured this notion by saying that people recognize they can impact an issue – 'move it to a better place' – without donating $1 million. He called on the sector to create more opportunities for the public to plug in to Internet activism.

4. Government Funding – Many questioned the process of how government funds are allocated. Balancing limited resources against tremendous need means choosing between 'funding environmental clean-up and autism research,' noted one attendee. Is funding awarded because one cause has better lobbyists or does the government use an objective method to prioritize issues?

5. Structural, Societal Change – Participants repeatedly mentioned the need for the sector to approach problems in a more holistic, systematic way. The way we're funded, however, is a significant barrier. This paradox, said one, results in organizations carving out a narrow area to work rather than striving for more lasting, broader impact.

CHALLENGES

ORGANIZATION & SECTOR LEVELS

At Threads Chicago, we asked people to respond to the following two questions. What are the most significant challenges your organization is facing? What challenges are holding back the sector at large? Here are the top themes that emerged, followed by quotes from the field.

Major Themes

1. Sector Talent – A common theme surfaced around the sector organizations' inability to compensate employees well enough to recruit/retain them and provide meaningful staff development programs (especially compared to what may be offered in other sectors). Participants also shared concerns about the lack of diversity in our sector's workforce.

2. Vision and Approach – How do we work on big picture problems when funding structures incentivize short-term impact? Participants spoke about the need to think long-term rather than resort to "band aid" approaches (to use one person's words). Some added that, in many cases, boards of directors exacerbate this problem because they're either risk averse or focus primarily on short-term gains.

3. Financial Sustainability – Like all our other Threads conversations, a lack of funding was a prevalent theme. In this session, participants repeatedly mentioned the misalignment between funders and programs in the current funding structure, a gap leads to mission drift.

Three other critical themes emerged.

° One revolved around operations and governance: developing/engaging the board of directors and funding needs to improve capacity.
° Another involved challenges associated with building collaborations within the sector.
° The final theme focused on the sector's brand, mainly the need to elevate awareness about the value of the sector.

Voices from the Field

° "Pay scale inequities between the for-profit sector [hurts] the non-profit sector's inability to recruit and retain the best."
° "Sector does not invest in developing up-and-coming talent and pay rates to attract and retain top talent."
° "How do you provide organization and professional development (HR challenge)?"
° "How to target resources when there is so much need (and not burn out stuff)?"

- ° "Socio-economic diversity in the nonprofit sector [is a challenge]. Many diverse communities and audiences might be passionate and interested in working for the sector but salary levels in nonprofit organizations are insufficient to meet their needs."
- ° "Racial demographic of nonprofit leadership must change. This reality is holding us back and impedes our sector's potential and effectiveness."
- ° "Lack of diversity -- Society is becoming more diverse, but the sector is not."
- ° "[We need to focus on] longevity and sustainability vs. multiple 'band-aids.'"
- ° "We need to focus and invest in effective change agents. These trends are not new or surprising. We need to conduct high-level demonstrating projects, capture, prove, and scale changes that work."
- ° "Funders obsession with logic models and evaluation has forced nonprofits to produce creative fiction, and it is not long-term in focus."
- ° "Mission drift is cause[d] by funding. Small organizations may be challenged to make large shifts quickly."
- ° "Focus on grants not on the core programming [causes] mission drift."
- ° "Advocacy organizations [are] hard to explain to donors."

SOCIETAL LEVEL

At Threads Chicago, we asked participants to look beyond challenges at the organizational- and sector-level by thinking about broader difficulties they faced. Here are the top societal challenges they mentioned.

Major Themes

Themes addressing societal challenges ranged widely. They included concerns about:

1. Speed of daily operations, and the increasing challenge of keeping up a constant flow of information;
2. Increasing needs as more and more people are seeking services;
3. Impact of instability in the business community, which trigger "tectonic shifts" in our sector, from the impact of layoffs on a local community to the disruption in the sector caused by the recent recession;
4. Political polarization and the inability to have conversations to find common ground/compromise;
5. Ineffectiveness of government, encapsulated by one participant who said, "talk without action and resources solves nothing;"
6. Apathy on the part of the public, said one concerned participant, "Individuals aren't willing to make the effort required to make a change;" and
7. Lack of focus on health & wellness in the general population.

Voices from the Field

- "We cannot have conversations that lead to compromise and finding common ground."
- "Polarization. The trend of people grouping into more extreme viewpoints and not working together precludes common sense solutions."
- "[We're seeing] increasing numbers of clients needing services."
- "Increasing Pace - Keeping up with a 24/7 flow of infiltration [is challenging as is] responding to an expectation of immediate action/results."
- "[A societal challenge is the] lack of focus on population health and wellness, which affects/touches on all the trends."

BRIGHT SPOTS

"Bright spots" are solutions to social/environmental problems that have moved the needle or had significant, systematic impact at the societal level. They often tackle a problem from a holistic perspective and therefore involve multiple players. Participants shared these bright spots during table discussions:

Major Themes

1. Many of the bright spots included organizations working across traditional subject-area silos, such as education, healthcare, or the arts. This facilitated a more holistic approach so problem solving, allowing issues to be addressed from multiple, coordinated angles.

2. Working across sectors through intentional partnerships with government and/or business entities was another popular strategy. This approach helped to elevate solutions and ensure that problems were addressed on a large scale or from a systems perspective.

3. Relationships with national movements and organizations surfaced again and again in these stories. On issues ranging from homelessness, job training, drunk driving and others, bright spots featured regional efforts that were deeply connected to groups outside of Chicago. The national entities provided different types of support, including strategy, capacity, and resources.

1

The Problem: Budget shortfalls caused Chicago's public schools to cut art programs.

The Solution: An arts advocacy organization, **Ingenuity**, sprang into action. According to their website, they are "the single hub for information, advocacy, strategy, and partnerships." They partnered with the Chicago Public Schools Department of Education, teachers, parents, students, and local arts community to create a comprehensive art education strategy for public schools.

In Their Words: "Funders and arts and government and educational organizations came together," said one participant, "to access the state of arts education and increase data, resources and expectations articulated in one clear, collaborated plan." "They made it happen," said another.

2

The Problem: Homelessness in America.

The Solution: From 2010-2014, Community Solutions launched a campaign called "100,000 Homes" involving over 185 communities. Along with corporate sponsors, foundations, and other funders, they worked closely with government agencies and nonprofits. They exceeded their goal and ultimately housed over 105,000 people. Their new initiative, called "Zero: 2016," aims to end veteran homelessness this year and chronic homelessness next year.

In Their Words: To paraphrase, one individual lauded 100,000 Homes for its holistic approach that addressed not only chronic homelessness but "security, addiction" and other issues.

3

The Problem: Graduation rates for community college students in Chicago were low. Those who did graduate often seemed ill-prepared to join the workforce.

The Solution: In 2010, City Colleges of Chicago launched an initiative called **Reinvention** that tapped into public, private, and nonprofit resources. They redesigned a fragmented approach into a 100% student centered one.

In Their Words: "By reimagining the system together and enacting change, they were better able to increase graduation rates, significantly in some spots," said one individual.

4

The Problem: Every year thousands die from malaria, a preventable and treatable disease.

The Solution: The Gates Foundation tackled this problem on multiple fronts through net distribution; timely diagnoses/treatment; indoor spraying; and other interventions. They collaborated on a massive scale with businesses, nonprofits, and governments around the world. They also used a **collective impact model** to measure success that was unambiguous and easy to measure (ex: number of nets distributed). Deaths from malaria worldwide, according to their website, have fallen 42%.

In Their Words: The Gates Foundation achieved results "on a relatively quick timeline," said one, and it was "easy to tell the[ir] story [because impact was] targeted and measurable." He added that tremendous breath of collaboration was successful in part because of their impact model meant "that no one organization took the credit."

5

The Problem: The government of Congo authorized logging in areas that threatened the natural habitat of gorillas and chimps.

The Solution: The Goualougo Triangle Ape Project (GTAP) convinced logging companies to preserve trees that the apes, an endangered species, use for nesting. They successfully advocated for the government of the Congo to revise the existing legislation and protect gorilla and chimp habitat in future legislation. GTAP trains local people to collect data and works with biologists, scientists, and others from around the world.

In Their Words: One person explained that this nonprofit "promotes long-term conservation of chimpanzee and gorilla habitat and welfare. [They offer] job training for local populations [as well as a] model for sustainable timber harvest and collaboration between corporations and non-profit conservation researchers."

ROLES

We wrapped up Threads Chicago by asking participants to tell us what roles national organizations could play to help local and regional organizations better achieve their missions. Common themes follow.

Major Themes

1. Trusted Critic – Some attendees said the sector needs a "trusted critic," an organization that will identify where we're all falling short and offer tools/programs to convert weaknesses into strengths. Such an entity should also tackle "third rail" or taboo issues that individual organizations rarely take on and force 'hard conversations when appropriate.

2. Public Policy – Like the Threads Detroit, Chicago participants surfaced the common call for someone to advocate in Washington, D.C. on behalf of the social good space. Many urged Independent Sector to continue to play this role. Some also suggested that IS to take policy positions on large social issues such as racism and economic inequality.

3. Value of the Sector – As in NYC, Chicago, and Detroit, the common theme arose over the need to brand the sector. Some said that we do a good job "defensively" but the general public has very little knowledge of how important the sector is. We must do a far better job raising awareness about what we do. Neither individual nor regional organizations can do this as effectively as a national one.

4. Engaging Those We Serve – Participants mentioned the need to engage with those we serve. A national organization could set standards (sector-wide) to encourage organizations to educate low-income clients about the sector and get them more involved in day-to-day nonprofit operations.

5. Leading in a Dynamic World – We live in a world full of disruption and change, said some. There was a call for a national organization to offer us tools/programs needed to support our organizations in this ever-changing environment. Some people further suggested that IS should "catalyze innovation" across the sector.