Networks and Philanthropy

Funder’s Network for Smart Growth
And Livable Communities
3/7/05

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Boston, Massachusetts 02110

www.barrfoundation.org
Objectives

To define and describe two types of networks and their application to our work in philanthropy:

- Production Networks
- Social Networks for Social Purposes

To stimulate a rich conversation on “Networks and Philanthropy”
I. Production Networks

Definition

Groups of organizations that link together for the common purpose of providing improved services and products

Benefits

- Reduce costs
- Produce scale
- Reach markets at new levels
- Leverage a value chain
- Achieve greater impact

Examples

- Barr Foundation – individual organization
- Green CDC Initiative - cluster
- Movement as Network - field
Example 1: The Barr Foundation

- Adopted **networks as one of three core organizing principles** (along with grantmaking and knowledge creation)
- Uses **networks** (and specifically diversity of networks) **as a staff hiring criterion**
- Developed an **extensive network** of consultants, intermediaries, process and content experts, who link together to co-produce services (e.g., grantmaking, TA, cluster management)
- **Tracks network activities** throughout theories of change, work plans, and budgets
- Achieved **low cost ratios** – 6% of grants, 0.5% of assets
Tracking networks in Logic Models

**GOAL:**
Provide quality educational experiences that enable all of Boston’s youth to realize their full potential.

**STRATEGY:**
To use after school sports programs as a medium of physical, intellectual, emotional, and social development.

**THEORY OF CHANGE:**
Sports can be leveraged to provide opportunities for youth to develop knowledge, skills, and values that become assets in their intellectual, social and community endeavors.

<table>
<thead>
<tr>
<th>Assumptions</th>
<th>Barr’s Levers/ Inputs</th>
<th>Activities</th>
<th>Outputs</th>
<th>Short Term Outcomes 1-3 Years</th>
<th>Long Term Outcomes 4-6 Years</th>
<th>Impact 7-10 Years</th>
</tr>
</thead>
</table>
| • Between 35-50% of children in Boston participate in some form of after school sports program.  
• Girls are participating at half the rate of boys so the system needs to learn more about ways to engage girls.  
• Approximately 77% of program opportunities are provided by nonprofit organizations.  
• Programs vary on a variety of dimensions including the training of coaches, contact hours per week, duration across weeks, and the quality of what is offered.  
• To provide a greater number of opportunities of high quality and ensure sustainability, the system of providers needs organization. | Knowledge                           | Initial research and mapping of the system to understand and organize components | A set of tools to facilitate learning and enhanced communication including system maps, system newsletter, website, evaluation tool, etc. | Greater understanding of overall system by participating programs, funders, and intermediaries | Increase in number and quality of youth sport opportunities in Boston – baseline data created and % change tracked | Youth participating in after school sports programs develop knowledge, skills, and values that become assets in their intellectual, social, physical, and community endeavors |
| Funds                                                                       | Grant to create infrastructure      | Grants for model providers to build capacity                              | Development of common office space for citywide sports providers and other joint projects | Acquisition of some joint funding                                                        | Securing of long-term funding to sustain operations                                      | Boston youth have opportunities for quality sports experiences that equal or exceed their suburban counterparts |
| Networks                                                                   | Boston Youth Sports Coordinator hired. Visits with providers | Advisory committee in place for youth sports and workplan defined         | Shared vision of network role and value created                               | Gap between sports participation by boys and girls has closed                           | Joint programming delivered, e.g., coaching education                                     | Youth health outcomes improve due to increased physical activity |

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## Tracking networks in Workplans

<table>
<thead>
<tr>
<th>Goal</th>
<th>Strategy</th>
<th>Theory of Change</th>
<th>Activity Type</th>
<th>Grant ($)</th>
<th>Other ($)</th>
<th>Quarter Due</th>
<th>Activities</th>
<th>Short Term (1 yr) Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Ed-Out-of School</td>
<td>Ed-OST Research/Awareness/Advocacy</td>
<td>Grantmaking</td>
<td></td>
<td></td>
<td>03Q3</td>
<td>Start up support for MA After School Partnership to match grant and create strong advocacy voice for after school in the legislature - funding already in approved grants</td>
<td>Increased public education about and visibility of after school on the legislative agendas</td>
</tr>
<tr>
<td>Education</td>
<td>Ed-Out-of School</td>
<td>Ed-OST Research/Awareness/Advocacy</td>
<td>Knowledge</td>
<td></td>
<td></td>
<td>03Q3</td>
<td>Develop a map of the after school advocacy system in MA</td>
<td>Better understanding of the players, their core competencies and geographical areas covered</td>
</tr>
<tr>
<td>Education</td>
<td>Ed-Out-of School</td>
<td>Ed-OST Sports and Learning/Development</td>
<td>Grantmaking</td>
<td></td>
<td></td>
<td>03Q3</td>
<td>Award and monitor grants to create the sports coordinator position and the Gifts grant making process-funding already in approved grants</td>
<td>Improved effectiveness of sector through stronger networks, access to resources and technical assistance, peer learning, sharing of resources and increased access to programs for GIFTS</td>
</tr>
<tr>
<td>Environmental Citizenship</td>
<td>Env-Experiential</td>
<td>Env-Experiential Environmental Programs</td>
<td>Knowledge</td>
<td></td>
<td></td>
<td>03Q3</td>
<td>Facilitate and attend Co-Evolution Meeting at the Aquarium on September 12</td>
<td>Increased understanding about how to have impact in the environmental education field</td>
</tr>
<tr>
<td>Environmen t</td>
<td>Env-Open</td>
<td>Env-Open Restoration and Maintenance of Open Space</td>
<td>Networking</td>
<td></td>
<td></td>
<td>03Q3</td>
<td>Meet with other funders and other non-profit organizations to help broker a solution to parcels on the central artery</td>
<td>Brokered solution for Mass Hort parcels and forward movement on implementation</td>
</tr>
<tr>
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<td>Env-Open Restoration and Maintenance of Open Space</td>
<td>Networking</td>
<td></td>
<td></td>
<td>03Q3</td>
<td>Attend Central Artery Planning meetings</td>
<td>Get to know the players and keep abreast of developments</td>
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<td>Env-Open Restoration and Maintenance of Open Space</td>
<td>Knowledge</td>
<td></td>
<td></td>
<td>03Q3</td>
<td>Meet with summer MBA interns who conducted research on business planning and financial transparency for parks department</td>
<td>More transparent financial systems and greater accountability for parks maintenance organizations</td>
</tr>
</tbody>
</table>
Example 2: Green CDC Initiative

Funding
• Boston Community Capital
  community loan fund – provides acquisition funding
• LISC provides predevelopment recoverable grants
• Government Funds
  support construction costs
• Wainwright Bank
  provides gap financing for green design buildings

Green Design
• New Ecology
  provides technical and legal assistance in brownfields redevelopment and green design – associated with MIT

Green Materials
• Home Depot
  supplies green materials

Development
• Boston Community Development Corporations
  developer of inner city property for community purposes (housing, community space, small business development)

Goal: To create a value chain for producing green-designed buildings that serve community purposes and promote green design throughout Boston
What will the Green CDC Initiative achieve

Redevelop brown fields that are accessible to public transportation

Incorporate green design in buildings and rehabs in inner city

Leverage scale of CDC’s to get lower cost green materials

Develop buildings that are cost efficient, healthy and nurturing to the workforce
Example 3: *Movement as Network*

The **environmental movement is a network** that is more than the sum of its people and organizations.

Environmental organizations have unique missions that lead them to play different roles in the network.

- **People organizations** with broad membership and constituencies
- **Resource organizations** that define themselves by the particular expertise or resources that they bring to the rest of the network – i.e. legal, organizational, funding expertise

Goals of *Movement as Network*

**Achieve Scale:** Reach 80% of the public who share environmental values but are not engaged by membership or activism strategies

**Increase Impact**

**Diversify Funding Model**
- People organizations – memberships
- Resource organizations – fee for service
- Solution organizations – foundations

**Achieve Economies of Scale**

The movement as a whole becomes far stronger when organizations specialize and link together to produce aggregate results
Barriers to the Production Networks Model in Nonprofits

Lack of standards (like ISO 2000) that ensure interchangeable quality, capacity, data, financial information

Lack of market data to provide comparables

Operational transparency

Time required to build trust, establish relationships

New competencies required: contract negotiation, resource allocation among players

Capital markets (foundations and other funding sources must see this as a desired unit of action)
II. Social Networks for social purposes

Definition

Social Network Approaches are ways to analyze, build, and use connectivity among people and organizations to influence systems for socially desirable ends.

Properties:
- Effects
- Functions
- Structures
- Dynamics

Examples
- EQUIPO Familia del Barrio
- Central Appalachian Network (CAN)
- Social support of youth out of foster care
Networks can have powerful effects:
- Rapid Growth (Dean Campaign)
- Widespread Presence & Engagement
  (World Social Forum, Meetup, Volunteer Match)
- Resilience (Al Qaeda)
- Instant Capacity (Tsunami Relief)
- Multigenerational Influence (HBS Alumni)
- Diffusion (SARS Prevention Methods)
- Efficiency (MoveOn.org)
- Aggregate Voice (Weblogs)

Networks can perform many different functions:
- Innovate
- Diffuse
- Combine
- Align
- Mobilize
- Exchange
- Assess
- Advocate
- Deliver
Network structures make revealing pictures.

- When many nodes connect to a single node, a **Hub-and-Spokes** or **Star** structure is created. Each of the spoke nodes has one link, while the central node is linked to all other nodes.

- When many nodes connect to each other in various configurations, a **Many Channels** structure is created. Each node may have several links through which it can reach other nodes.

- When a number of nodes are all connected to each other, a **Dense Cluster** is created. Each node is connected directly to all of the other nodes.

- When hubs connect to one another, either directly or through spokes, a **Branching** or **Multi-Tiered** structure is created. Nodes may have fairly long paths, through central nodes, to reach each other.
Network Evolution

Stage I – Scattered Clusters

Stage 2 – Single Hub & Spoke

Stage 3 – Multi Hub Small World

Stage 4 – Core Periphery

Source: Valdis Krebs & June Holley, *Building Sustainable Communities through Network Building*
Network Dynamics: Balancing Tensions

Tensions

Identity
- Parts/individuals
- Whole/network

Governance
- Freedom
- Control

Adaptation
- Change
- Continuity

Balancing Point
- Serve individual and network interests without fragmenting or coalescing too much
- Put in place rules that build coherence without destroying autonomy
- Maintain coherence & seek change without building inertia or tipping into chaos
Mapping the Network

A network map is a visual depiction of relationships among nodes in a network.

Its “shape” can be revealing about the nature and power of the network.

Its “evolution” (change over time) can reveal trends in the network.
What Goes Into a Network Map

• What is the question you want to answer?
  • Connections between individuals or organizations
  • Strength of the connections
  • Shape of the network
  • Reach of the network
  • Political or funding power in the network
  • Who is in the core
  • Who is in the periphery
  • If you remove a link, what happens

• Once you have identified the question, collect data through a simple questionnaire to members of the network
• Creating a visual map of the relationship between data points often reveals insights that data alone cannot
Examples of Foundation Uses of Social Network Mapping

Program Design: Annie E. Casey Foundation
Program Evaluation: Annie E. Casey Foundation
Communications Strategy: Kellogg Foundation
Example 1:
Social Support of Youth out of foster care

Goal

To learn about the social support networks of youth who have successfully transitioned out of the foster care system

Who do they go to for support?

What resources do they obtain from different types of supports?

(Annie E. Casey Foundation)

Source: Marcela Gutiérrez-Mayka – OMG (www.omgcenter.org)
Centrality and Influencers

Red color designates influence on the overall network. Individual "46" is the single most central subject in the network. 46, 32 are social workers. 40 works for an agency contracted by DCH to provide educational support.

Source: Marcela Gutiérrez-Mayka – OMG (www.omgcenter.org)
Example 2: EQUIPO Familia del Barrio

Goal

To evaluate the impact of a program using informal helpers (*Madrinas*) to link families in East Little Havana with formal service providers (OMG Center for Collaborative Learning & Annie E. Casey Foundation)

Rosa’s Profile

From Honduras
6 years in the USA
Finished high school
Income less than $5,000
Recently separated, domestic violence
45 years old
3 sons (15, 5, and 3) – recently regained custody

Source: Marcela Gutiérrez-Mayka – OMG (www.omgcenter.org)
Rosa’s pre-EQUIPO Network

Source: Marcela Gutiérrez-Mayka – OMG (www.omgcenter.org)
Rosa’s post-EQUIPO Network

Source: Marcela Gutiérrez-Mayka – OMG (www.omgcenter.org)
Rosa’s new support system

Two new female friends met at Abriendo Puertas (AP)

Her Madrina

Five other Madrinas

Priest

13 staff of AP programs

Rosa has brought 4 more families to AP

Source: Marcela Gutiérrez-Mayka – OMG (www.omgcenter.org)
Example 3: Central Appalachian Network (CAN)

To learn about how a group of rural economic development organizations in Appalachia develop networks to influence rural policy at the regional and national levels, and how their networks change over time.

To identify individuals to target with communication strategies (W. K. Kellogg Foundation)

Source: Marcela Gutiérrez-Mayka – OMG (www.omgcenter.org)
CAN Member Organization Network with Rural Entrepreneurship Policy Influentials

Source: Marcela Gutiérrez-Mayka – OMG (www.omgcenter.org)
Summary
How Funders Are Using Networks to Achieve More Leverage and Impact

Use social network analysis for evaluation, knowledge development, strategic planning and programming, and grant decision-making
Develop network strategies to strengthen loosely connected service delivery systems
Develop and fund production networks of grantees
Develop and test innovations (products & services) through networks
Build nonprofit capacities through networks
Communicate ideas through networks (idea viruses)
• Formal communities of practice
• Advocacy structures
Learn in networks
• Create funder collaborations to study issues/systems
• Create nonprofit learning clusters to study issues/systems
Support development of nonprofit technical assistance at the network level
Organize themselves as a network:
• Extended enterprise to perform key functions
• Hiring staff for their networks
• Building networking into planned staff activities