



A FOOT IN BOTH WORLDS

Working with Regional Organizations
to Advance Equity

Seema Shah, PhD & Lisa McGill, PhD



ACKNOWLEDGMENTS

Support for this research was provided by the Robert Wood Johnson Foundation. The views expressed here do not necessarily reflect the views of the Foundation.

The authors thank Katrina Badger, Ashley Crawford Starck, and Michael White of the Robert Wood Johnson Foundation for their thoughtful stewardship and guidance of this project.

Thomas Dolan, Cynthia (Mil) Duncan, Linetta Gilbert, and Amy Latham served as advisors to the project and their deep experience and wisdom shaped the report in valuable ways.

David Adler and Abbey Cofsky also reviewed drafts of the report and their insights contributed significantly to the final product.

Finally, the authors thank all who were interviewed for this report and graciously shared their time and perspectives on how foundations can work with regional organizations to advance equity.

ABOUT THE AUTHORS

Seema Shah, Ph.D. is the founder and principal of [COMM|VEDA Consulting](#), a consulting firm that provides research, writing, and project management services to mission-driven organizations.

Dr. Shah's career spans two decades in the academic, nonprofit, and philanthropic sectors. Trained as a clinical-community psychologist, her work has touched on a wide range of topics, including diversity, equity, and inclusion, urban education, community organizing, women's rights, youth development, disaster philanthropy, and the global water crisis.

Innately curious about the world, Dr. Shah brings the broad perspective of a generalist to her work, along with specific expertise on social justice and human rights issues.

Lisa D. McGill, Ph.D. is the founder of LM Strategies Consulting and the managing director of [Kemp Whitfield, Inc.](#) Over the years, Dr. McGill has consulted on projects for foundations, nonprofits, and public/private partnerships to drive social change. Her content expertise includes leadership and pipeline development, racial equity, youth-to-adult transitions, and increasing opportunities for under-resourced communities.

With her tactical approach to community building, Dr. McGill is known for helping clients design initiatives that work at the intersection of strategic planning, analysis, stakeholder engagement, and the realities of on-the-ground implementation.

SUGGESTED CITATION

Shah, S. & McGill, L. (2020). *A Foot in Both Worlds: Working with Regional Organizations to Advance Equity*. New York: COMM|VEDA Consulting.

Correspondence about this report can be sent to commveda@gmail.com.

EXECUTIVE SUMMARY

Within philanthropy, conversations about equity are increasingly taking center stage.

Striving for equity means that everyone has a fair and just opportunity to thrive. This requires removing obstacles such as poverty, discrimination, and their consequences, including powerlessness and lack of access to good jobs with fair pay, quality education and housing, safe environments, and health care (Braveman, Arkin, Orleans, Proctor, & Plough, 2017).

For national foundations, working through and with regional organizations can advance equity in critical ways. Working with regional organizations can help national funders increase understanding of, relevance to, and connection with local communities and stakeholders, ground high-level systems change in the reality of people's lives, and create common cause among a set of stakeholders across multiple localities, bringing scale and sustainability to community change initiatives. In the best-case scenario, foundation investments in regional organizations can catalyze powerful ripple effects, such as developing local leadership, spurring economic growth, and building a stronger nonprofit infrastructure.

This paper seeks to inform national funders interested in more deeply understanding the opportunities to advance equity by working with and supporting regional organizations (as compared to local or national organizations). To do so, we reviewed the literature and conducted 20 interviews with national foundation executives who have worked with regional organizations as part of their strategy, as well as representatives from organizations working regionally, such as community development finance institutions, regional and community foundations, and community colleges. Based on the insights shared with us, we examine how working with regional organizations can advance equity, how national foundations can work effectively with these organizations, and the potential pitfalls and challenges of this work.

Working with Regional Organizations: Why it Matters

Getting close to the ground can be complicated and difficult for national foundations. They may not have relationships with local organizations, much less the local knowledge and expertise needed to engage in community problem-solving in deep, nuanced, and meaningful ways. Moreover, smaller organizations may not be able to work at the scale the foundation wishes to work or have the capacity to absorb the large grants that national funders typically make. Complicating matters further, when national foundations make grants to national organizations, networks, or intermediaries, intangible resources such as information may “trickle down” to local organizations, yet far-too-often, these grants fail to translate into direct investments, in the form of dollars or capacity, to local organizations.

Though getting dollars more directly to local communities and strengthening the connections between national and local work are essential to advancing equity, the reality is that it is often impractical for national foundations to work with numerous local organizations responsibly and sustainably. As foundations wrestle with how they can achieve meaningful impacts at the community level, working through regional organizations can serve as one strategy to advance equity by getting resources closer to individuals, communities, and institutions that have historically been overlooked.

For example, regional organizations can play the following roles as national foundations seek to amplify community-level impact:

- Provide insight and expertise on the region's political, cultural, social, historical, and economic context;
- Broker relationships with local players, and serve as a liaison to national organizations;
- Increase relevance of strategies, programs, data, and language for local and regional contexts; and
- Maximize impact and minimize unintended harm by serving as stable, trusted institutions that help build nonprofit capacity and local leadership, demonstrating a long-term commitment to the region beyond individual programs or initiatives by national stakeholders that come and go.

PROVIDING EXPERTISE & BROKERING RELATIONSHIPS

Regional organizations offer important insight and expertise about local and regional contexts and can broker relationships with local players. Regional organizations can help national foundations establish credibility and trust by ensuring that funders understand the political, cultural, social, historical, and economic context of their region, particularly complicated dynamics of power and race. By working with regional organizations, national funders can become more proximate to communities on the ground.

Regional organizations have the capacity to connect with national entities. Regional entities can act as a liaison between national and local organizations. Just as national foundations may not have the staff capacity and connections to engage local players effectively, local organizations may not have the human and financial capacity to plug into national work. Regional organizations can help local communities become more connected to the national landscape, including resources and networks that can strengthen local work.

Regional organizations can convene institutions within the region around common cause.

Regional organizations are well-positioned to convene different players into working collaboratives and coalitions within a geographic region, a role that can be out of scope and more challenging for a local entity to play.

INCREASING RELEVANCE OF STRATEGIES AND APPROACHES

Regional organizations can help identify issues, design strategies, and implement solutions that are relevant to local contexts. Regional organizations can provide valuable insights into community issues and how to address them in ways that resonate with local norms and values. In particular, regional organizations can help identify effective communications strategies and local messengers to increase the likelihood of community engagement and buy-in, crucial to ensuring an initiative's success.

Regional organizations can collect and share data that are relevant to local and regional contexts. Local organizations may not have the expertise or technical capabilities to collect, analyze, and interpret relevant data. At the same time, data at the national level may not be granular enough or packaged in a way to provide the nuance needed to assess community issues and track progress. Regional organizations can coordinate data collection and analysis and use the data to engage local actors in generating community solutions.

Regional organizations can help test policies and surface new and innovative solutions. Though many national foundations work at the federal level to affect systems change, it can be advantageous to work regionally to understand how national strategies play out on a local level. Working regionally creates an opportunity to address differing conditions and needs in various parts of the country, while also allowing leaders to test out and refine new programs or initiatives.

MAXIMIZING AND SUSTAINING IMPACT

Regional organizations can provide longer-term infrastructure and stability within a geographic context, even as national organizations come and go. Compared to smaller, local organizations, the size and scale of regional organizations mean that they often serve as stable anchor institutions. The strongest of these institutions can leverage their financial and human resources to serve as reliable partners for community change efforts over the long-term and provide strategic community leadership, resulting in broader and more lasting impact.

Regional organizations can help build nonprofit capacity and local leadership, creating a stronger local infrastructure for community-based organizations. To the extent that regional organizations are intentional about dispersing the investments made to them and developing nonprofit capacity, working with regional organizations creates opportunities to strengthen the broader social sector infrastructure. Regional organizations are also well-positioned to leverage multiple funding streams that can catalyze more interconnected strategies to advance equity and maximize longer-term community impact.

Regional organizations can bring a systems lens to their work and help catalyze collective action. Regional organizations are often better positioned than smaller, local groups to develop a macro-level analysis of issues and concerns that cut across multiple communities and sectors, and to secure funding to address those concerns. This lens can help generate and implement larger-scale systems solutions and longer-term policy changes.

How to Work Effectively with Regional Organizations

For national foundations, developing a strategy or aspect of work that includes regional organizations starts with finding the right entity — one who is trusted in the region, has strong relationships at the local level, and understands the culture of the region, among other considerations.

Although there may be compelling reasons for national foundations to work with regional organizations, the national foundation must assess its own ability and readiness to work effectively with regional organizations and support the work over time. This section highlights key considerations for effective work between national foundations and regional organizations.

EXAMINING FOUNDATION CAPACITY AND GOALS

Assess the foundation's capacity to support and engage with regional organizations. When considering work with regional organizations, national foundations should make careful decisions about the level (local, regional, or national) at which they should be working. Does the foundation have the human capital and other assets to engage effectively with regional organizations? And in what way do the grantmaking objectives call for such an approach?

Getting Started

For foundations considering work with regional organizations, a set of guiding questions can be found in the Appendix. Three sets of questions are provided — questions for foundations as they consider their strategy and approach; questions to assess a regional organization's fit with the foundation's strategy; and questions to assess an organization's commitment to equity.

Start where communities are — not where you want them to be.¹ The resources national foundations bring to the table create a power dynamic — one that can put regional organizations in a difficult position if values and priorities have not been fully articulated and understood. To foster sustainable change, funders should co-create strategies and approaches with their regional partners in a way that accounts for local and regional contexts.

Balance local and regional relationships. One reason national foundations work with regional organizations is to benefit from their community expertise and the ability to broker relationships with local actors. However, national funders with experience working with regional organizations caution their peers to be careful not to substitute relationships with regional organizations for relationships with local organizations.

ASSESSING POTENTIAL REGIONAL ORGANIZATIONS

Gauge the extent to which regional organizations have deep, authentic, and inclusive relationships with local communities. It can be tempting for national foundations to rely on a go-to organization, especially those perceived to have regional credentials (community foundations, national organizations with regional affiliates). Thorough due diligence may reveal that their relationship with the local community is not strong. Questions to consider as foundations seek to work with regional organizations include: Who does that organization work with and how? Where are their connections? Are they trusted by the specific communities that the funder seeks to reach with its investments? What's the nature of those relationships?

Be aware of regional organizations that act as gatekeepers or are in it for their own institution building or fundraising. Just as regional organizations can facilitate connections between local and national work, sometimes regional organizations can reinforce historic power structures and impede financial and information flows. In addition to thinking about how their grants will be structured to support both regional and local groups, foundations can help mitigate this dynamic by engaging in clear and honest discussions about roles and responsibilities, while also creating mechanisms for transparency around the equitable distribution of resources.

SUPPORTING REGIONAL ORGANIZATIONS

Support regional organizations to meet the growing and changing needs of their region and its communities. Like any larger, established organization, regional organizations can become comfortable with a particular way of doing things, but those that are the most effective are ones that are adaptive and responsive to shifting community priorities. Foundations can facilitate this process by encouraging nimbleness and adaptation. This includes engaging with regional organizations beyond a financial investment, providing access to networks, resources, and information to encourage ongoing innovation.

Encourage active learning and feedback loops in a way that supports work at the foundation, as well as the region and communities impacted by the foundation's investment. Working with regional organizations offers multiple learning opportunities. National funders can learn from regional partners, and vice versa. In addition, peer learning opportunities among regional and local organizations can spark a healthy exchange of ideas and catalyze new collaborations.

Invest in building the capacity of regional organizations. While regional organizations have the potential to build capacity at the local level, it is important to invest in strengthening the capacity of the regional organization as well. The foundation's support for regional organizations should include provisions for sustainability when the foundation is no longer there and to build this in from the beginning of the relationship.

¹ We credit Karl Stauber, former president and CEO of the Danville Regional Foundation, with this framing.

Conclusion

Regional organizations have the potential to play an important role in linking national and local players. For national foundations, working with regional organizations holds promise as a strategy for getting resources closer to community and for advancing equity.

Incorporating support of regional organizations into grantmaking allows national foundations to invest in regions or communities more directly and increase economic and human capital through support of local infrastructure and leadership, without pursuing a hyper-local strategy or long-term commitments to specific places.

Whether they are community foundations, community development finance institutions, rural development hubs, or other entities, regional organizations possess local knowledge and expertise to build community-based leadership, knowledge, and social capital. Coupled with the resources national foundations bring to the table, such relationships can spur more equitable outcomes in those communities that have experienced under-investment for far too long.

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1 Introduction

In its efforts to address the nation's most urgent health issues, a large foundation based in New York City has been working tirelessly to address the opioid epidemic. It has supported scholarly research on the issue; it has funded well-respected advocacy groups to push for legislation that allocates federal funding for prevention and treatment; it has invested in communications and messaging efforts to raise public awareness. Though the foundation is starting to see the fruits of its investments, it is also increasingly concerned with how it reaches the hardest hit communities in Appalachia and the rural Midwest, many of which are also experiencing economic decline in the wake of de-industrialization. The foundation hopes that by directing its dollars to the communities that are most impacted, it not only helps address the opioid epidemic, but addresses issues of health equity more broadly, helping to build longer-term human and economic capital that lasts long after the foundation leaves.

Though the foundation is eager to complement its work at the national level with local investments, it worries about its ability to do the hyper-local work responsibly and effectively. The foundation is based in New York City and has few relationships with local organizations in Appalachia and the rural Midwest. Many of the organizations on the frontlines are smaller and do not have the capacity to absorb the large grants the foundation typically makes. Program staff understand that it is important to take a holistic approach that will make a dent in the opioid crisis, while also helping to address the underlying economic issues facing the region, but have limited first-hand knowledge of the political, social, and cultural context.

This hypothetical scenario highlights how working with regional organizations can serve as a natural and powerful bridge between national and local work, allowing foundations to have a “foot in both worlds” in their efforts to achieve equity.²

For national foundations, working through and with regional organizations can advance equity in critical ways. Working with regional organizations can help national funders increase understanding of, relevance to, and connection with local

communities and stakeholders, ground high-level systems change in the reality of people's lives, and create common cause among a set of stakeholders across multiple localities, bringing scale and sustainability to community change initiatives. In the best-case scenario, foundation investments in regional organizations can catalyze powerful ripple effects, such as developing local leadership, spurring economic growth, and building a stronger nonprofit infrastructure.

² We credit Mil Duncan, a former executive at the Ford Foundation, with the framing of “a foot in both worlds.”

Centering Equity

Data related to health, educational, and economic outcomes show that racial and economic inequities, borne out of a legacy of historical oppression, are a stubborn reality in the United States. Often, these inequities are rooted and intertwined in the particulars of place, whether it is in cities that have pockets of concentrated and persistent poverty or in remote rural areas where economic transition has led to lack of job opportunities and overall decline. Even as the United States remains among the wealthiest nations in the world, too many people are left behind. Addressing these social, economic, and racial inequities is vital to our future success as a country and will require us to re-imagine the distribution of resources and power (Chetty, Hendren, Kline, & Saez, 2014; Giridharadas, 2018).

Indeed, within philanthropy, conversations about equity are increasingly taking center stage. Striving for equity means that everyone has a fair and just opportunity to thrive. This requires removing obstacles such as poverty, discrimination, and their consequences, including powerlessness and lack of access to good jobs with fair pay, quality education and housing, safe environments, and health care (Braveman, Arkin, Orleans, Proctor, & Plough, 2017).

To that end, the decisions national foundations make about how and where to invest their time and grant dollars is part of re-imagining the distribution of resources and power. In the words of one of our interviewees working in rural America, investments from national philanthropy in communities that have been overlooked can have a “critical life-giving impact.” At the same time, supporting community-based initiatives can be challenging from the perch of a national office.

This paper seeks to inform national funders interested in more deeply understanding the opportunities to advance equity by working with and supporting regional organizations (as compared to local or national organizations).³ To do so, we reviewed the literature and conducted 20 interviews with national foundation executives who have worked with regional organizations as part of their strategy, as well as representatives from organizations working regionally, such as community development finance institutions, regional and community foundations, and community colleges. Based on the insights shared with us, we examine how working with regional organizations can advance equity, how national foundations can work effectively with these organizations, and the potential pitfalls and challenges of this work.⁴

³ While much of the existing literature on intermediaries is relevant to this paper, funders’ relationships with intermediaries can sometimes be transactional. This report focuses on deep, longer-term relationships between national funders and regional organizations and its implications for advancing equity.

⁴ For more detail on the methodology, see Appendix A.

Defining Regional

The term “regional” recognizes that a set of geographic areas have important relationships with one another which are not defined by traditional political boundaries, such as city, county, or state (Dewey, Blose, & Yarzebinski, 2003). Beyond this definition, however, the term “regional” means different things to different people based on contextual factors such as physical geography, industry, or political priorities.

Some regional organizations work across parts of multiple states. For example, the towns that make up the Gulf Coast share more in common with one another than they might with communities in other parts of their respective states. Regional organizations in large states like California might focus on

a set of counties within the state, such as those of the Central Valley. In other cases, large urban areas share common concerns with surrounding bedroom communities. Washington, D.C. and its relationship to neighboring suburbs in Maryland and Virginia is an example.

Regional organizations typically coalesce around an issue, challenge, or opportunity that impacts their geographic area. Some regional organizations may focus on specific issues such as education, healthcare, or economic development, while others focus on multiple issues. **The Aspen Institute’s research on rural development organizations**, for example, finds that many of these organizations (referred to by Aspen as “hubs”) are multi-disciplinary and take a holistic approach to their work in tackling the needs of rural communities (The Aspen Institute, 2019).

In some cases, regional organizations serve as intermediaries. In the context of philanthropy, an intermediary performs key roles for foundations. These roles might include re-granting, technical assistance to organizational partners, research and data analysis, among others (David, 2007). Though a regional organization can play an intermediary role to foundations, it does not necessarily have to serve in that capacity. Regional organizations can serve as hubs, direct service providers, policy groups — or something in-between — often adapting to the needs of their stakeholders over time.

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THE RURAL CONTEXT

Though regional organizations can serve urban, suburban, and rural communities, sometimes in combination, a regional approach has particular relevance to rural communities, given that populations within towns and counties are smaller and more dispersed than their suburban and urban counterparts. As a result, rural communities are likely to benefit from pooling resources and building infrastructure across multiple geographies.

Of note, data show that rural communities are underfunded by philanthropy. Only 6 percent of private philanthropy funds are directed towards rural communities and a mere 0.4 percent reaches tribal communities, though 19 percent of the American population lives in rural places (Bender, 2015). Few large foundations are located in rural areas and thus, relationships with funders, which are central to securing grants, are likely to be limited. Moreover, national foundations may believe their grant dollars are having limited impact because of the small number of people living in rural areas. Given these dynamics, working with regional organizations, especially those that serve as intermediaries and capacity-building institutions, is one avenue through which national foundations can work more effectively in rural America (Swierzewski, 2007).

It is important to acknowledge, though, that the urban-rural divide can set up a false dichotomy. The work of regional organizations has the potential to build on the common issues facing the continuum of communities from urban to rural and



Regional in the rural context can often get us out of the unproductive debates about whether we want to work in communities of 10,000 or 20,000 or 50,000 and get us more focused on the bigger picture of making communities thrive, which is often going to take partnership.

Lisa Mensah, Opportunity Finance Network



everything in between. Using the example of Itta Bena, a small rural community of less than 5,000 people in Mississippi, Lisa Mensah, president and CEO of the Opportunity Finance Network, observes, “When you have a regional lens, you’re able to see that Itta Bena is caught in something that’s much bigger. If you look regionally, it’s not just one little city in Mississippi or even one county in Mississippi. You’re looking at bigger economic [contexts]....It’s part of the Memphis economy, it’s part of the Jackson economy, and it is part of a highly successful agricultural region...so what you’re fixing is a region and regional challenges.”

Examples of Regional Organizations

Some organizations have an explicit mission to operate with a regional focus. Other organizations may not have a regional focus but have the capacity to work regionally as relevant opportunities arise. Below are examples of organizations that work regionally or have the potential to do so.



REGIONAL ASSOCIATIONS OF GRANTMAKERS

Most regional associations in philanthropy focus on a single state, but some, such as Philanthropy Northwest, Philanthropy Southwest, and the Southeastern Council on Foundations serve multiple states.



REGIONAL FOUNDATIONS & COMMUNITY FOUNDATIONS

Some foundations, like Foundation for the Mid South and Mary Reynolds Babcock Foundation, have an explicit regional focus that cuts across multiple states. Although many community foundations are hyper-local, some community foundations, particularly those with affiliate funds, can have a broad reach across their region.

Central Kansas Community Foundation, for example, has twenty affiliate funds that are locally led and governed but tap into the expertise and infrastructure provided by the larger organization.



COMMUNITY DEVELOPMENT FINANCE INSTITUTIONS

Community development financial institutions (CDFIs) are financial institutions that leverage capital from banks, foundations, corporations, and government to support underserved communities that may not have access to traditional markets. Some CDFIs, particularly those serving rural communities, have a regional orientation.

HOPE, for example, provides a variety of financial products and related services in the Deep South, including economically distressed parts of Alabama, Arkansas, Louisiana, Mississippi, and Tennessee. The Natural Capital Investment Fund, a community development finance institution affiliated with The Conservation Fund, supports green small businesses and other community initiatives across Central Appalachia and the Southeast.



REGIONAL NONPROFIT ORGANIZATIONS

Nonprofit organizations focused on a common issue area may be regional in scope. The Northern Forest Center, for instance, works to strengthen economic opportunity and environmental resiliency across the Northern Forest of Maine, New Hampshire, Vermont, and New York. Likewise, MDC conducts research, designs, implements, and evaluates programs, and supports other community change initiatives exclusively in the South.



COMMUNITY COLLEGES

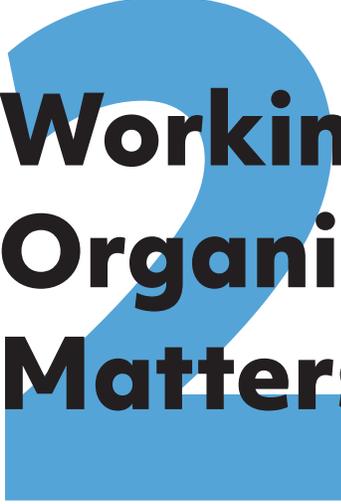
Although most community colleges would not be considered regional organizations, they often have the potential to serve as regional anchors, especially in rural areas where their reach extends beyond a single city or county. Community colleges' strong ties to diverse community constituencies, knowledge of the regional labor market, and role in providing specialized training and skills position them well to serve in this role.

In Alabama, for example, community colleges are partnering with business across seven different Regional Workforce Councils in the state to develop and implement a regional strategic plan that supports local economic development.



REGIONAL HEALTHCARE SYSTEMS

In recent years, there has been increasing attention to the potential role hospitals and healthcare systems can play as anchor institutions in their community that can spur economic development. Although many hospitals playing this role are focused on specific neighborhoods or cities, larger regional health systems can play this role as well. For example, University of Chicago Medicine's 2016 merger with Ingalls Health System in suburban areas gives the hospital a regional reach.



Working with Regional Organizations: Why it Matters

Getting close to the ground can be complicated and difficult for national foundations. They may not have relationships with local organizations, much less the local knowledge and expertise needed to engage in community problem-solving in deep, nuanced, and meaningful ways. Moreover, smaller organizations may not be able to work at the scale the foundation wishes to work or have the capacity to absorb the large grants that national funders typically make. Complicating matters further, when national foundations make grants to national organizations, networks, or intermediaries, intangible resources such as information may “trickle down” to local organizations, yet far-too-often, these grants fail to translate into direct investments, in the form of dollars or capacity, to local organizations. Community leaders bring expertise about their lived experience and can help foundations more clearly define the issues they wish to tackle; consider solutions that are likely to resonate and gain traction; anticipate potential pitfalls; and help course correct if needed.

Though getting dollars more directly to local communities and strengthening the connections between national and local work are essential to advancing equity, the reality is that it is often impractical for national foundations to work with numerous local organizations responsibly and sustainably. As foundations wrestle with how they can achieve meaningful impacts at the community level, working through regional organizations can serve as one strategy to advance equity by getting resources closer to individuals, communities, and institutions that have historically been overlooked.

Betsy Biemann, chief executive officer of CEI (formerly Coastal Enterprises, Inc.), a mission-driven lender located in Maine that works regionally, and a former executive at the Rockefeller Foundation, says it is important for national foundations considering work with regional organizations to ask themselves, “What problem are you trying to solve and who are the right partners to work with to do that? If you are aiming for local impact but high-performing community-rooted organizations

are widely dispersed, does the national funder have the capacity to reach out, coordinate, and learn from them? Or should the funder work through a network coordination organization with know-how about the field to do it?”

Maintaining a mix of organizations within a foundation’s portfolio — national, regional, and local — can offer strategic value. Lisa Mensah, reflecting on her previous experience at the Ford Foundation, says that when she was managing one of philanthropy’s largest community development portfolios, she made it a point to support national, regional, and local organizations to avoid the pitfalls of working at only one level. Working with local and regional organizations helped her ensure that she heard about community issues — unfiltered — and that the foundation’s resources were being used to invest in capacity and infrastructure at the local level.

Regional organizations can play the following roles as national foundations seek to amplify community-level impact:

- *Provide insight and expertise* on the region’s political, cultural, social, historical, and economic context;
- *Broker relationships* with local players, and serve as a liaison to national organizations;
- *Increase relevance* of strategies, programs, data, and language for local and regional contexts; and
- *Maximize impact and minimize unintended harm* by serving as stable, trusted institutions that help build nonprofit capacity and local leadership, demonstrating a long-term commitment to the region beyond individual programs or initiatives by national stakeholders that come and go.

The capacities, perspective, and expertise regional organizations bring to the table, in tandem with the resources offered by national foundations, can yield powerful results for communities, including a stronger bench of local leadership, increased social and economic capital, a richer environment for innovation and experimentation, improved collaboration and coordination among local entities, and a stronger, more sustainable nonprofit infrastructure.

Providing Expertise & Brokering Relationships

Regional organizations offer important insight and expertise about local and regional contexts and can broker relationships with local players.

Regional organizations can help national foundations establish credibility by ensuring that funders understand the political, cultural, social, historical, and economic context, especially



A regional organization may have earned trust and built relationships that can open doors for national foundations. Local credibility and trust are very important to success when you go about the risky business of altering the status quo.

Mil Duncan, former executive at the Ford Foundation



complicated dynamics of power and race. As one foundation leader observes, “Region matters in how you discuss issues around structural racism, health equity, or the root causes of disparities.” Such context is critical to understanding who lacks opportunity in any given community and why.

In addition, regional organizations, as trusted brokers, can help national foundations build relationships with local players. Janine Lee, president of the Southeastern Council on Foundations, describes how regional philanthropy-serving organizations (PSOs) can help national foundations get a lay of the land of both the nonprofit and philanthropic landscape, “Regional PSOs can help national funders navigate the cultural environment, know which CEOs, trustees, and foundations are most ready and willing to be partners, tell you about potential pitfalls, and help make entrees to build relationships. It just saves a whole lot of time.”

Because advancing equity typically requires shifting power and resources to places that are most vulnerable, it is a process that can be delicate, challenging, and fraught. Mil Duncan, a former executive at the Ford Foundation, underscores the value of building relationships through regional organizations, “Those who have experienced longstanding discrimination and lack of opportunity can be at once resigned, angry, and distrustful, making it especially difficult to bring about change and build equity.” Duncan continues, “A regional organization may have earned trust and built relationships that can open doors for national foundations. Local credibility and trust are very important to success when you go about the risky business of altering the status quo.”

Regional organizations have the capacity to connect with national entities.

Regional entities can act as liaisons between national organizations and local organizations. Just as national foundations may not have the staff capacity and connections to engage local players effectively, local organizations may not have the human and financial capacity to plug into national work.

Fernando Cuevas, executive director of the Southern Partners Fund, a public foundation that works with local organizations across 12 states in the Southeast, notes that it can be hard for small organizations to get the attention of regional funders, much less national funders, because they do not meet the minimum criteria to be considered for funding. As a regional organization that has strong relationships with national funders, Southern Partners Fund helps secure funding for vital community change efforts for the region, often re-granting to local organizations while also providing them with capacity building support that will better position them to compete for grants in the future.

In Southeastern Louisiana, the Greater New Orleans Funders Network brings together national funders with local and regional funders serving New Orleans and surrounding parishes. The presence of the regional network has brought national funders such as the Conrad Hilton Foundation and the Packard Foundation in closer relationship to local funders, giving them a deeper understanding of the issues, while bringing new resources to the region.

In this way, regional organizations can help local communities become more connected to the national landscape, bringing funding, knowledge, connections, and other resources to local organizations that might not otherwise have access to those relationships. Regional organizations can influence the national conversation as well, providing visibility to local solutions and sharing nuance and lessons learned to national partners. Betsy Biemann states of CEI's local and regional work, "We are highly engaged in national networks and bring our lessons learned from our practice into these national conversations."

Regional organizations can convene institutions within the region around common cause.

Regional organizations are well-positioned to convene different players into working collaboratives and coalitions within a geographic region, a role that can be out of scope and more challenging for a local entity to play. For national

foundations interested in advancing equity, the ability of regional organizations to play this role serves a dual function — it gets resources closer to community while also creating structures that can lead to larger systems and policy changes within a region.

Indeed, Thomas Dolan, formerly of CEI Capital Management LLC, a subsidiary of CEI, believes that this "convening of stakeholders from the ground up" is one of the most critical elements involved in fostering successful regional investments. In one recent economic development effort, his organization brought together academics, community members, nonprofit organizations, a large bank, the Chamber of Commerce, and others, which resulted in an initiative that created new jobs, while improving environmental conditions in communities in the region. Each partner had a unique and critical role to play and any one partner alone would not have been able to achieve the same outcome.

Robert Gipe, former director of the Appalachian Program at Southeast Kentucky Community & Technical College, expands on the value of regional organizations playing this role, stating, "There's so much incentive to be siloed and to be divided in our approaches. Regional organizations can help to diminish the siloing because not only are we siloed by sector; we're also siloed by community."



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Robert Gipe, Southeast Kentucky Community & Technical College



Harnessing Partnerships to Spur Community & Economic Impact

When CEI Capital Management, a regional organization in Maine, uses federal New Market Tax Credits to make investments in local and regional communities, it looks for what Tom Dolan, former chief operating officer, calls “triple bottom line underwriting”: growing good jobs, expanding environmentally sustainable enterprises, and advancing shared prosperity. The tax credits were designed to incentivize investment in low-income areas that are often underserved by standard lenders — a fundamental mission for CEI Capital Management, its parent company CEI, and other regional community development financial institutions (CDFIs).

Although CEI invests in everything from large multinational corporations to small mom-and-pop establishments, Dolan notes, “most of our transactions, no matter the scale and scope, are ultimately regional.” And he has developed some insight into navigating decisions on strategic local investments: “Convening the stakeholders from the ground up is, I think, the only way you can do it.”

One recent CEI investment was in a forest products manufacturing facility in northern Maine. The mill was on the cusp of closing, a prospect that would have had dire

consequences for the region. Says Dolan, “If it went out of business, not only would that entire region have been impacted negatively, but the entire state of Maine, because of the ripple effect on local loggers, mom-and-pop grocery stores, even the schools. The community would have suffered dramatically if the one and only business in that community didn’t thrive, eroding the entire tax base and associated livelihoods.” In these so-called “rural shallow communities,” he says, investments from regional groups can “buttress the economy either through an existing industry or new emerging industries, so that they will be a linchpin to save the financial aspects of the local rural community.”

National funders that support regional organizations such as CDFIs are not only tapping into regional expertise to support their equity strategies — they are also preserving historically rooted partnerships. “National foundations played a role at our inception and cared deeply about our field,” notes Lisa Mensah, CEO of the Opportunity Finance Network, the national association of CDFIs. “I would say that the national foundations in our field of community development finance were the first adapters.”

CDFIs and other regional organizations often possess deep, on-the-ground awareness of the interconnections between prosperity and place and are uniquely positioned to connect funders with promising spaces for local



By working through and partnering with intermediaries, community foundations, and regional organizations, [national funders]...are able to support cutting-edge innovation.

Betsy Biemann, CEI



economic development that is increasingly understood as vital to equitable outcomes in rural areas and other underinvested regions. Says Dolan: “Partner, partner, partner.”

Betsy Biemann, CEO of CEI, agrees. She sees the key to effective partnerships between regional groups and national foundations as the ability to connect them more closely to local innovators. “By working through and partnering with intermediaries, community foundations, and regional organizations,” she says, national funders “get much closer to and are able to support cutting-edge innovation.”

Groups such as CEI and other regional CDFIs often promote equitable outcomes by preserving community mainstays, like the forest products manufacturer in Maine. They are creating new and diverse economic opportunities by capitalizing on existing community assets to address specific local needs.

Increasing Relevance of Strategies and Approaches

Regional organizations can help identify issues, design strategies, and implement solutions that are relevant to local contexts.

Regional organizations can provide valuable insights into community issues and how to address them in ways that resonate with local norms and values. While national funders are likely to have a broad analysis of particular issues, they may not possess an understanding of how the nuances of those issues play out differently in and between local communities. For example, a national foundation can successfully advocate for changes to federal health care policy but is unlikely to have the expertise needed to create pathways for successful implementation within the distinct cultural context of Tribal Lands in the Northwest or rural areas in the South.

Karl Stauber, who most recently served as president of the Danville Regional Foundation, emphasizes the importance of co-creating strategies and solutions with regional organizations to ensure relevance, “Be open to multiple framings of the issue...Engage regional organizations and those communities in the conversation early enough so that the intermediaries can say, ‘That may make a whole lot of sense in terms of the national debate or the national concern, but in the communities we work in, this is the way we would frame it.’” Along these lines, regional organizations can help identify effective communications strategies and local messengers, increasing the likelihood of community engagement and buy-in, crucial to ensuring an initiative’s success.

In 2018, the NoVo Foundation, which works nationally and internationally to advance the rights of women and girls, seeded the Southern Black Girls & Women’s Consortium, a collective of funders, activists, and community leaders to advance movements for Black girls and women in the

Southeast. The Consortium includes regional foundations, among them, the Appalachian Community Fund, Black Belt Community Foundation, and Fund for Southern Communities, and is creating an infrastructure for regional grantmaking, movement-building, political education, healing, and organizational capacity-building (NoVo Foundation, 2018).

The NoVo Foundation recognized that working with regional organizations in the South would allow them to develop strategies and approaches that were culturally resonant, and ultimately more effective in advancing equity for girls and women of color.

Regional organizations can collect and share data that are relevant to local and regional contexts.

Local organizations may not have the expertise or technical capabilities to collect, analyze, and interpret relevant data. At the same time, data at the national level may not be granular enough or packaged in a way to provide the nuance needed to assess community issues and track progress. Adopting shared measurement and reporting tools at the regional level can create operational efficiencies, while also catalyzing collective impact and equity in strategic ways (Turner, Merchant, Kania, & Martin, 2012). For example, regional organizations can coordinate data collection and analysis and use the data to engage local actors in generating community solutions.

Stuart Butler, senior fellow of economic studies at the Brookings Institution, describes the myriad reasons that regional organizations are often well-positioned to serve as data brokers, “There are a couple of reasons why data at the national level would not get you the same impact. One is that you see such significant regional variations here in the United States, that the best institution to carry out functions often differs across the country. Also, there's the issue of trust. There's a lot more concern in local institutions about providing what they may see as very sensitive data...to Washington, or even to the state than to an institution that is in their area, that they're familiar with, and where you can actually build trust on a face-to-face basis.”

“

A regional approach is really important for the process of self-discovery and learning. Trying to do everything at a national level would actually limit our ability to discover more effective solutions.

Stuart Butler, Brookings Institution

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The New England Foundation for the Arts (NEFA) is an example of a regional organization that collects and shares data on a regional level. NEFA compiles data on nonprofit and cultural organizations in New England, an undertaking that would have been beyond the capacity of smaller organizations in the region. NEFA uses the data to document the impact of the arts sector on the region and advocate for greater resources and support for their work.

Similarly, Partners for a Competitive Workforce, an initiative that brings together organizations in Kentucky, Ohio, and Indiana, uses data to inform its work on increasing economic opportunity in the region. Through the initiative, a common data collection and reporting system tracks key measures related to workforce development goals, which informs a regional strategy for economic development.

Regional organizations can help test policies and surface new and innovative solutions.

Though many national foundations work at the federal level to affect systems change, it can be advantageous to work regionally to understand how national strategies play out on a local level. Working regionally creates an opportunity to address differing conditions and needs in various parts of the country, while also allowing leaders to test out and refine new programs or initiatives.

Stuart Butler, of the Brookings Institution, states, “A regional approach is really important for the process of self-discovery and learning. Trying to do everything at a national level would actually limit our ability to discover more effective solutions.”

Notably, because of regional organizations' proximity to the market and to changing community realities, they often design solutions quickly and more effectively than a larger organization. For example, in response to examples of predatory loan practices by online fintech companies, CEI created “Wicked Fast Loans” for small businesses and entrepreneurs that provide low-cost, quick turnaround microloans without the exorbitant fees charged by predatory lenders.

CEI's Betsy Biemann believes creative solutions such as this are possible because regional organizations are in tune with community needs, “Regional and statewide organizations do cutting-edge work because that's where the innovation happens...They're innovating because they're in the market. They are getting real-time signals, data, and information from communities.” She continues, “The challenge facing national funders is that they're further removed from the barriers that are part of day-to-day practice, which are often what prompts innovation. There can be a time lag to hearing about these barriers and innovations from a practitioner or a research paper.”

Promoting a Creative Economy through Convening and Knowledge-Sharing



With encouragement from the National Endowment for the Arts, regional organizations for the arts took shape in the 1970's, with an explicit purpose of bringing together the resources of multiple states for more cost-effective support for cultural programming. There are six regional arts organizations, among them the New England Foundation for the Arts, which serves six states. A significant portion of NEFA's budget comes from national entities — 18 percent of NEFA's 2018 budget of \$6.7 million came from the NEA, while another significant portion comes from large, national foundations, including the Doris Duke Charitable Trust and the Andrew Mellon Foundation. The remainder comes from corporations and state and local agencies.

Among regional arts organizations, the New England Foundation for the Arts stands out in its ability to leverage its multi-state purview to not only promote the arts, but more broadly, the creative economy, which generates jobs and revenue and contributes

to healthy and thriving communities. NEFA does this by generating original data and research, bringing people together for knowledge-sharing and professional development, and facilitating connections across the region and nationally. NEFA has published numerous data-rich reports on the creative economy in New England. One recent report, *New England's Creative Economy: Nonprofit Sector Impact*, presents data on cultural and arts organizations in the region, including their economic impact on the region. Another report, *Jobs in New England's Creative Economy and Why They Matter*, shows employment trends in the sector and provides national and regional comparisons. With sound quantitative research, NEFA has been able to make the case for greater investments in the arts, while also bringing attention to issues of affordable housing, access to health care, and the economic needs of creative workers.

NEFA also holds convenings such as the Creative Communities Exchange, which brings together people who connect their art to broader community improvement goals for networking and knowledge-sharing. Through its Creative City initiative, NEFA not only awarded grants to create art that speaks to critical issues of the day — such as immigration and gentrification — but also supported professional development and networking opportunities for its grantees.

Through its work, NEFA also adds value

by connecting New England's creative community to national and international efforts that artists and cultural nonprofits may not otherwise be able to access. One initiative, for example, connected artists from the region with their counterparts in Mexico to foster exchange and learning.

NEFA is a textbook example of how regional organizations can provide value to local organizations through data and research, convening, peer learning, and connections to national and international resources. Though some may perceive the arts to be removed from issues of social and economic inequality, much of NEFA's work centers on equity, inclusion, and accessibility, providing resources, trainings, and support to advance the work of under-represented groups.

A national foundation interested in supporting the creative economy and social justice in the arts could work through regional organizations such as NEFA to test out new initiatives or using the arts as a conduit for working on community change initiatives in New England. As Nell Breyer, an artist and executive director of the Association of Marshall Scholars, shares, "From my experience, both as a grant recipient and as a colleague of NEFA, it's invaluable because they have such a closer antenna and connection to the work that's being made. It's very difficult for national funders' to have a responsive, one-size-fits-all approach."

Maximizing and Sustaining Impact

Regional organizations can provide longer-term infrastructure and stability within a geographic context, even as national organizations come and go.

Compared to smaller, local organizations, the size and scale of regional organizations mean that they often serve as stable anchor institutions. The strongest of these institutions can leverage their financial and human resources to serve as reliable partners for community change efforts over the long-term and provide strategic community leadership, resulting in broader and more lasting impact.

As Mil Duncan states, "When you make investments to strengthen a regional institution — compared to funding a lot of tiny organizations — you have built lasting expertise. Once

you leave, and invariably the foundation leaves, you have facilitated ongoing expertise, learning, and understanding in a regional organization. That strengthened intermediary can go on to have positive impact, even outside of the specific strategy that you as a program officer or a foundation leader were trying to create."

The stability of a regional organization can also be a source of important knowledge capital that can provide continuity in a shifting landscape. Citing the Institute for Southern Studies as an example, Jennifer Ito, a researcher at the University of Southern California Program for Environmental and Regional Equity, notes that the Institute and other regional entities "often hold a much longer arc of learnings from a regional sense."

Community colleges, hospitals, and universities that have a regional reach, can be especially powerful as anchor institutions in the region. Because they possess a concentration

Ripple Effects of Investments in Regional Organizations

Interviewees for this project note the myriad ways in which investments in regional organizations represent a sweet spot in helping to build local economic and social capital, distinct from investments in local or national organizations. Among the potential benefits cited:

- Strengthening local nonprofits, positioning them to more effectively procure foundation and other funding, thus bringing more resources to the community;
- Strengthening and expanding the local nonprofit infrastructure;
- Serving as a repository for institutional knowledge and relationships;
- Creating efficiencies in data and research efforts that can inform strategic decision-making across the region;
- Developing local leadership, thus increasing human capital in communities;
- Building power that can bring people together across issue areas and increase leverage in advocating for policies at the regional and national level; and
- Shifting power dynamics in philanthropy by getting money more directly to low-income communities, communities of color, and organizations led by people of color.

Related research on anchor institutions (which has often focused on universities and hospitals, but can also include regional organizations) finds that organizations' intentional strategies to catalyze local economic and community development can result in a range of positive community outcomes, including:

- Equitable local business procurement;
- Business incubation, particularly within communities of color;
- Arts and cultural development;
- Affordable housing, through investments in community land trusts;
- Workforce development and educational programs that can increase economic opportunity; and
- Healthier environments and communities via public health initiatives (Dubb, McKinley, & Howard, 2013)

While the potential for these multiplier effects is great, Karl Stauber cautions the arc of growth and the arc of opportunity in communities do not necessarily intersect, "The ripple effect does not occur organically. The ripple effect has to be pushed....Yes, the economy's growing. Yes, unemployment is low in many, many places. And, yes, if you don't have exactly the right skills that fit that new economy, you're going to get left behind, and your family's going to get left behind. That's what we see in place after place. The ripple effect can happen, but it requires intentionality."

of human and financial resources, they can serve as a hub for economic, social, and cultural activities, acting as both as drivers of the economy and providers of critical services (Dubb, McKinley, & Howard, 2013; Pease, 2017).

Regional organizations can help build nonprofit capacity and local leadership, creating a stronger local infrastructure for community-based organizations.

To the extent that regional organizations are intentional about dispersing the investments made to them and developing nonprofit capacity, working with regional organizations creates opportunities to strengthen the broader social sector infrastructure (Cottingham, 2014). In addition, regional organizations are well-positioned to leverage multiple funding streams that can catalyze more interconnected strategies to advance equity and maximize longer-term community impact.

For example, in a recent set of trainings related to the 2020 Census, Southern Partners Fund worked with its local partners to provide information and strategies related to getting a fair and accurate count, while maintaining an eye towards building organizational infrastructure that would serve them well in their future work. Fernando Cuevas, executive director of Southern Partners Fund, notes that efforts such as this make the Fund attractive to national foundations who understand that they are getting greater impact from their grant dollars because of the hands-on support the Fund provides to local groups.



The long-term goal has to be to shift the power and investment dynamics in philanthropy.

Mikki Sager, The Conservation Fund



By developing local nonprofit capacity, smaller organizations become better positioned to secure funding, which creates a virtuous cycle that allows the organization to continue increasing its capacity and have more impact in the communities it serves. The Conservation Fund, which works in various under-resourced regions across the country, collaborates closely with its local nonprofit partners to help them absorb and manage funding. Mikki Sager of The Conservation Fund's Resourceful Communities program shares, "What we've seen is too often in the past, if money is thrown at a group and they don't have the capacity to handle that kind of money, it's a set up. Working with a regional intermediary is a great step up from either not getting the money or having a big

chunk of money thrown at you that you can't handle. It's also a way for the grassroots groups to begin to build both their own self-confidence and their own capacity in their ability to make things happen and build relationships with funders. Because the reality is that the long-term goal has to be to shift the power and investment dynamics in philanthropy so it's not the white-led groups getting all the money."

Being intentional about supporting the development of local leaders is a critical component of developing nonprofit capacity. This is especially true for leaders of color, who continue to be underfunded by philanthropy. Linetta Gilbert, reflecting on her work supporting regional and local organizations at the Ford Foundation, asserts, "What you're really trying to build is a leader in place or a group of leaders who believe in or who have the value set, energy, and the commitment to move an agenda that aligns with your foundation." In her view, by creating, supporting and sustaining leadership excellence, national foundations can help give leaders the tools they need to facilitate strategic visioning across racial, ethnic, and other divides — visioning that ultimately helps communities create and develop solutions that advance equity.

Regional organizations can bring a systems lens to their work and help catalyze collective action.

Regional organizations are often better positioned than smaller, local groups to develop a macro-level analysis of

issues and concerns that cut across multiple communities and sectors, and to secure funding to address those concerns. This lens can help generate and implement larger-scale systems solutions and policy changes. Patrice Cromwell, director of the Annie E. Casey Foundation's youth economic opportunity portfolio, says that one of the benefits of her work with regional organizations has been their ability to "identify common themes across a number of states or locales," allowing Casey to understand effective pathways for change.

In tandem with a systems-level analysis of community issues, efforts to advance equity often occur as a result of a strong, unified voice. By investing in regional organizations, national foundations can help catalyze and support an array of smaller organizations and stakeholder groups to come together on a regional level and collectively influence public discourse. Jennifer Ito, a researcher at USC's Program for Environmental and Regional Equity, says that organized communities realize "that they need to work beyond just their local neighborhoods to be able to have the influence, relationships, and ability to actually move decisions at a broader scale."

Regional organizations can successfully galvanize others to work toward collective action and shared goals in part because they are structured such that, "you're actually able to meet face-to-face and those relationships become much more transformational and much more personal. And that's the critical piece of folks coming out of their silos, working across differences, and actually coming to shared solutions," says Ito.

Fostering Economic Development through Anchor Institutions: The Rural Community College Initiative

In 1994, the Ford Foundation launched the Rural Community College Initiative (RCCI), a demonstration project that ultimately involved 24 colleges in four different regions of the country.

By all counts, the goals were ambitious and centered on fostering both economic development and educational access in rural communities, many of which were experiencing the effects of shifting economic conditions and rapid demographic change.

A REGIONAL LENS

The broad theory of change was that community colleges were neutral, “common ground,” anchor institutions for many rural areas. They were trusted and well-positioned to bring together a broad range of community constituencies to help catalyze regional development. MDC, a nonprofit organization that supports research, analysis, and community change initiatives focused on the South, administered the initiative and described the benefits of the initiative in the following way, “For too long, rural towns and counties have approached economic development as competition against their neighbors. In today’s highly competitive global economy, small communities achieve more when they pool resources, identify common assets, and work together to develop the regional economy.”

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Small communities achieve more when they pool resources, identify common assets, and work together to develop the regional economy.

MDC report

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IMPACT

An assessment of the RCCI found a number of promising results:

- Among the community colleges participating in the RCCI, **193 economic partnerships were developed** during the funding period. Though not all of these were connected to the RCCI funding, most were directly related to the new capacities fostered by the Ford grant.
- Community colleges used the Ford funds to **leverage nearly \$131 million in additional funding**.
- Among the nine pilot colleges, **student enrollment increased** by 8 percent. Relative to a comparison group, the pilot colleges enrolled a greater share of the service area population.
- **Unemployment rates declined** by about one percent and the gap between pilot and control counties narrowed from 3.5 percent to less than 1 percent between 1995-2001.
- **New leadership capacity** was built, both at participating community colleges and in the broader community. As a result, the community colleges — as institutions — were strengthened, positioning them to support longer-term change efforts. Building community leadership helped bring new ideas, energy, and perspective to generating community solutions.

At the same time, outcomes related to broader community development goals were not as strong, perhaps due to lack of capacity to engage deeply in such initiatives.

FACTORS CONTRIBUTING TO SUCCESS

Community colleges that achieved the biggest impacts were open to innovation and risk-taking, placed a high value on equity and excellence, understood what it meant to be a learning organization, and appreciated and respected local cultural traditions. Community colleges that served as effective catalysts for regional development also shared several critical capacities, including:

- An **explicit commitment** to economic development and educational access in its mission with **deep support from community college leadership**;
- **Strong, collaborative partnerships** with the community, as well as government and business partners.
- The **ability to evolve and adapt** to national and regional economic trends, by being attentive to potential opportunities and threats on the horizon.

Sources: **An Evaluation of the Southern Rural Community College Initiative (2002-2007)**; **Opportunities in Place: National Assessment of the Rural Community College Initiative**; **Expanding Economic and Educational Opportunity in Distressed Rural Areas: A Conceptual Framework for the Rural Community College Initiative**; **Strategies for Funders: Community Colleges and Rural Development**

How to Work Effectively with Regional Organizations

For national foundations, developing a strategy or aspect of work that includes regional organizations starts with finding the right entity — one who is trusted in the region, has strong relationships at the local level, and understands the culture of the region. It is also critically important, in the words of Amy Latham at the Colorado Health Foundation, for regional organizations to have “the humility and courage to truly serve in that in-between space — an organization that can be trusted by both folks at the local level and the national funder and navigate the really difficult power dynamics that will come up.”

Although there may be compelling reasons for national foundations to work with regional organizations, the national foundation must assess its own ability and readiness to work effectively with regional organizations and support the relationship over time. This section highlights key considerations for effective relationships between national foundations and regional organizations.

Examining Foundation Capacity and Goals

Assess the foundation's capacity to support and engage with regional organizations.

When considering work with regional organizations, national foundations should make a thoughtful assessment of assets already in place and overall grantmaking objectives to make

Getting Started

For foundations considering work with regional organizations, a set of guiding questions can be found in the Appendix. Three sets of questions are provided — questions for foundations as they consider their strategy and approach; questions to assess a regional organization's fit with the foundation's strategy; and questions to assess an organization's commitment to equity.

careful decisions about the level (local, regional, or national) at which they should be working. In what ways will working at the regional level create a value-add over working with local and national organizations? How will grants to regional organizations amplify and complement grants to local and national organizations?

Most importantly, does the foundation have the human capital and other assets to engage effectively with regional organizations? As Linetta Gilbert asserts, “The relationship building that's required between the national group and the community-based group or regional group is heavy. You have to be present. You can't do this thing from Chicago or New York.” This translates into ample allocations of time and travel budgets to ensure program officers have face time with their regional organizations, in addition to scheduling other regular touchpoints.

From the perspective of an organization that operates regionally, The Conservation Fund's Mikki Sager concurs about the importance of a high-touch relationship with the foundation. "The way we partner with foundations has to be all about integrity and honest conversation — the trends we're seeing, the problems we're seeing, the opportunities we're seeing, rather than just submit a report once a year and be done. It's got to be about having those honest conversations about the race and class and power and structural challenges we're seeing in the community."

Start where communities are — not where you want them to be.⁵

Gladys Washington, formerly of the Mary Reynolds Babcock Foundation, states bluntly, "National foundations don't need to run strategies and initiatives in places that it does not know anything about. They need to hear and listen and be engaged and build relationships and trust with people who do." Washington encourages funders to be humble, open, and build on existing community assets and efforts.

Washington's observations speak to the power dynamic created by the resources a national foundation brings to the table — one that can put regional organizations in a difficult position if values and priorities have not been fully articulated and understood (David, 2007). Other practitioners note that from time to time they have to "tie themselves in knots" to fit into a national funder's theory of change that may be "lagging or not actionable over time" because it's not in line with what's happening on the ground.

To foster sustainable community change, funders should co-create strategies and approaches with regional organizations in a way that accounts for local and regional contexts. Rather than starting with a theory of change, Biemann encourages foundations to look for "high-performing organizations that are achieving the kinds of mission impact that you're looking for,"

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The relationship building that's required between the national group and the community-based group or regional group is heavy. You have to be present. You can't do this thing from Chicago or New York.

Linetta Gilbert, former program officer at the Ford Foundation

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to work with those organizations to develop a theory of change, and to be open to the ways in which that change occurs, the timeframe for change, and the types of funding that is needed to support it.

Tips & Strategies for Working Effectively with Regional Organizations

ENSURE the foundation has the human capital to engage in a high-touch relationship.

CONDUCT site visits that include both regional and local representatives.

CO-CREATE strategies and approaches for community change.

STRUCTURE grants to include support for both regional organizations as well as local groups.

SEEK OUT perspectives from the "unusual suspects" — local leaders who may not be affiliated with an organization, for example.

ENCOURAGE nimbleness and adaptation; be willing to modify grant terms as conditions change.

PROVIDE learning opportunities within the region, as well as nationally.

See appendix for additional considerations and guiding questions.

Balance local and regional relationships.

One reason national foundations work with regional organizations is to benefit from their community expertise and the ability to broker relationships with local actors. However, national funders with experience working with regional organizations caution their peers to be careful not to substitute relationships with regional organizations for relationships with local organizations.

As Anthony Iton of The California Endowment shares, "The more degrees of separation you have the greater the likelihood that you're going to have both communication and design problems." Another foundation leader adds, foundations and the regional organizations they work with must create

⁵ We credit Karl Stauber, former president and CEO of the Danville Regional Foundation, with this framing.

intentional mechanisms to hear “the voices of the good, the bad, and not so good.” If such disconnects exist, it can also lead to unintended consequences that could further exacerbate disparities that marginalize local communities. Robert Gipe has noticed this in his work in Appalachia, “Regional organizations can have blind spots. They think they know, but where they're not engaged in community-based issues every day, if they're not good listeners and are not observant, it's easy for them to represent places that they don't really understand.”

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The more degrees of separation you have, the greater the likelihood that you're going to have both communication and design problems.

Anthony Iton, The California Endowment

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To ensure they are hearing from local voices, national funders can meet with local groups as part of their due diligence process before initiating support for regional groups. To get a sense of how inclusive groups are, funders can ask both regional and local organizations about their relationships with one another and how resources are shared.

Along these lines, Sager of The Conservation Fund's Resourceful Communities program, recommends site visits that allow funders to meet with representatives from both regional as well as local organizations, “It's been very helpful, for example, when funders come down and get a road trip and spend a day or two meeting directly with the folks on the ground so that they can ask the questions too. And then in the van between visits, funders have the ground truthing of what

they've been hearing about from us. It's a really important strategy for the funders to be able to hear directly from people on the ground.”

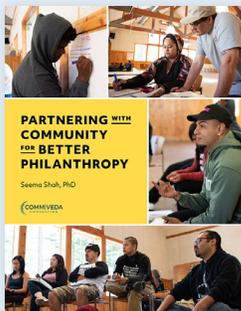
Assessing Potential Regional Organizations

Gauge the extent to which regional organizations have deep, authentic, and inclusive relationships with local communities.

It can be tempting for national foundations to rely on a go-to organization, especially one perceived to have regional credentials (community foundations, national organizations with regional affiliates). Thorough due diligence may reveal that the regional organization's relationship with the local community may not be strong. In some cases, this can be a red flag, signaling that the organization's policies and practices do not prioritize inclusion of local voices.

For example, sharing her experience with a grantee in the South, Linetta Gilbert, a former program officer at the Ford Foundation, realized its primary connections were to government officials and middle-class civic leaders and wealthy donors. As a learning partner, this grantee was able to disseminate information to business, government, and wealthy philanthropists, but fell short when it came to “direct capacity building and relationships with people marginalized by race and class in the South.”

One foundation leader encourages foundations to take a look at who is on the organization's board and staff, “If all staff at the front line are people of color and management and leadership is all white, there's something going on.” Likewise, the Colorado Health Foundation's Amy Latham suggests a range of questions to consider as foundations seek to work with regional organizations, “Who does that organization work



Learn More

A companion report, *Partnering with Community for Better Philanthropy*, examines the unique context of national and large foundations, including the ways in which their size, scale, and orientation pose challenges and create opportunities for meaningful partnership with communities in foundation decision-making. The report examines best practices and lessons that bear relevance for working with regional organizations.

with and how? Where are their connections? Are they trusted by the specific communities that we are seeking to reach with this funding? What's the nature of those relationships? Truly just going deep on what's the reputation, what's the credibility, what are the capabilities of the intermediary to really reach the specific communities that the foundation is seeking to serve.”

Though this due diligence process may reveal fissures in the regional organization's reach, uneven relationships can very well reflect realities on the ground and the hard work of building strong relationships across a region, especially in rural areas where communities may be separated by long distances. Moreover, racial, ethnic, and socioeconomic diversity within a region can make it challenging for a single organization to address different priorities and concerns, while still trying to serve common interests. In regions where there may be a less developed nonprofit infrastructure and the absence of a ready alternative, funders can work with regional organizations to acknowledge the unevenness of relationships and identify steps that will move them towards becoming more inclusive in their work.

Be aware of regional organizations that act as a gatekeeper or are in it for their own institution building or fundraising.

Just as regional organizations can facilitate connections between local and national work, sometimes regional organizations can reinforce historic power structures and impede financial and information flows (Cottingham, 2014; Sera, 2007). In particular, because national foundations tend to give large grants, an infusion of resources to regional organizations can create tensions with local groups. Lisa Mensah cautions funders to be sensitive to the ways in which their investments can exacerbate inequities.

Mensah asserts, “The further you get away from the power that resides in place, the more you risk both your ultimate objective, which is, are you really strengthening what's on the ground, the leaders, the actual work? You risk putting a lot of money in the center and [that] becoming the dominant player.” She continues, “We should be able to advance and accelerate growth and good work through partnership and through intermediaries that are committed. But at the same time, we have to be careful about where we build power. And when we build power at the regional or intermediary level, is that power committed to devolving its work?”

In the early days of its partnership with the Ford Foundation, 50 percent of the Conservation Fund's grant funding flowed directly to local organizations. Although the realities of the business model have shifted and no longer make that target viable, the organization still strives to ensure that at least 35 percent flows to local groups. The balance supports capacity

building, technical assistance to strengthen community groups' operations and programming, and network support — connecting groups to other funding, resources, and each other in a learning community. Mikki Sager of the Conservation Fund's Resourceful Communities program, suggests, “Funders need to have goals that are explicit about not just getting the money to the grassroots groups, but also building their capacity at the same time. Because if nothing changes, you create this co-dependency that's just really yucky. You create regional organizations that functionally end up serving as gatekeepers and become their own barriers, and that's not the goal.”



The further you get away from the power that resides in place, the more you risk both your ultimate objective, which is, are you really strengthening what's on the ground, the leaders, the actual work?

Lisa Mensah, Opportunity Finance Network



In addition to thinking about how their grants will be structured to support both regional and local groups, foundations can help mitigate this dynamic by engaging in clear and honest discussions about roles and responsibilities, while also creating mechanisms for transparency around the equitable distribution of resources.

Supporting Regional Organizations

Support regional organizations to meet the growing and changing needs of their region and its communities.

Like any larger, established organization, regional organizations can become comfortable with a particular way of doing things, but those that are the most effective are ones that are adaptive and responsive to shifting community priorities (The Aspen Institute, 2019). Indeed, inequity has deepened in recent years due to rapid transformations in the economy. Changes in the nature and structure of the 21st century economy — along with demographic shifts — have left many rural regions in a lurch and needing to rebuild their economies anew. Regional organizations need to have their pulse on these shifting political and economic contexts to ensure they are staying relevant and addressing the evolving priorities within their communities.

Katharine Ferguson, associate director of the Community Strategies Group at the Aspen Institute, says effective regional organizations “evolve and modify their services, products, and role in the region as the demands and needs of communities change.” For example, a nonprofit organization might get into the business of providing affordable access to capital and become a community development finance institution in response to local lenders closing or a region being underserved by traditional financial institutions.

To encourage and support nimbleness and adaptation, foundations can provide general operating support so that regional organizations are not limited by programmatic line items on grant budgets as community needs and priorities shift. In addition, access to rapid response funding can also support nimble responses to changing community conditions.

There are also ways to support adaptation beyond a foundation’s financial investment, providing access to networks, resources, and information to encourage ongoing innovation. Robert Gipe states that investments should be “less about the cash and more about the process of deploying existing resources and using your leverage to get people to work together in ways they hadn’t worked before, but could, if only they had been encouraged to do so.” By doing so, new networks and partnerships in the region are created and able to respond more effectively to community needs. In addition, national funders can connect regional organizations to scholars, practitioners, and others who may be able to provide expertise that can introduce regional organizations to new ideas and resources that can support their local work.

Encourage active learning and feedback loops in a way that supports work at the foundation, as well as the region and communities impacted by the foundation’s investment.

Working with regional organizations offer multiple learning opportunities. National funders can learn from regional organizations, and vice versa. In addition, peer learning opportunities among regional and local organizations can spark a healthy exchange of ideas and catalyze new collaborations. The Ford Foundation’s Rural Community College Initiative, for instance, included ongoing exchanges and shared learning among community college leaders to discuss the various ways in which they could support community development. Collaborations and relationships fostered by the network continued even after Ford’s grants ended.

In addition to learning networks to share what is happening in communities, it can also be helpful to have formal evaluation and learning mechanisms in place to ensure that the relationship is progressing productively and that course

corrections can be made to strengthen the work between national funders and regional organizations. While evaluation efforts are encouraged, they should be right-sized and align with the capacity and resources of organizations.

Invest in building the capacity of regional organizations.

While regional organizations have the potential to build capacity at the local level, it is important to invest in strengthening the capacity of the regional organization as well. The foundation’s support for regional organizations should include provisions for sustainability when the foundation is no longer there and to build this in from the beginning of the relationship (Cottingham, 2014).

This is especially important since the resources of regional organizations are typically leaner than that of national organizations, meaning that any partnership will incur an opportunity cost. Several foundation leaders noted the importance of ensuring that the grant covers overhead and the real cost of what it takes for them to do the work. Likewise, Ford Foundation’s Rural Community College Initiative had a strong focus on building the institutional capacity of community colleges so that they could sustainably support the initiative’s educational access and economic development goals.



The relationship has to occur before the impact can occur. Give us the time to build the relationship, and then we can move towards impact.

Karl Stauber, former president and CEO of the Danville Regional Foundation



A commitment to building the capacity of regional organizations also means a longer-term grant commitment, beyond a three to five year window, so, as Karl Stauber says, “There is time to go through a developmental curve before it gets to the impact stage...The relationship has to occur before the impact can occur. Give us the time to build the relationship, and then we can move towards impact.”

National funders that wish to have a longer-term impact can also consider contributions to a regional organization’s endowment (or seed one) as a way to support the longevity of both the regional organization and the broader infrastructure for community development in the region.

4 Conclusion

Regional organizations have the potential to play an important role in linking national and local players. For national foundations, working with regional organizations holds promise as a strategy for getting resources closer to community and for advancing equity.

Incorporating support of regional organizations into grantmaking allows national foundations to invest in regions or communities more directly and increase economic and human capital through support of local infrastructure and leadership, without pursuing a hyper-local strategy or long-term commitments to specific places.

Regional organizations provide cultural, political, historical, and social context to help ensure that strategies and solutions for advancing equity are relevant and successful. In the best-

case scenario, the resources invested by national foundations can help increase the capacity of regional organizations to serve as stable, trusted institutions that provide innovative and adaptive leadership over the long-term, even after the national foundation has left.

Whether they are community foundations, CDFIs, rural development hubs, or other entities, regional organizations possess local knowledge and expertise to build community-based leadership, knowledge, and social capital. Coupled with the resources national foundations bring to the table, such relationships can spur more equitable outcomes in those communities that have experienced under-investment for far too long.

APPENDIX A:

Methodology & Limitations

Overview

High-level learning questions guiding this inquiry were developed by the project team and refined in consultation with Ashley Crawford Starck and Katrina Badger, program officers from The Robert Wood Johnson Foundation. Questions were further revised based on feedback from project advisors. This report is based on a literature review, 20 interviews, and internal documents and reports shared by interviewees.

Learning Questions

What are the benefits and challenges of working with regionally-focused organizations in the philanthropic sector, especially for a national foundation?

What are the outcomes of these partnerships — for the foundation, for the regional organization, for the community more broadly?

To what extent have such partnerships resulted in ripple effects, such as developing human capacity and fostering economic opportunity?

How can national foundations build productive relationships with regional organizations?

Are there ways in which foundations must work differently with regional organizations to be most effective? What is required to shift from a more programmatic lens to fostering a more transformational relationship?

Participants

The research team, in collaboration with Robert Wood Johnson Foundation, identified an initial set of key informants representing the following roles or perspectives: national foundations that have worked with regional organizations; regional organizations; regional foundations; and philanthropic thought leaders. Additional interviewees were suggested by advisors and snowball sampling was used to further expand the list.

Interviews took place by phone or video between March-September 2019 and were 30-60 minutes long.

Analysis

The research team conducted a thematic analysis of the interviews and cross-referenced the analysis with the literature review and documents shared by interviewees.

Limitations

Since this is a qualitative inquiry, it cannot be generalized broadly to all national foundations, but rather offers illustrative examples and perspectives to inform foundations' work.

APPENDIX B:

Guiding Questions in Considering Work with Regional Organizations

As foundations take stock of their strategy to see in what way regional organizations are a fit, here are some questions to ask internally. There are no right or wrong answers to these questions and no formula for how the answers to these questions lead a foundation to funding a regional organization or not. Rather, these questions are designed to help prompt internal reflection on the foundation's goals and the potential fit of a regional organization in its strategy.

Strategy/Desired Impact

- *What are our goals and intended impact for this strategy, program, and initiative?*
- *In what ways can working with regional organizations help achieve desired outcomes?*
- *How can working with regional organizations build institutional capacity of local organizations?*
- *In what ways do we want our investment to have ripple effects with respect to economic and community development outcomes?*
- *By investing in a regional organization, do we have an opportunity to build or strengthen local leadership?*
- *How can investments help expand the foundation's relationships beyond the usual suspects?*
- *How will the relationship with the regional organization help us expand and deepen our understanding of equity at the community level?*

Relationships & Knowledge of Local/Regional Context

- *How can working with a regional organization deepen our understanding of the cultural, economic, and social context?*
- *What is our capacity to be in relationship with regional and local stakeholders through regular meetings and field visits?*

Understanding the Landscape

- *What are the geographic areas we hope to impact? Is there a way to reach these geographic areas by working with regional organizations?*
- *Who are the key regional, local, and national players who can help us advance our goals?*
 - » *Is there a way to do this work with regional groups instead of national ones? Would doing so making a greater impact?*
 - » *If there is no regional player, can a local organization be supported to become one?*
 - » *Is there duplication of effort among these players? How well are they coordinating with one another?*
- *Which regional organizations have relationships with and credibility among local stakeholders?*

Capacity & Sustainability

- *In what ways can we provide capacity-building support to the regional organizations we're working with?*
- *How do we plan to create learning opportunities and feedback loops?*
- *What's our time horizon? How can we have an impact and build in mechanisms for sustainability within this time horizon?*
- *In what ways can we create value (through resources, capacity, or processes, for example) that lasts after our funding ends? In what ways can we help strengthen both the organization and the local infrastructure?*

APPENDIX C:

Guiding Questions in Vetting Regional Organizations

As foundations are vetting regional organizations, here are some questions to help determine if a regional organization is a fit for the foundation's portfolio. Again, there are no right or wrong answers. Rather, these questions are designed to inform the foundation's vetting and analysis process.

Values/Mission

- *How well does the organization's values and mission align with the initiative's priorities and goals?*

Leadership

- *Is the organization's leadership well-respected by the community, with deep and authentic connections to different constituencies in the region?*
- *Does the leadership team have the expertise and skills to execute the goals of the initiative?*
- *To what extent is the organization's leadership reflective of the region's demographics?*

Capacity

- *How well are the organization's technological, financial, and human resources set up to execute on the strategies and priorities of the initiative?*
- *To what extent does the organization have mechanisms in place to learn from others, to reflect on their own work, and to course correct when necessary?*
- *How does the organization take stock of the changing landscape? How nimble is the organization in responding to changes in economic or social context?*
- *To what extent is the organization helping to develop leadership and build local capacity in the region?*

Credibility with Community

- *How well does the organization's work resonate with the communities most impacted by inequity, such as communities of color, people from low-income backgrounds, and/or rural populations? To what extent are community members' priorities reflected in the organization's work?*
- *What are the organization's relationships across the region? What is their ability to influence community stakeholders and advance equity?*

APPENDIX D:

Guiding Questions to Assess an Organization's Commitment to Advancing Equity

Though organizations are becoming more attentive to issues of equity, regional organizations — like most other institutions — have significant strides to make. Here are a few high-level questions to assess the extent to which organizations have committed to a learning journey and to improving their practice.

- *How well does the organization's values and mission align with the initiative's priorities and goals?*
- *How does the organization think about equity and inclusion?*
- *To what extent does the organization's mission, values, as well as organizational policies and practices explicitly address a commitment to equity?*
- *Does the organization bring an assets-based perspective to its work?*
- *To what extent do organizational leaders bring the value of lived experience to their roles? How does the organization incorporate the perspectives of those with lived experience into their work?*
- *How does the organization hold itself accountable to equity-related goals? Does the organization disaggregate data by race/ethnicity, gender, socioeconomic status, and other relevant variables?*
- *What mechanisms are in place to evaluate its progress and make course corrections?*
- *To what extent does the organization engage in ongoing professional development and learning related to equity?*

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