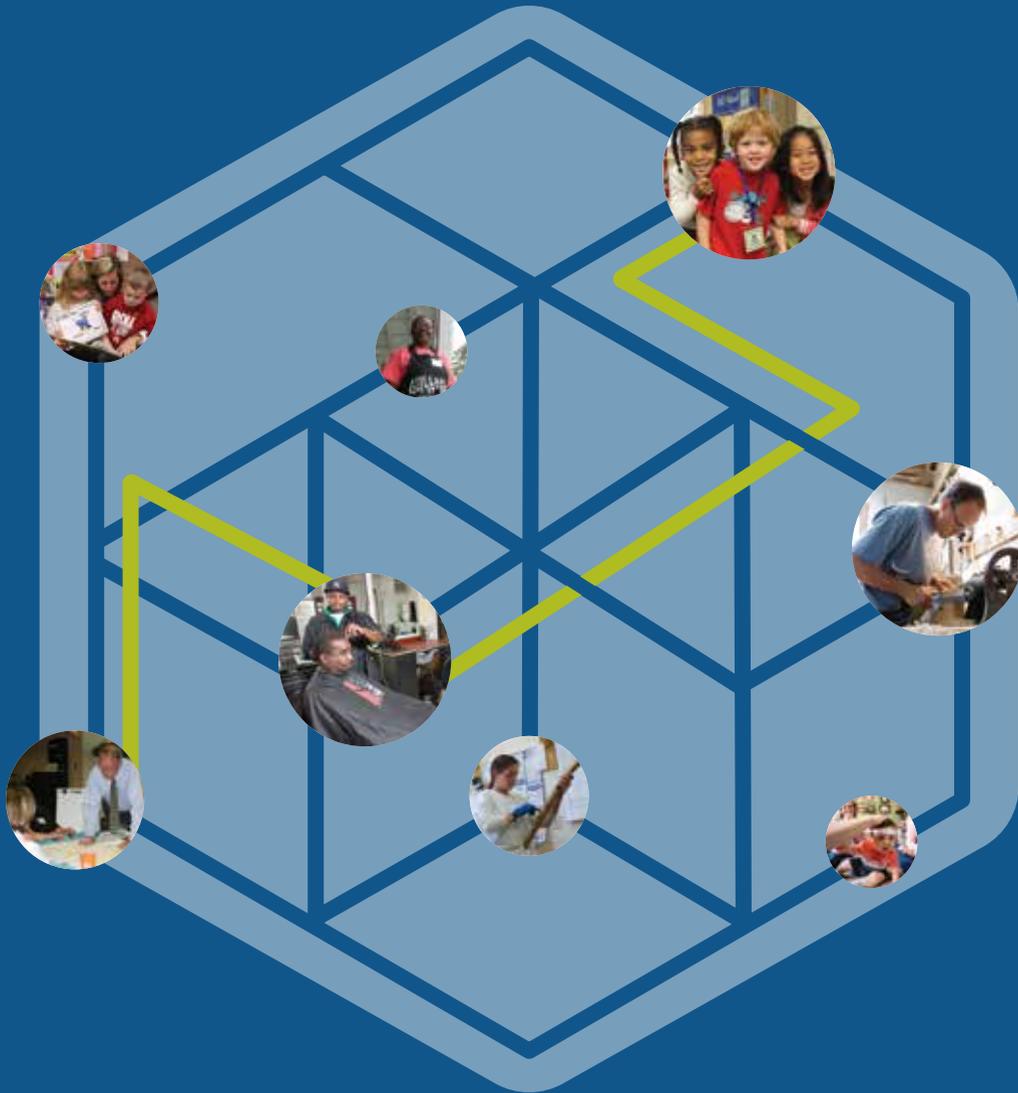
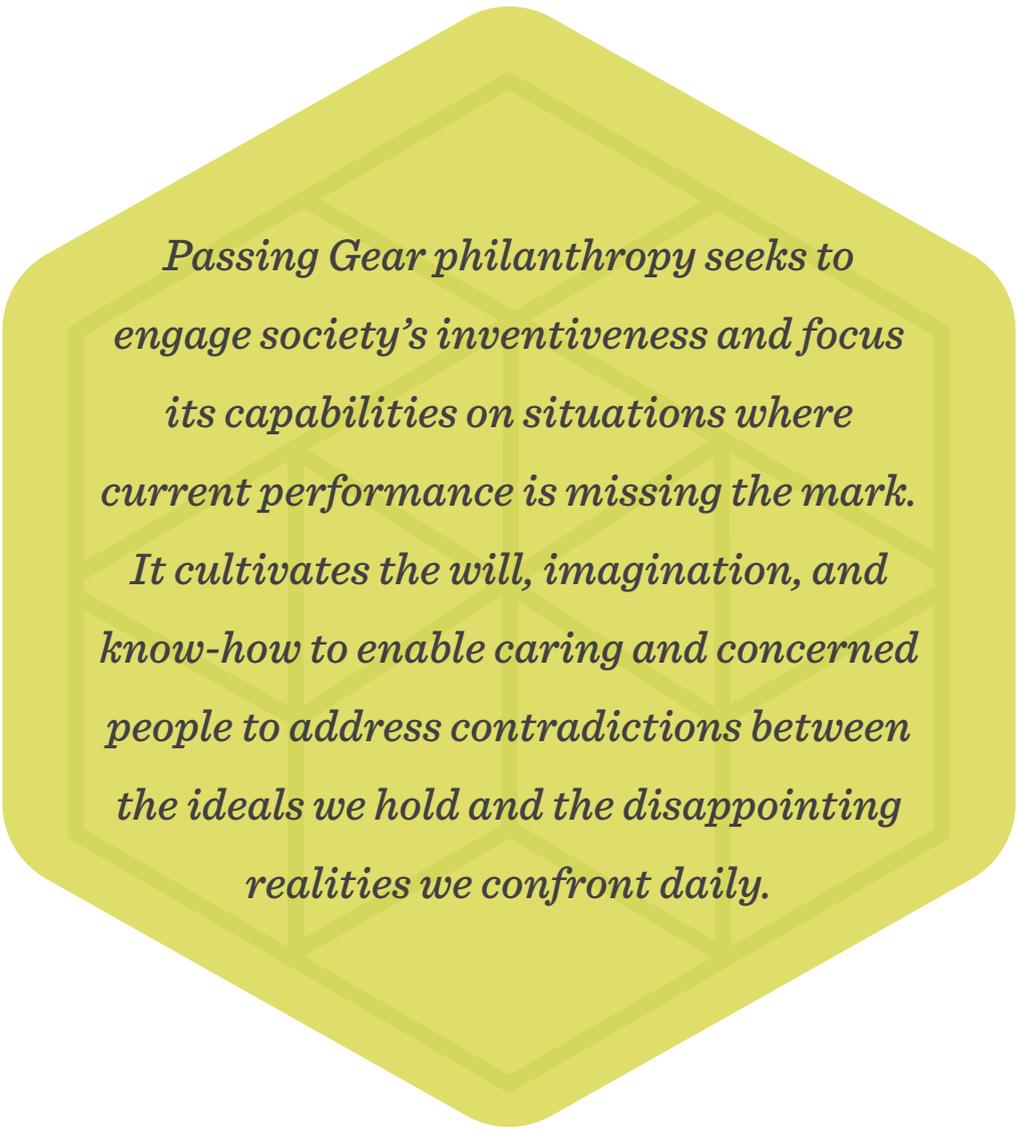


Philanthropy as the South's Passing Gear: *Fulfilling the Promise*



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Passing Gear philanthropy seeks to engage society's inventiveness and focus its capabilities on situations where current performance is missing the mark.

It cultivates the will, imagination, and know-how to enable caring and concerned people to address contradictions between the ideals we hold and the disappointing realities we confront daily.



MDC

FIFTY YEARS

About MDC

MDC brings together foundations, nonprofits, and leaders from government, business and the grassroots to illuminate data that highlight deeply rooted Southern challenges and help them find systemic, community solutions. Our approach, developed over 50 years, uses research, consensus-building, and programs that connect education, employment, and economic security to help communities foster prosperity by creating an “*Infrastructure of Opportunity*”—the aligned systems and supports that can boost everyone, particularly those who’ve been left behind, to higher rungs on the economic ladder. Since 2003, MDC has worked with place-based community and private foundations to help them refocus their philanthropic program services to address the “upstream causes” of social inequities. To date, MDC has helped foundations refocus more than \$1 billion in philanthropic assets.

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About SECF

The Southeastern Council of Foundations is one of the nation’s largest regional associations of grantmakers, serving more than 330 of the most dynamic foundations and corporate giving programs in the South. SECF works in partnership with members in 11 Southeastern states to serve, strengthen, promote, and champion the South’s philanthropic voice and infrastructure through engaging programming, leadership development training, access to unique resources and invaluable connections. By encouraging insightful philanthropic collaboration, SECF creates opportunities to increase the region’s grantmaking impact and empower transformational community change.

‘WHAT ARE WE WILLING TO FIGHT FOR?’

Ten years ago, MDC’s report *The State of the South 2007: Philanthropy as the South’s “Passing Gear,”* asked a key question of the field: How can philanthropy accelerate progress toward a South that is both equitable for all its residents and competitive with other regions of the country?

The original “Passing Gear” report leaned heavily on data about the current state of the South and the trends that were then shaping its future. That data—and the recommendations made to both respond to and shape it moving forward—sparked years of conversation, deeper research and ongoing questions about philanthropy’s role throughout our region. Since then, several foundations have intentionally applied Passing Gear principles to their work, reshaping their roles and significantly transforming systems, attitudes, and outcomes.

Now, a decade later, this second iteration of the MDC “Passing Gear” report, commissioned by the Southeastern Council of Foundations, explores what has changed in terms of data, landscape, and philanthropic capacity and activity in our region.

The data is once again telling, and the story is in some ways troubling. The region’s population is growing and becoming increasingly diverse, but for many, that growth and diversity has not coincided with prosperity. In every state, people of color experience poverty at double or even triple the rate of whites, and educational attainment—a predictor of economic success—shows a similar disparity.

The environment in which the South’s residents live has been troubled, especially in recent years. We have seen the devastating impacts of the Great Recession, numerous natural disasters, violent acts rooted in hatred, and growing divisions—political and otherwise—in our society. However, the South is not unique in its environment and, perhaps, is now more aligned with the experiences and the psyche of the rest of the nation than at any other time in its history.

We do not have time, however, to dwell on the negative. Too much is at stake, and our role as philanthropists is to use the resources we have now to drive positive change. Thankfully, the South is growing with human, intellectual, technological, and institutional capital, tools that can and should undergird a new era of shared prosperity and a robust society.

The past decade has seen a growth in philanthropic capital in the region that can be applied to improve our current state. Since 2007, the number of foundations in the region has grown from 13,260 to 15,439, and philanthropic assets from \$76.4 billion to \$98.5 billion. More importantly, we’ve witnessed evolutions in philanthropy that show us the progress that is possible, even in the face of significant challenges.

In this report, you’ll read many stories of courageous funders who have embraced their role as Passing Gear philanthropies and, in doing so, are delivering transformative outcomes for communities across the region. They have overcome divisions, elevated thinking inside and outside their organizations, used data as a powerful tool for building consensus, aligned efforts among many players, and increased the speed and power of change. Their stories and voices represent a revolutionary mindset within philanthropy that is beginning to accelerate progress in the South.

That acceleration can only continue, however, if these individual efforts become emblematic of a collective effort by grantmakers who are courageous, who recognize the potential of this moment, and exert the strong leadership required to turn ideas into actions, and actions into results.

We can identify opportunities where Passing Gear philanthropy can drive us far past the status quo. The question that remains is, *what are we willing to fight for?* With the fate of lives and communities hanging in the balance, no question is more important—and no answer more critical.



Janine Lee
President and CEO
Southeastern Council of Foundations

The College Hub of Spartanburg County

Spartanburg County faces a very serious challenge to its economic and social development: low levels of educational attainment. Currently, only 19 percent of adults (age 25 and above) living in Spartanburg County have earned a bachelor's degree. This number falls far below the national average of 27 percent and the state average of 23 percent.

Low degree attainment rates are holding down our citizen's earning power, limiting their economic class mobility and most importantly, threatening the county's economic development potential.

The College Hub of Spartanburg County will assist our community in increasing its degree attainment by providing educational resources and information. The College Hub will give leverage toward meeting the goal of The 40/30 Challenge: "By the year 2030, forty percent of our citizens will hold a baccalaureate or associate degree."

Meeting this challenge will require a generation to turn around, but we must start now! Its success will be dependent upon the collaboration of schools, colleges, businesses, churches, agencies, and families across our community.

Will you commit to meeting the Challenge?



Vision— Spartanburg County is an educated county in the Carolinas.
Goal— By the year 2030, 40 percent of the residents in Spartanburg County ages 25 and over will have a baccalaureate or associate degree.

Strategy 1: To make college accessible for all of our citizens

Strategy 2: To ensure that all of our students who graduate from high school are prepared for post secondary and/or baccalaureate attainment

Strategy 3: To increase the number of adults (25 and over) who are attending and completing college



THE SPARTANBURG COUNTY FOUNDATION: SPARTANBURG ACADEMIC MOVEMENT

An initiative to double the number of college graduates in Spartanburg County, S.C., that started with data—an annual report on local indicators showing the county's relatively poor standing—and led to a look at the region's history, culture change in the name of economic development, and collaboration between local and national organizations to create a county-wide, pre-K through college completion movement that's showing significant results.

Spartanburg Academic Movement
Spartanburg, S.C.

The Spartanburg County Foundation

2008–Present

www.learnwithsam.org

In 1989, The Spartanburg County Foundation launched an initiative called Critical Indicators and began publishing data to raise the awareness of pressing community needs. Known today as the Spartanburg Community Indicators Project, the data drives improvement within the community. In 2008, the Spartanburg Area Chamber of Commerce formed a task force to examine the impact of low educational attainment rates on the county's economic development. They came to a bleak realization—only 19 percent of adults, aged 25 and older, had earned a bachelor's degree, well below national and state averages. The task force proposed adoption of The 40/30 Challenge, which set a goal that 40 percent of county residents ages 25 and above would hold a bachelor's degree by the year 2030.

The Chamber commissioned The Spartanburg County Foundation to provide leadership in determining the feasibility of the Challenge and creation of a strategic plan. The foundation spent two years convening more than 200 community leaders and education experts, researching best practices, and identifying opportunities for collaboration. The Foundation incubated this idea and used the passing gear framework to take an upstream approach to addressing educational attainment. Each target goal was mapped within the context of the passing gear model, and all partnerships were aligned and created within that context.

That evolved into 10 years of convenings and strategic planning, and after an initial investment of approximately \$200,000 in staff, funding, and community meetings, the strategic plan was completed. The primary focus included the establishment of the College Hub in 2010, envisioning that it would be a centralized resource within the county to advocate for educational attainment, actively support college-bound and college students, and promote return-to-learn initiatives.

The Foundation incubated the initiative, focusing on the implementation of strong governance, financial infrastructure, and sustainability. The Foundation recruited an inaugural board, developed organizational by-laws, and continued its incubation of the initiative until December 2010, when the structure of the College Hub was set in place. The incubation of the College Hub also included a significant seed grant of \$500,000 that was awarded as a challenge grant to show support and further promote sustainability. The College Hub exceeded the match, providing more evidence of community support.

In 2012, two developments motivated a turn-around effort of The College Hub. First was the College Hub's merger with another nonprofit, the Children's Services Alliance. The Alliance, also launched in 2008, served as a network engaging pre-K providers and agencies, and developed the "Toolkit for Kindergarten Readiness." The combined boards recognized that each had been working at extreme ends of the same education continuum. They also recognized that advancing academic achievement across the entire spectrum was required if The 40/30 Challenge was to be realized.

A second development was the discovery of the StriveTogether Network, a collective-impact model for community-wide change that was developed and launched across the school districts of Cincinnati and Northern Kentucky. As the merger of College Hub and Children's Services Alliance was taking place, the leadership

There are six core indicators of achievement that SAM is pursuing—kindergarten readiness, third grade reading, eighth grade math, college/career-ready high school graduation, postsecondary enrollment, and postsecondary persistence and completion.

learned about the StriveTogether Network and its cradle-to-career approach at a national conference of the Council on Foundations. After further review, the College Hub initiated the connection and became a network partner.

With this discovery, everything changed for the College Hub: the challenge, the model, the goals, the strategies, the metrics, the objectives, the funding, the staffing, and even the name. In 2014, the College Hub became the Spartanburg Academic Movement and expanded its mission, which is to measure academic accomplishment, cradle to career; set achievement targets that escalate annually; align networks in pursuit of these targets; and report progress with persistent regularity.

By October 2014, SAM received certification as an "Emerging Network Member" through StriveTogether. One year later, it achieved "Sustaining" certification. By 2017, it was one of 12 out of 75 partnerships nationwide (most in major cities) with "Systems Change" certification and receiving StriveTogether accelerator funding designed to enable its movement to "Proof Point" certification by 2018.

There are six core indicators of achievement that SAM is pursuing—kindergarten readiness, third grade reading, eighth grade math, college/career-ready high school graduation, postsecondary enrollment, and postsecondary persistence and completion. The SAM Data Team has established three-year rolling targets for most of these stages, leading toward achievement of The 40/30 Challenge, the ultimate target metric of SAM. Collaborative action networks for each of the core indicators operate at each of these learning stages, and SAM is working with its more than 150 partners across sectors to address educational attainment in Spartanburg County.

HISTORY

The Spartanburg County Foundation staff created a historical timeline that outlined both community and foundation-related events from 1800 to present. Spartanburg County is known for being a mill community, home at one time to almost 40 textile mills. While the community values its rich heritage, there are challenges it faces as a result. The community realized that improving educational attainment levels was really about changing its culture and mindset. At this same time, the College



Educational attainment was holding down citizens' earning power, limiting their economic class mobility, and threatening the county's economic development potential.

Degree Attainment Task Force had just completed its research to better understand educational attainment and developed a list of recommendations for how the community might begin addressing the issue.

One such recommendation was to adopt The 40/30 Challenge. In August 2008, the Foundation approved in concept a motion that the Foundation would serve as a catalyzing force in the implementation of The 40/30 Challenge, with a goal of forming a separate 501(c)(3) organization that would take the lead in implementing the recommendations of the College Degree Attainment Task Force. The Foundation would take what it had just compiled regarding the importance of community history, align that with the issue of educational attainment, determine benchmarks around its leadership roles, and establish an exit strategy for its participation in near-term, mid-term, and long-term goals to encourage rural and urban strategies to change the culture of education in Spartanburg County.

DATA

Data plays the key role in the work of SAM. It was data from the Indicators Project that urged community leaders to begin the initial focus on educational attainment in 2008. At the time, only 19.8 percent of Spartanburg County residents held a bachelor's degree, far below the national average of 27 percent, neighboring counties that averaged 35 percent, and the 40 percent-plus averages of communities across the country with significant economic growth. Educational attainment was holding down citizens' earning power, limiting their economic class mobility, and threatening the county's economic

development potential. Data drove the five-year process in the development of the College Hub and continues to drive processes for SAM.

SAM has negotiated data-sharing agreements with each of the county's seven school districts, providing access to anonymous, student-level academic performance data from pre-K enrollment through high school graduation. These agreements enable SAM to assess progress across its four K-12 stages of learning in real time. In addition, SAM supports two overarching assessment protocols—the Early Development Instrument (EDI), which provides the community with data geo-mapped by census tracts on birth-to-five vulnerabilities likely to affect children's ability to learn when they

enter K-12; and the Student Data Tracker (SDT), available through the National Student Clearinghouse, which enables tracking of all county graduates' enrollment in U.S. postsecondary institutions receiving federal funds for eight years following high school graduation. The EDI enables not only a look upstream at vulnerabilities before entering kindergarten, but provides early warning signs of challenges that may affect progress through third grade reading and beyond. The SDT enables not only a means of tracking students' persistence and completion of postsecondary certifications, but provides data upon which schools can assess the viability of high school instruction in predisposing post-secondary success.

These data were replete with "surprises":

- Hispanic students were graduating at higher rates than any other sub-groups even though they began with substantial language vulnerabilities.
- High-poverty children experienced a radical "summer slide" in language arts in the summer between first and second grade, whereas low-poverty children experienced a substantial summer gain in the wake of learning to read in the first grade.
- Advanced Placement and dual high school/college enrollment increased substantially countywide while, surprisingly, rates of success have increased substantially, as well.
- Children from low-poverty neighborhoods entered kindergarten with vulnerabilities in communication skills and general knowledge, as did children from high poverty neighborhoods.



Each of these random “data surprises,” and many others, whether positive or negative, point the way to interventions by neighborhoods, by schools, by grade levels, by poverty, by race, etc., and SAM plays a role in providing guidance and direction in the investment of community and school resources targeted on the improvement of academic achievement countywide, cradle to career.

IMAGINATIVE INQUIRY

Embracing the Passing Gear model from day one and engaging the community throughout the process was key to the successes and achievements the movement has seen to date. Before addressing educational attainment, the community had to understand it within the context of the data and its cultural history. Part of that process included understanding the concept of upstream solutions.

The Foundation engaged with Yellowwood Associates and other consulting groups to inform and build consensus among the community around educational attainment. The Foundation

Embracing the Passing Gear model from day one and engaging the community throughout the process was key to the successes and achievements the movement has seen to date.

held the Yellowwood Retreat, where it convened a diverse group of community leaders and key stakeholders to identify indicators they believed would improve education, and key target ages. The Foundation then began exploring its role in terms of the Passing Gear model—philanthropy as relief, improve, reform, and engage.

Another contributing factor to the Foundation’s success in leading the development of the College Hub was the continuing engagement of the community and its willingness to embrace best practices in identifying solutions. In addition to gathering research and organizing site visits to other communities, the Foundation engaged a diverse group of stakeholders from throughout the county who played an important role in moving the initiative forward. The process for engagement was intentional and methodical to ensure that all demographics were represented and had a voice at the table. The Foundation spent two years convening more than 200 community leaders and education experts, researching best practices and identifying opportunities for collaboration. As challenges arose, the Foundation and key leaders continued to model this approach in their decision-making.

USING FIVE FORMS OF CAPITAL

From 2008–2010 the Foundation invested more than \$700,000 in the initiative; however, through the process, trustees and staff began to fully understand the more important role the other four forms of capital played in the success of the initiative. Because of the Foundation’s reputational capital as the oldest community foundation in South Carolina and a key philanthropic leader in the community and the region, it was asked early on to consider playing a lead role in the collaborative effort.

The Foundation used its social capital to identify a diverse group of stakeholders and bring people to the table who might not ordinarily have been there, ensuring that the entire community was represented. The Spartanburg Community Indicators Project was instrumental intellectual capital, with the Foundation convening the community, sharing the data, and helping the community understand what the issues were and why they needed to be addressed. There was also continued education and awareness building about the importance of education and going to college. Morally, the community Foundation and its board took the lead in addressing educational attainment, knowing they would need to work through cultural barriers that had been created.

LEARNINGS AND IMPACT

At each of its six stages of learning, SAM assembles “collaborative action networks,” drawing expert practitioners and scholars together from across the county to identify factors, or contributing



indicators, they believe influence success or failure. The most promising factors are subjected to controlled pilot testing with results influencing the adoption of widespread implementation. SAM employs Lean Six Sigma processes in this work, coached by “master black belt” experts from Spartanburg-based BMW. Lean Six Sigma is a continuous improvement process that provides a framework to systematically and strategically dive deeper into data to identify reasonable courses of action, cycling through a five-step process (Define, Measure, Analyze, Improve, and Control) to solve problems.

Outcomes include, for example, county-wide summer “reading camps” for rising second graders in poverty resulting in substantial performance increases from spring to fall assessments, and a county-wide attendance agenda in half-day pre-Kindergarten, which SAM has found predisposes attendance persistence in Kindergarten and beyond. There are similar outcome examples at each of the other six stages.

Bachelor’s degree attainment rates have increased from 19 percent to 23 percent. “Upstream” achievement rates (e.g., increasing values in third grade reading, eighth grade math, dual enrollments, advanced placement, high school graduation rates, FAFSA and application rates, postsecondary enrollments rates, and others) all predispose substantial improvement in degree holding rates in the very near term.

MAKING PHILANTHROPY MORE EFFECTIVE

The Foundation’s initial leadership in addressing educational attainment and SAM’s ongoing leadership approach stretched the community to think differently about how to address an issue in a

systemic way. Keys to the initiative’s early wins and ongoing successes have been: an ability to engage the community and rally people around action to improve their lives; identifying the right leaders and challenging them to think more deeply; embracing innovation and not being afraid to take calculated risks rather than continuing the status quo; looking for ways to leverage resources, using both financial and social capital; working toward finding a common goal and creating a focused solution that others could embrace at varying levels; and learning how to embrace all philanthropic capital and focus them in a way to achieve impact at scale. Going through this process changed the way that the Foundation looks at its work, lives into its mission, and embraces its role as a community leader.

The Foundation continues to be called on to convene groups to collectively identify innovative solutions to meet community needs. It has a broader network of community connections through initiatives such as the Grassroots Leadership Development Institute, a seven-month leadership training program, and the Spartanburg Interfaith Alliance, a group of clergy and lay leaders. The Foundation is able to engage these leaders at a higher level, not only for Foundation-related

matters, but throughout the community.

WHAT WAS HARD ABOUT THIS WORK? WHAT WAS GRATIFYING?

The most difficult challenge was working to change a culture and a mindset that had been ingrained in the community for many decades. Gratification comes with the fruits of that labor—in kindergarten classes hearing students talking about where they are going to college, in a decline in high school dropout rates, and in increased awareness among public, private, and nonprofit sectors about the importance of postsecondary educational achievement. When we can see what was once just an idea—addressing education from pre-K to college to improve the economy and draw businesses to Spartanburg—now well on its way to becoming a county-wide and even regional movement, then we see success.

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