INDEPENDENT SECTOR

THREADS

WEAVING THE FABRIC OF A STRONGER FUTURE.

SILICON VALLEY HIGHLIGHTS

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HIGHLIGHTS FROM COMMUNITY CONVERSATIONS

Event held at the Microsoft Silicon Valley Campus Conference Center on June 8, 2015

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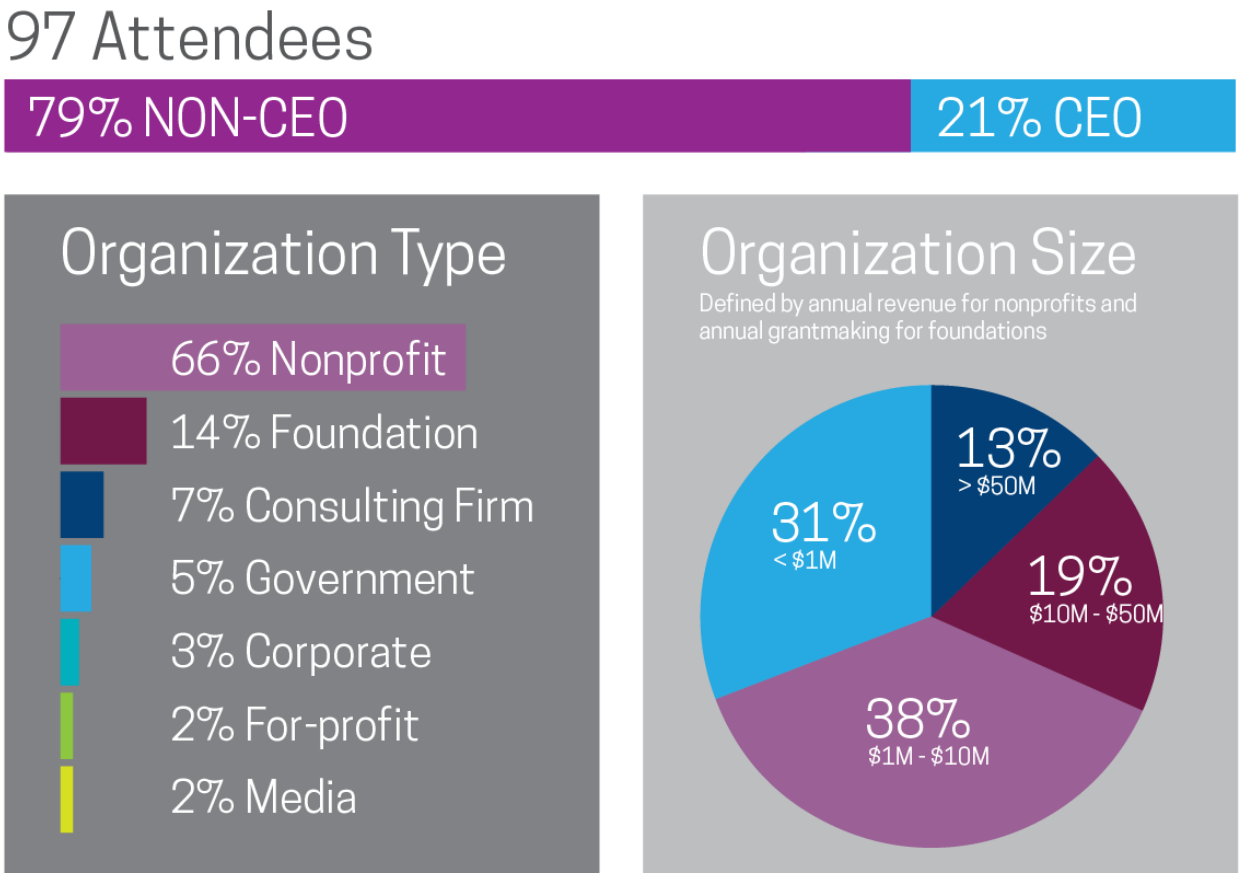
OVERVIEW OF THREADS

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 and Solutions:** Small group discussions at which participants identify challenges they face at the organizational, sector, and societal level, then generate solutions for a particular challenge;
- **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.

Input 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 SILICON VALLEY – PARTICIPANT INFORMATION



TRENDS SHAPING THE FUTURE OF THE CHARITABLE SECTOR

Threads Silicon Valley 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. Technology – Technology emerged as a top theme in Silicon Valley, which was not surprising given the location of this gathering. Participants discussed how tech tools have been and will continue to change the world – the nonprofit and philanthropic sector is no exception (i.e., crowd sourced fund raising; mobilizing people on line; altering advocacy practices). One participant noted that technology is not a "new trend" and added that the Internet has not been a "great democratizer." Instead, it has "fragmented and stratified society" at far greater levels than scholars had initially predicted.

2. New Language – Attendees also discussed the "need to reframe the way we talk about issues" like economic inequality and racial tension. They called for "more authentic dialogue" capable of breaking through barriers in ways that tap into what connects us, rather than what divides us. They argued that the structure of government at federal, state, and local levels often doesn't "match society's problems."

CHALLENGES

ORGANIZATION & SECTOR LEVELS

At Threads Silicon Valley, 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. **Financial Sustainability** – Lack of funding has been a common theme in most Threads cities. Attendees said funders were reluctant to approach an issue by targeting the broader ecosystem surrounding the problem (and often exacerbating it). They also critiqued the current funding model for the ways it "incentivizes competition over collaboration."

2. **Relationships Among Sector Organizations** – The audience talked about the general lack of collaboration of nonprofits in Silicon Valley. More investment, they said, was needed to help build the infrastructure/capacity required for meaningful partnerships. Additionally, they mentioned the benefits of identifying and sharing successful, scaled models of collaboration.

3. **Government relations and advocacy** – Participants shared three different perspectives about this general theme. First, they talked about various challenges associated with government funding; these included underfunding programs, excessive bureaucratic requirements, and substantial reporting requirements. Second, they were concerned about the general lack of advocacy taking place on behalf of the sector; they attributed this to organizations' lack of bandwidth or technical skills in the field of advocacy. Finally, they mentioned the government's failure to recognize the value of that nonprofits bring to society.

4. **Leadership and Culture** – There was consensus around the notion that nonprofit culture tends to favor traditional ways of operating. Leaders, they said, have been reluctant to embrace new ways of doing business. One individual offered the following example by saying, "People are speaking up in new ways but our sector is not listening."

Participants raised excellent questions about several other themes. They included the following: (a) branding (how do we better communicate the value of nonprofit work? reach broader audiences?); (b) community engagement (how do we involve more people? Pivot away from individual values and toward more collective ones?); and (c) data (how can we generate more meaningful data and create more sophisticated ways to manage it?)

Voices from the Field

- "Funding [is a challenge]: multiple opportunities to move people forward, but dollars aren't always available."

- "Challenge to get funders outside your silo to understand how you are part of an answer to a larger [community]."

- "Mercurial nature of funding [is a challenge]: occurs in all levels of fundraising which makes planning beyond 1-2 years really difficult; structure of most nonprofits no longer effective; nonprofits need to be truthful about true costs and value of work."

- “Competition for funding [is a challenge]: not encouraging collaboration; no funding for active collaboration/infrastructure for collaboration.”
- “Funder process/requirements inhibit collaboration.”
- “Agencies lack the capacity to collaborate both in terms of staff time and technical ability when it comes to higher level, data-driven collaboration.”
- “Funders [should be] helping nonprofits collaborate.”
- “Fragmentation. Need for collective action. Need to build/scale models of collaboration - provide space and incentives. This allows organizations to focus on what they do well [and] share services.”
- “As government has pushed services to the nonprofit sector, they have done so seeking savings, which has led to underfunding the legitimate costs of those services. Additionally, government funding comes with substantial reporting and administrative costs that further reduce funds for services.”
- “Inability to effectively advocate for resources and appropriate policies: Agencies lack bandwidth, technical skills and access to advocate on their behalf.“
- “Engage government to recognize the value of nonprofits.”
- “Our sector's ability to listen: people are speaking up in new ways but sector not listening.”

SOCIETAL LEVEL

At Threads Silicon Valley, 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

1. Diversity and Inclusion – This theme resonated deeply in Silicon Valley. Audience members talked about a wide range of subjects such as the growing income gap between rich/poor as well as the difficulties of having constructive conversations on these hard topics. For example, one individual noted that, “We still function in ethnic and social enclaves. Diversity adds to the richness of our community but also can create misunderstanding. How to create authentic cross-cultural dialogue?”

2. Trends – Three general trends surfaced on the following themes: (a) education – the need for reform as well as access for under-served neighborhoods; (b) homelessness – a chronic problem; insufficient supply of viable housing options; and (c) conservation – concerns about irreparable harm to the environment.

3. Government Relations and Advocacy – Attendees primarily discussed a gap between government structures/regulations and societal needs. One person expressed concern over the federal poverty level.

She said, “Policy and structure aren’t keeping up with where our society is going and [this problem is] exasperated by Silicon Valley. Our governmental decision-making structure is localized.” Another individual commented on multi-year government regulations that don’t keep pace with what’s happening to disadvantaged communities on the ground. (Note: This theme was similar to the one noted earlier under Organizational- and Sector-Level Challenges.)

Voices from the Field

- “Lack of integration in a diverse society [is a challenge]. We still function in ethnic and social enclaves. Diversity adds to the richness of our community but also can create misunderstanding. How to create authentic cross-cultural dialogue?”
- “Government structure does not match the problem. For example: federal poverty level. Policy and structure aren’t keeping up with where our society is going and exasperated by Silicon Valley. Our governmental decision making structure is localized.”
- “[Challenges include] regulations on education, building houses, support for mental health, [when] resources not available. Infrastructure reduction [and] lack of government funding – don’t keep pace with costs.”
- “Public dialog is missing or sidelines questions about “community.” What does it mean to be in a covenant of care with people? To be responsible for each other? Need to look through a lens that is not always financial/bottom line. How do you talk about the trade off?”

SOLUTIONS

At Threads Silicon Valley, we asked participants to work with small groups to select a single critical challenge—whether from among the problems raised in the previous segment or from their own experience. We then asked groups to propose solutions to these issues in their own words. Below are their responses.

Challenge:	**Solutions:**
To promote and support collaboration.	◦ “Need to develop infrastructure for collaboration both internally and externally. Agencies need the resources to build capacity to fully participate, e.g., funding high-level staff to participate in deep collaboration at levels something like 30% FTE.” ◦ “Need extra-agency backbone structures to [take] responsibility for convening, coordinating and facilitating quality/high-level collaboration.” ◦ “Higher awareness/education of cost of collaboration.” ◦ “Honesty with vulnerability – it's okay to say ‘we don't have expertise here but…’”

	◦ "Real collaboration where we value each others relationships vs. funds." ◦ "3-5 year timeline (1st year won't be perfect, by third year we see good work)." ◦ "Identify more structured collaboration opportunities."

Challenge:	**Solutions:**
Need for better communication among organizations and with the public.	◦ Collect data to tell nonprofit stories with numbers." ◦ "Share success stories in multi-media platforms (e.g. social media, Great Nonprofits, local papers, videos, etc.)." ◦ "Convene nonprofits to share best practices." ◦ "Collaborate with researchers (professionals, academic, college students, pro-bono)." ◦ "Reframe nonprofits' needs for communication and connect the dots between the importance of nonprofit effectiveness to communication effectiveness." ◦ "Importance of backbone organization to help connect resources to nonprofits." ◦ "Nonprofits need to speak up [for] their needs for funding for communication."

Challenge:	**Solutions:**
Old organizational and funding models are ineffective; the sector needs new models.	◦ "Still our role to be scrappy, grassroots - or should we play a different role?" ◦ "Focus on funding practices across the sector that are working."

	◦ "Multi-year funding commitments and partnerships [will] reduce overhead." ◦ "Foundations/funders work with nonprofits and collective impact groups to create sustained funding plans for the nonprofits involved in working to impact large systematic issues."

Challenge:	**Solutions:**
Government structure makes it difficult to address issues.	◦ "[Address] tension of local control and state wide or regional issues." ◦ "Incentivizing different entities to organize around a particular issue. Coordinate around a collective impact model." ◦ "Tech and hack-a-thon solutions. Crowdsource solutions." ◦ "Requires thoughtful community engagement strategy. Who are the messengers? Who are the partners? What are the methods to engage communities with linguistic barriers and can't leave there home? How to get buy in?" ◦ "Government doesn't always have to come up with the solution, but [it should] come to the table as a partner."

Challenge:	**Solutions:**
Nonprofits must get to the policy table earlier in the process.	◦ "[Funders should cover the] full cost funding for overhead so nonprofit leaders have time to think, plan and organize." ◦ "Nonprofit caucus in legislature - have enough numbers with background in sector."

THREADS SILICON VALLEY

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. **Coalition Approach** – Thread participants repeatedly emphasized that 'going it alone' was not an option. In many cases, though not all, outcomes and impacts could be amplified through a coalition approach involving multiple players from different sectors.

2. **Ecosystem** – Similarly, individuals talked about the value of attacking a problem from multiple angles. They mentioned systematic and holistic approaches capable of making a difference to society at large.

Voices from the Field

1

The Problem: Delinquency among at-risk students when they're not attending middle school or high school.

The Solution: The Out-of-School Time Collaborative formed to address this problem.[1] It includes summer school/after school programs and Silicon Valley school districts, which offer college readiness classes. The Collaborative fosters a shared learning environment among participants; for example, best practices are taught; overlapping material is minimized; and partnerships are encouraged. Funders include the Sand Hill Foundation and The David and Lucile Packard Foundation.[2]

In Their Words: One Thread attendee applauded funders for "supporting and pushing" the Collaborative to amplify its impact. She also commented on the "social emotional" component of learning (which participating programs address) and collective analysis of data.

2

The Problem: The battle to make marriage legal for all people.

The Solution: Participants stated that nonprofits made marriage equality "a movement," not just "a program." They mentioned grassroots organizing, collaborations, and partnerships between unlikely partners: specifically, funders who would prompt 'lukewarm' supporters to get involved. They did not cite specific organizations, although many have been involved (i.e., Marriage Equality USA, Human Rights Campaign, and American Foundation for Equal Rights).

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[1] http://www.sv2.org/page/outofschool-time-grant

[2] Ibid.

> **In Their Words:** Participants said those shaping this movement were willing to "tolerate uncertainty and messiness" and stood together even in cases where they "disagreed on fundamentals." Ultimately, their dedication to the ultimate mission -- marriage equality -- helped create the groundswell of support for their cause.

ROLES

We wrapped up Silicon Valley 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. **Public Policy** - The audience talked about the critical importance of advocacy, but differed in their approaches. Some called for a shift from the federal to the state level. For example, one participant argued that, "Developments in states shape federal policy decisions." Others called for continued vigilance at the federal level noting that "Congress wants to do away with the charitable deduction." She added, "It's happening soon [and] we need to work together quickly."

2. **Community Engagement** – This theme has emerged in many Threads cities thus far. During this event, people lamented a growing tendency toward competition and individualism, which underscored the need for the nonprofit community to "build bridges" in communities where neighbor is divided from neighbor. Others said that we "need to do a better job making community needs known and communicating the interconnectedness of things like education and affordable housing."

3. **Sector Health** – Attendees called on IS to "keep the sector healthy" and cited both pro-active and reactive strategies. As an example of the former, they talked about promoting ethical practice/good governance and advocating for public policies favorable to the charitable community. Regarding reactive strategies, some mentioned the need to take on "threats" by, for instance, playing a strong part in the public debate over the social compact (roles government, business, and our sector).

4. **Change** – Finally, people expressed concern that the world is changing rapidly but the nonprofit and philanthropic sector may not be keeping pace. They urged IS to continue educating the sector on future trends (i.e., more Threads-like programs) and helping organizations adapt to change.