![INDEPENDENT SECTOR]

MODEL PARTNERSHIPS FOR IMPACT

THE CREATING IT FUTURES FOUNDATION AND PER SCHOLAS

2016

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Per Scholas

Fall 2016

INDEPENDENT SECTOR

About Independent Sector
Independent Sector is the leadership network
for nonprofits, foundations, and corporations
committed to advancing the common good. Our
nonpartisan coalition's networks collectively
represent tens of thousands of organizations and
individuals locally, nationally, and globally.

Our Vision & Purpose
We envision a world of engaged individuals,
robust institutions, and vibrant communities
working together to improve lives and the natural
world, and strengthen democratic societies.
To help create this future, we lead and catalyze
the charitable community, partnering with
government, business, and individuals to advance
the common good.

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Independent Sector (IS) works to enhance
grantee and funder organizations to ensure
both are effectively helping society's most
vulnerable populations. From Independent
Sector's cornerstone Building Value Together
Initiative, which outlined practices to help
foundations and nonprofits achieve successful
outcomes, to Charting Impact to Threads, IS has
addressed how nonprofits and foundations can
have healthier relationships with one another
and best fulfill their organizational missions to
strengthen the communities they serve.

IS is committed to being responsive to the
sector and the knowledge gleaned during our
15 cross-country Threads conversations with 80
partner organizations. In every city IS visited,
one consistent impediment to meeting mission
was raised: the strained relationships between
grantees and funders. IS seeks to respond to
what we heard by building upon previous
work by IS and others, and adding to the
depth of knowledge needed to move grantee/
funder 'power dynamics' in a more productive
direction.

Our first contribution to this conversation is a
series of eight case studies, featuring grantee
and funder pairs, who exemplify healthy
relationships and illuminate the practices and
behaviors that contribute to a positive power
dynamic.
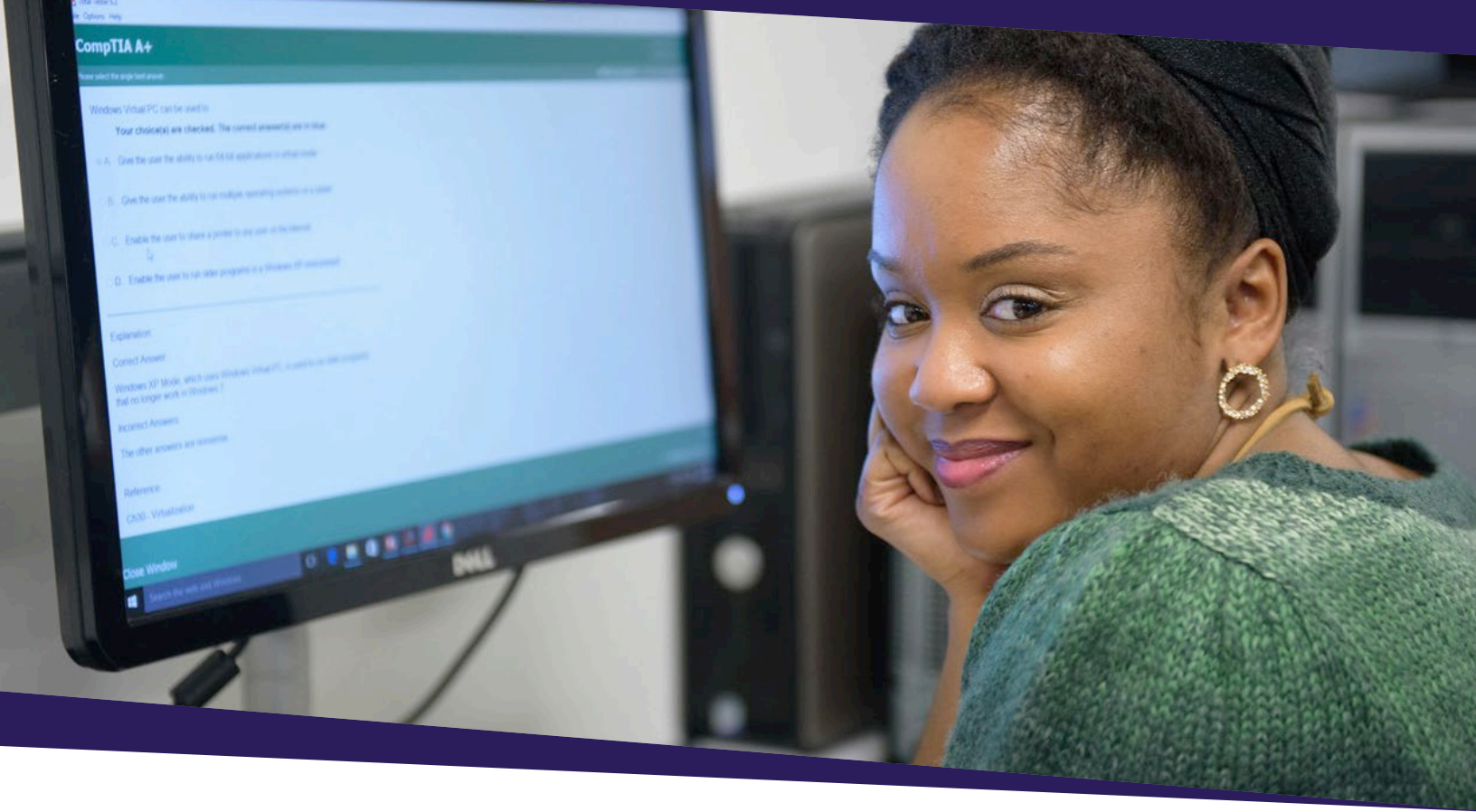
Taking a thoughtful risk created beneficial returns for both the grantee and funder organizations.

Fortuitous is a good word to describe the conditions which combined to create the partnership between the Creating IT Futures Foundation and Per Scholas. Those conditions included, but were not limited to, a new CEO to the foundation who was looking to make a large, one-time investment; a small, ambitious nonprofit who provides free IT job training in the U.S. cities where it is most needed; and a recession which led many to seek out job training.

Plinio Ayala, president and CEO of Per Scholas and Charles Eaton, CEO of the Creating IT Futures Foundation (Futures), first met right after The Great Recession[1] in 2010 at a conference in Redmond, WA convened by Microsoft around the skills gap in IT. Eaton was new to Futures and had a few ideas of

how he wanted to rethink the organization. "I was interested in building a social impact organization. We were looking to make a big investment which would provide a case study for scale and replicability. I also knew others had tried this and failed, so we had to think carefully about our contribution," says Eaton.

Creating IT Futures Foundation is the philanthropic arm of CompTIA, the world's largest information technology (IT) trade association[2]. It was founded in 1998 with the mission of helping populations that are under-represented in IT and individuals who are lacking in opportunity to prepare for, secure, and be

1. "The Great Recession." State of Working America. Accessed July 7, 2016. http://stateofworkingamerica.org/great-recession/.

2. "About the Creating IT Futures Foundation." Creating IT Futures Foundation. Accessed July 7, 2016. http://www.creatingitfutures.org/about-us.

successful in IT careers.[3] Prior to Eaton becoming CEO of Futures, its philanthropic efforts focused largely on providing access to online IT training for veterans and those lacking economic opportunity, as well as offering free certification exam vouchers to several nonprofits. The remote training wasn't as effective as the foundation board would have liked, so when Eaton came to Futures, the board asked the staff to develop its own face-to-face IT training program for out-of-work adults. Eaton began that process by researching which nonprofits were downloading the free exam vouchers and tried to assess the success of those organizations' students. Per Scholas was among the top organizations using the vouchers, and their students had higher pass rates than any of the other organizations. Eaton requested a meeting.

Per Scholas was started in 1995 with the mission of closing the digital divide in the South Bronx by reconditioning used computers and giving them away to schools and families.[4] Over the past 20 years, it has grown to a $10 million-per-year organization serving six metropolitan areas[5] and its mission has evolved to breaking the cycle of poverty by providing technology access and education in underserved communities.[6] To date it has trained over 5,400 individuals nationwide.

After a series of informal conversations, several things became clear as discussions between Eaton and Ayala progressed: (1) the content of the Futures and Per Scholas training had a lot of similarities; (2) both organizations were looking for expanded reach; and (3) both were interested in piloting a model which could be scaled and replicated across the country. Rather than pursue two similar agendas, Ayala proposed Per Scholas begin running a co-designed program and pilot the program in three new cities, with the Futures team running the program in one city as a source of comparison. Their

goal was clear and shared: create a model which could be replicated and shared, and put unemployed people in IT jobs. Their ultimate impact would be to influence workforce development across the U.S.

Futures would provide $600,000 a year over 3 years in step down funding across the three cities. Funds would be largely programmatic, but include some general operating support as well. This investment represented up to 50% of each site's annual budget depending on the specific site.

The Work of the Relationship

This funding partnership, which lasted from 2011-2015, was a pilot for both Futures and Per Scholas. For Futures, this was the first time in Eaton's tenure where they acted as a grantmaking institution. Normally Futures develops and oversees their own programs and training. For Per Scholas it was the opportunity to co-design a large-scale replicable model.

"Our whole partnership was built on how programs like this have failed to replicate. So we knew there would be unforeseen circumstances, but we talked all the time about the challenges," says Ayala.

To achieve this co-development and lock step strategy, the two organizations had frequent face-to-face meetings between their respective staffs to align philosophies. These conversations routinely included discussing where things could go wrong in the partnership, identifying work that could be done in tandem, and solidifying core elements of philosophical design. It also included candid conversations about branding and funding. As Eaton says, "We were full partners in this work. We combined assets."

Ayala continues, "We really focused our attention in three cities, assuming step down funding over three years. We generally spent a year in each community before we launched. We spent time understanding the market, the companies there, where we would get our students from, etc. [Eaton] understood it takes time to scale, it takes time to gain momentum, and he didn't judge us on our first year of performance."

3.   "Inventing Better On-Ramps to IT Careers." Creating IT Futures Foundation. Accessed July 7, 2016. http://www.creatingitfutures.org/.

4.   "About - Per Scholas." Per Scholas. Accessed July 7, 2016. https://perscholas.org/about#history.

5.   "Per Scholas, Inc." GuideStar Profile. Accessed July 7, 2016. http://www.guidestar.org/profile/04-3252955.

6.   "Mission - Per Scholas." Per Scholas. Accessed July 7, 2016. https://perscholas.org/about#mission.

The Impact of the Relationship

"We have placed 1,600 people into jobs since we started working together" says Eaton.

He continues, "Our foundation made a commitment to the Clinton Global Initiative to train another 4,000 more by 2018. Per Scholas is our lead partner in this effort.

We have validated a workforce program and replicated it in other cities. We have shown expansion, scalability, and transferability. Others have tried, and now we can show we can execute on this plan."

For Ayala, in addition to the number of individuals placed in the workforce, his organization now has a model they can plug in across the U.S. "We have become, in every single community we are in, the largest IT development workforce outside of community colleges. For those looking for an alternative to college, it makes a big difference to those individuals."

In addition to the number of individuals it has placed in IT jobs across the U.S., this partnership mutually influenced each organization and elevated both to a new place in their respective markets.

Ayala says, "We want to be held as a model which can be applied across all sectors (i.e. scale, influence policy, etc.) We are still trying to figure out how to do that, but we couldn't have done that without this investment. [Because of this investment] we know we can scale well. When you are small, you often don't get called to the party. Because of this partnership, we are often invited to the party to discuss policy changes."

For Eaton, this partnership shows how a small foundation, in the worst economic times, can take a huge, calculated risk because they found the right organization with which to scale its work. It also enabled him to leverage the assets of a larger nonprofit (CompTIA) for mutual benefit. Those assets included, but were not limited to, providing a network of employers for Per Scholas graduates, finding economies of scale and negotiating deals on textbooks and assessments on both organizations' behalf, and accessing labor market and industry expertise to better influence the design of the curriculum and ensure it was fitting, not only the current needs of the IT workforce, but future anticipated needs as well. In addition, the partnership has placed Futures in a position as a thought leader in the tech workforce space, and now they are routinely called upon by the White House, think tanks, nonprofits, and corporations to share their expertise. "It put us on the map," said Eaton.

The Future of the Relationship

Although there is not a current funding relationship in place, the partnership between Futures and Per Scholas is still strong. Futures is now building an IT-Ready Network where they provide this "program in a box" for distribution. Per Scholas is a premier distributer of these trainings. Eaton says, "We still provide vouchers for free and discounts on services that we negotiated together. Our work together is about using the tool in the tool boxes." Ayala echoes this same vision for the future. "We want to distribute our program in a box and influence scale. I think they will continue to help us in that." In addition, Eaton now sits on the Per Scholas National Board of Directors which facilitates continued ideas and knowledge sharing of how each organization can help one another. "We have talked about more partnerships moving forward, including how sharing the research of our effective model can attract other funders. Regardless of serving on our Board, I believe I would still be having these conversations [with Charles]," says Ayala.

SECTOR LEARNING

This is one of a series of case studies that grounds IS' larger post-Threads power dynamic work by providing the cornerstone for a set of prototype tools to help aid the transfer of healthy behaviors, practices, and conditions from one relationship to another. This case study reflects a number of transferable behaviors, practices, and conditions, including but not limited to:

- **Building an evidence base which moves a field, rather than just a project.** Per Scholas' entrepreneurship in running a co-designed program and Future's willingness to pilot a new type of relationship (i.e. making a large, one time investment in another institution) facilitated a proof of concept for replicability of workforce development within information technology.

- **Focusing on learning, co-development of program and strategy, and shared ownership of outcomes.** The co-designed project was based in learning where others failed to replicate. Ongoing conversations and analysis of these past failures facilitated a co-development of program and strategy. This shared ownership of the outcomes built trust between the partners for candid conversations.

- **Consistent, candid conversations about unforeseen circumstances and possible challenges.** Their frequent meetings included candid conversations focused on various aspects of the partnership (i.e. strategy, execution, etc), as well as traditionally delicate topics such as branding and funding.

- **Influencing one another's practice.** This relationship enabled both Per Scholas and Futures to be viewed as potential partners to new collaborations extending both organizations' reach and impact.

- **Understanding the runway needed to scale and refraining from judgment based on the first year of performance.** Understanding where others had failed to replicate, both organizations understood the time which would be needed to set up a program and evaluate its impact. This provided space for increased learning within the first year that could be later applied to other sites.

METHODOLOGY

Through a variety of sources, including, but not limited to, IS' Power Dynamic Advisory Group recommendations and IS member suggestions, we identified a universe of 112 potential examples of healthy grantee/funder relationships. From this initial universe, 40 nonprofits and foundations, constituting 20 pairs who believed they had healthy relationships, were interviewed via telephone for 45 minutes each between May 20 and June 15, 2016. Grantee and funder interviews were conducted separately so alignment between pairs could be better assessed.

All case studies were evaluated against the following set of criteria developed in partnership with IS' Power Dynamic Advisory Group. For the purpose of this work, a healthy relationship was defined as:

1. Alignment between the grantee/funder responses.

2. Embodying a relationship that is authentic/honest, representing the opportunities and challenges which come with partnership.

3. Discussing, at all or with some frequency, both productive and unproductive aspects to partnership.

4. Having jointly developed terms of the relationship/what the future looks like.

5. Illustrating demonstrative impact in their communities as a result of their work together.

Other factors which may have been considered in the determination of the final case studies, but did not rise to the level of required criteria were: (1) IS membership status; and (2) availability of the Center for Effective Philanthropy Grantee Perception Report *(GPR - the GPR provides funders with comparative, actionable feedback from their grantees based on responses to a customizable online survey).*

Each case study selected represents the experience of the specific individuals who participated in that particular grantee/funder pair. It is only meant to represent that individual relationship. The collection of case studies was selected to represent the diversity of the sector. This diversity includes but is not limited to: size of the organization's scale of investments, geography, and focus of organization. In showcasing a range of relationships within the sector, it illustrates the differences which make our sector fundamental to providing a vital voice to our most vulnerable populations.

The views expressed in this case study reflect the experience of those interviewed and not the views of IS. Each case study was chosen based on a series of criteria and evaluated by a panel of nonprofit and philanthropic sector professionals.

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