Causal Design partners with international development clients to provide rigorous independent program evaluation, expand cultures of evidence within organizations, and join them in efforts to relieve human suffering and end poverty.

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1. INTRODUCTION

Change Labs is a Native-led, Native-controlled 501(c)(3) nonprofit organization based on the Navajo and Hopi Nation. The Change Labs programs were developed to strengthen the entrepreneurial ecosystem on the Navajo Nation by investing in the necessary elements of the ecosystem required to support and sustain entrepreneurial activity. They support entrepreneurial activity by "affecting societal norms on how Native populations perceive entrepreneurship, highlighting role models, building a network of peer and mentorship support, developing leadership capacity of participants, and growing the community of entrepreneurs." Since 2016, Causal Design has worked with Change Labs to develop and improve its ability to link program activities with outputs and outcomes to understand how its work affects the community around them and support its overarching goal: to support, enable and empower Native American entrepreneurs and business owners.

This document lays out updates to the Change Labs programs’ Theory of Change since it was last recorded in July of 2019. In the last year, Change Labs has made substantive changes to all four of its previous activities, as well as the addition of a new activity. Some of these changes came from feedback of regular monitoring and evaluation exercises, which resulted in programmatic improvements to better deliver services and achieve its overall program goals and mission. However, a majority of the changes are also in response to the new constraints presented by the COVID-19 pandemic.

The Navajo Nation reported its first case of COVID-19 in March 2020. Since then, the cases have escalated dramatically to almost 8,000 confirmed cases by the end of June 2020 and over 300 deaths. President Nez declared a state of emergency on March 13th, 2020 and the entirety of the Navajo Nation has been under strict shelter-in-place and lockdown orders since. This includes the closure of all non-essential businesses, closure of schools and other community centers, ban of large events, and mandatory curfews spanning weekday evenings and entire weekends. While some of these restrictions have begun to be lifted, the COVID-19 pandemic has fundamentally changed day-to-day life on Navajo Nation and resultingly how Change Labs activities are implemented. The following sections will elaborate how each program component has evolved in the next iteration of Change Labs programs.

2. THEORY OF CHANGE

The program’s theory of change provides the basic framework for understanding how the linkages between the programs and the targeted social impact were developed and the underlying assumptions associated with them. The general theory of change for the Change Labs programs is as follows: program activities result in an output (or immediate product), and those outputs theoretically link to improvements in the targeted outcomes (the social impact).

![Activities to Outputs to Outcomes Diagram]

Change Labs is made up of several activities with varying output, however, they all share the common goal of encouraging small business growth on tribal lands through entrepreneurship. All activities link to one of four of the following outcomes:

- [outcomes1]
- [outcomes2]
- [outcomes3]
- [outcomes4]
Social Capital: Linkages to a network of actors, such as peers, mentors, business support organizations or business coaches, who provide an enriching set of resources such as business knowledge or support

Human Capital: The education, experience, and knowledge of an individual

Financial and Physical Capital: The tangible assets used in production, such as loans and work equipment

Social and Economic Agency: The social and psychological traits needed to act on the skills and assets provided by the other outcomes; the ability to successfully navigate business activities

The following theory of change diagram (Figure 1) illustrates the specific pathways from activities to outputs to outcomes for the current iteration of Change Labs program.

As grant activities are implemented, we expect them to generate various outputs, such as mentors, business skills, access to credit, and increased ability to navigate business activities. As these outputs increase and accumulate, the theory of change guides our understanding of how these activities lead to specific outcomes and how they contribute to the intended overall impact.

The following diagram depicts the theorized connection between program activities, to outputs, to overall outcomes. In the following sections, this document reviews the results chain for each individual activity.

3. PROGRAMS AND ACTIVITIES OUTPUTS
Change Labs currently consists of five specific activities that serve as the focus of the program. In addition to outlining the likely outputs for each activity, this section also shares recommended indicators and data collection approaches for monitoring program progress.
Since 2019, the Change Labs programs have experienced significant shifts in program design, both in response to constraints presented by the COVID-19 pandemic and feedback from program monitoring and evaluation data. Updates include replacing the Artist Residency with the Designer in Residence program, transitioning events hosted at the Co-Working space to virtual events, shifting the business incubator in-person quarterly meet ups to more frequent, virtual events, and the addition of the Kinship Lending program. Specific changes to each activity will be discussed in the subsequent sections.

### 3.1. Designer in Residence

The Artist Residency, which selected one Native visual artist to create an original public artwork that promotes Native American entrepreneurship, as well as contribute branding and marketing support to the business incubator, has now become a Designer in Residence program. This arose from the need to pursue the skills of a commercial graphic designer more explicitly, whereas the previous program recruited fine artists who were expected to also possess graphic design skills.

The original intent of the Designer in Residence program was to select one Native visual artist, photographer, graphic, or communications designer who wants to start or grow their own communications design firm. The Resident Designer is reserved a spot in the business incubator program, where he/she will undergo training in finance and business management, gain exposure to mentors and individual business coaching, and obtain access to financial resources, space, and equipment. The Resident Designer will build his/her design portfolio by supporting the branding and marketing effort of his/her peer businesses in the incubator cohort. The designer is specifically offered unlimited use of Change Labs facilities and equipment, a monthly stipend, and tailored business support to grow their own design business.

However, as the program as transforms to respond to the needs of the designer and the broader community, the Designer in Residence program has been largely re-visualized. The selected Designer in Residence, Mariah Ashley, does not plan to start her own design business, and instead sees the residence as an opportunity to use her design skills support Native businesses. In this way, the Designer in Residence program will now act mainly as a support unit for the incubator members. The Resident Designer will create marketing collateral for incubator members and has the option to attend business trainings, although the cultivation of her own design business is not an explicit goal of the designer nor of the broader designer in residence program in this year’s iteration of the program.

The following diagram depicts how the Designer in Residence program affects three of the eight Change Labs outputs by supporting the business incubator. These outputs flow into three of the four outcomes of the program and are followed by a discussion of potential indicators to monitor to ensure the activity is achieving its intended goals.
Outputs

Business Community Development
The program will connect the Resident Designer to peer businesses, business coaches, and other members of the business community through the business incubator.

Proposed Indicators
Increased access to business connections
● Number of businesses the Resident Designer supported with marketing materials
● Number of community events the Resident Designer takes part in, including both in-person and virtual events

Data Collection Method: Regular monitoring and program tracking activity (e.g. attendance records, agendas)

Access to Space and Equipment
The program will provide access to workspace and equipment to support the Resident Designer’s business needs.

Proposed Indicators
Provision of studio space
● Number of hours/days studio space is utilized by artist to support entrepreneurs

Provision of in-kind support
● Value of supplies provided to the artist to support incubator members

Data Collection Method: Regular monitoring and program tracking activity (e.g. attendance records, agendas)

Improved Personal Agency
The program will increase the ability for individuals and business to engage in entrepreneurial behavior.

Proposed Indicators
Support offered to business incubator members
● Number of pieces of marketing collateral produced by the resident designer
Number of business incubator members that have gained at least one marketing material produced by the resident designer

*Data Collection Method: Beneficiary Surveys*

### 3.2. Co-Working

Change Labs offers a 650 square foot coworking space in Tuba City, AZ dedicated to providing community members access to offices, conference rooms, and equipment. In addition to office space, Change Labs also has a ‘Popup Pod’ available that Native American small business owners in need of modern retail space may rent, however, it is temporarily unavailable in the wake of COVID-19. The space offers access to equipment such as a printer, Wi-Fi, business coaches, a Cricut, and other art supplies. Change Labs is currently working to secure a lease for and build a larger co-working space on the Navajo Nation. The co-working space also offers events to the business community to provide technical knowledge and opportunities for networking, which have now been transitioned to online or virtual trainings. Additionally, Change Labs advertises other business resources and events provided through their peer entrepreneur support organizations (ESOs).

The following diagram depicts how the Co-Working space affects seven of the eight Change Labs outputs which flow into the four outcomes of the program, followed by a discussion of potential indicators to monitor to ensure the activity is achieving its intended goals.

![Figure 3. Theory of Change - Co-Working](image)

**Outputs**

**Business Community Development**

The program will promote the development of a stronger business community by bringing entrepreneurs together with peers, successful businesspeople, and professional coaches and advisors.

** Proposed Indicators**

- Increased Access to Capacity Building and Networking
  - Number of relevant training/workshops/networking events virtually offered
● Number of relevant trainings/workshops offered through other ESOs advertised through the Change Labs platform

Rates of Utilization among Change Labs beneficiaries
● Number of individuals/business in attendance at relevant Change Labs hosted virtual events

*Data Collection Method: Regular monitoring and program tracking activity (e.g. attendance records, agendas)*

**Strategic Knowledge and Skills**
The program will provide access to strategy-related capacity building to improve entrepreneurs’ businesses’ products/services, branding, and business strategy.

**Proposed Indicators**
Increased Access to Capacity Building
● Number of relevant training/workshops events offered virtually, both live and posted through the Change Labs channels
● Number of relevant trainings/workshops offered through other entrepreneurship support organizations advertised through the Change Labs platform

Rates of Utilization among Change Labs beneficiaries
● Number of individuals/business in attendance at relevant Change Labs hosted virtual events
● Number of asynchronous views/downloads for applicable Change Labs hosted virtual events

*Data Collection Method: Regular monitoring and program tracking activity (e.g. attendance records, agendas)*

**Business & Operations Management**
The program will provide access to business management training in critical areas to improve how entrepreneurs run their businesses.

**Proposed Indicators**
Increased Access to Capacity Building
● Number of relevant training/workshops offered virtually

Rates of Utilization among Change Labs beneficiaries
● Number of individuals/business in attendance at relevant virtual events
● Number of asynchronous views/downloads for applicable virtual events

*Data Collection Method: Envoy Data; Regular monitoring and program tracking activity (e.g. attendance records, agendas)*

**Access to Space and Equipment**
The program will provide beneficiaries with physical capital in the form of office space and various business management equipment.

**Proposed Indicators**
Number of Active Sites and Services
● Number of active Change Labs offices
● Number of Change Labs workspaces available
● Number of business services available across all Change Lab sites

Rates of Utilization among Change Labs beneficiaries
● Number of individuals/business regularly using the site/workspaces
● Number of individuals/business regularly using onsite equipment
● Number of individuals/business regularly using onsite services

*Data Collection Method: Envoy Data*

**Improved Personal Agency**
The program will increase the ability for individuals and business to engage in entrepreneurial behavior
Proposed Indicators
Increased business activity or productivity
- Number of individuals/businesses reporting higher levels of activity or output
- Number of individuals/business reporting a reduction in costs for providing products or services
- Number of individuals/business reporting improvement of quality of products or services

Data Collection Method: Beneficiary Surveys

Improved Perception of Business Environment
The program will reduce barriers to meaningfully engaging in the Navajo and general business environment

Proposed Indicators
Increased business activity or productivity
- Number of individuals/businesses reporting improved ability to navigate or engage in regular business activity
- Number of individuals/businesses reporting improved ability to meet critical business needs

Data Collection Method: Beneficiary Surveys

3.3. Business Incubator
The Change Labs Business Incubator program works with Native startups and early-stage ventures to establish and grow their business in tribal communities. Business owners in the program undergo training in finance and business management, mentorship development and individual coaching, branding and marketing support, and gain access to financial resources, space, and equipment.

Previously, the business incubator hosted quarterly meetups, which spanned 2-3 days and offered several hours of trainings. In between meetups, businesses met with their business coaches to implement the lessons from the quarterly meet up. In its next iteration, the business incubator will be conducted entirely virtually. Instead of quarterly meetups, Change Labs staff will host bi-weekly 2-hour virtual, in-depth sessions in which incubator members will view and participate in real time. In off weeks, incubator members will meet with business coaches. Previously, individuals had been paired with a single business coach for the entirety of their time in the program. As the coaching staff and the breadth of expert knowledge has expanded, individual businesses will now meet with a variety of business coaches to discuss issues specific to their businesses.

The following diagram depicts how the Business Incubator activity connects to all eight of the Change Labs outputs which flow into the four outcomes of the program, followed by a discussion of potential indicators to monitor to ensure the activity is achieving its intended goals.
Outputs

Business Community Development
The program will provide participants with access to a new cohort of entrepreneurs, business leaders, and professional coaches.

**Proposed Indicators**
- Development of social network of entrepreneurs
  - Number of entrepreneurs graduated from cohort
  - Number of business leaders and coaches present over the course of business incubation

*Data Collection Method: Regular monitoring and program tracking activity (e.g. attendance records, agendas)*

Mentorship Development
The program will facilitate mentorship relationships between incubator participants and business leaders and coaches.

**Proposed Indicators**
- Facilitation of Mentoring/Coaching Sessions
  - Number of business coaching sessions conducted per beneficiary
  - Number of hours of business coaching sessions conducted per beneficiary
  - Number of coaching subjects per beneficiary

*Data Collection Method: Regular monitoring and program tracking activity (e.g. attendance records, agendas)*

Strategic Knowledge and Skills
The program will provide access to technical capacity building to improve entrepreneurs' businesses' products/services, branding, and business strategy.

**Proposed Indicators**
- Increased Access to Capacity Building
Business Management
The program will provide access to business management training in critical areas to improve how entrepreneurs run their businesses.

Proposed Indicators

Increased Access to Capacity Building
- Number of hours of relevant training/workshops offered

Creation of Business Management Tools
- Number of participants that have created, implemented, or improved financial accounting systems
- Number of participants that have created, implemented, or improved operations systems
- Number of participants that have created, implemented, or improved organizational and employee systems

Goal Attainment
- Number of self-defined “milestones” attained per business

Data Collection Method: Regular monitoring and program tracking activity (e.g. attendance records, agendas)

Access and Awareness of Financial Resources
The program will provide information about financial products and services available to participants as well as financial capital to support general business needs.

Proposed Indicators

Delivery of Financial Management Sessions
- Number of hours of financial management sessions conducted

Delivery of Financial Capital
- Number of incubator members utilizing Change Labs kinship lending loans throughout the program
- Number of incubator members who apply for the Co-op capital loan at the end of the incubator program
- Amount of financial capital utilized by participants

Increased knowledge of financial products
- Number of business reporting increased knowledge of financial products and how to acquire them

Data Collection Method: Regular monitoring and program tracking activity (e.g. attendance records, agendas); Beneficiary Surveys

Access to Space and Equipment
The program will provide beneficiaries with physical capital in the form of office space and various business management equipment.

Proposed Indicators

Number of Active Sites and Services
- Number of Change Labs workspaces available to participants

Rates of Utilization among Change Labs beneficiaries
- Number of incubator members regularly using the site/workspaces
● Number of incubator members regularly using onsite equipment
● Number of incubator members regularly using onsite services

Data Collection Method: Regular monitoring and program tracking activity (e.g. attendance records, agendas)

Improved Personal Agency
The program will increase the ability for individuals and business to engage in entrepreneurial behavior.

Proposed Indicators
Increased business activity or productivity
● Number of incubator members reporting higher levels of activity or output
● Number of incubator members reporting a reduction in costs for providing products or services
● Number of incubator members reporting improvement of quality of products or services

Data Collection Method: Beneficiary Surveys

Improved Perception of Business Environment
The program will reduce barriers to meaningfully engaging in the Navajo and general business environment.

Proposed Indicators
Increased business activity or productivity
● Number of incubator members reporting improved ability to navigate or engage in regular business activity
● Number of incubator members reporting improved ability to meet critical business needs
● Number of incubator members reporting reduction in barriers to operating their business

Data Collection Method: Beneficiary Surveys

3.4. Research
Change Labs has partnered with Causal Design to create Doing Business on the Navajo Nation, a research product that seeks to develop a nuanced understanding of the major constraints to starting a business on tribal lands. The final report was finalized in June 2020. The following months will focus on dissemination of findings. The insights from the analysis will have programmatic implications for Change Labs as well as policy implications for the tribal government. Additional research projects in partnership with Navajo Nation Division of Economic Development (NNDED) are pending, such as COVID-related research and the annual Comprehensive Economic Development Strategy (CEDS) document.

The following diagram depicts how the research component connects to Change Labs outputs which flow into the four outcomes of the program, followed by a discussion of potential indicators to monitor to ensure the activity is achieving its intended goals. The primary aim of the research is to inform high-level program strategy, captured by the social and economic agency outcome of the Theory of Change.
Figure 5. Theory of Change - Research

**Outputs**

**Improved Personal Agency and Improved Perception of Business Environment**

The program will develop research products that will be shared with the community to identify areas of strength and provide guidance on how entrepreneurship can be nurtured in the Navajo Nation. The work will also highlight where the business climate can be most improved and work with stakeholders to identify recommendations to moving forward.

**Proposed Indicators**

**Report Creation**

- Creation of Doing Business on Navajo Nation Year 1
- Creation of subsequent research product (i.e. Doing Business Years 2-3, COVID-related research, and CEDS document)

**Dissemination Activities**

- Number of events held to disseminate research findings
- Number of individuals, such as entrepreneurs, tribal policy makers, and other community member taking part in dissemination events
- Number of individuals the report is shared with directly
- Number of downloads of the report

**Program Implications**

- Number of workshopping sessions held to incorporate findings into future program design
- Incorporation of findings into future program design

*Data Collection Method: Regular monitoring and program tracking activity (e.g. attendance records, agendas)*

3.5. **Kinship Lending**

Change Labs introduced the Kinship Lending program in March of 2020. Access to capital has been a long reported challenge facing Native businesses on tribal lands. The negative consequences of this are further
revealed and exacerbated by the COVID-19 pandemic. In response to this, Change Labs created Kinship Lending. The program offers a low-interest (5%) relationship-based loan of up to $5,000 that requires no credit check to Native businesses. Change Labs partners with Nusenda Federal Credit Union’s Co-Op Capital program to execute the program. Throughout the repayment period, borrowers will meet with Change Labs business coaches monthly to receive guidance on their repayment process.

While guidance will be offered through business coaching sessions, it is not a main output of this program. The main priority of business coaching sessions is to offer business services and resources to borrowers and provide as much support as the borrower needs. This is contrary coaching in the business incubator, which is more extensive and with the explicit goal to improve business management.

The following diagram depicts how Kinship Lending connects to Change Labs outputs which flow into the four outcomes of the program, followed by a discussion of potential indicators to monitor to ensure the activity is achieving its intended goals.

![Diagram: Theory of Change - Kinship Lending](image)

### Outputs

**Mentorship Development**
The program will facilitate mentorship relationships between borrowers and business coaches.

**Proposed Indicators**
**Facilitation of Coaching Sessions**
- Number of business coaching sessions conducted per borrower
- Number of hours of business coaching sessions conducted per borrower

*Data Collection Method: Regular monitoring and program tracking activity (e.g. attendance records, agendas)*
Access and Awareness of Financial Resources
The program will provide financial resources in the form of low interest loans to Kinship Lending borrowers.

Proposed Indicators
Delivery of Financial Capital
- Number of loans disbursed
- Total amount of loans disbursed
- Average loan size
- Number of repayments made on schedule per borrower

Improved Personal Agency and Improved Perception of Business Environment
The program will increase the ability for individuals and business to engage in entrepreneurial behavior.

Proposed Indicators
Increased business activity or productivity
- Number of borrowers reporting improved ability to meet critical business needs
- Number of borrowers reporting improved ability to meet repayment schedule
- Loan satisfaction level
- Net Promoter Score

Data Collection Method: Regular monitoring and program tracking activity (e.g. attendance records, agendas)