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# Foundation Investment in Education Reform

## Say Yes Syracuse

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# Executive Summary

Foundations in the United States make substantial investments in public education. They do so for a variety of reasons that include improving educational conditions and outcomes, supporting innovation, and increasing access for the underserved. Recent data suggest these investments totaled nearly $5 billion in 2010, representing more than one fifth of all foundation giving (Foundation Center, 2010). The potential reach and impact of foundation involvement is clearly significant, and the ways in which foundations interact with their benefactors is worthy of study.

This paper explores the role of foundations in education reform by examining the experiences of Say Yes to Education (SYTE) in a large-scale initiative in Syracuse, New York (Say Yes Syracuse), comparing and contrasting them to five other philanthropies with a similar "high-engagement" approach, and setting these experiences within the larger context of philanthropic giving in education.

Say Yes Syracuse focuses on improving students' access to and completion of postsecondary education by addressing and removing the obstacles typically facing at-risk urban students. Say Yes Syracuse is notable because it was the first district-wide endeavor for the organization and it was ambitious in establishing a cross-sector collaboration that involved all relevant stakeholders (e.g., the Syracuse City School District, Syracuse University, city and county government, the school board, the teachers' union, and numerous community-based organizations). The five other philanthropies referenced in the paper include New Profit, Inc., New Schools Venture Fund, Social Venture Partners Seattle, St. Louis Social Venture Partners, and Venture Philanthropy Partners.

The paper addresses three questions:

1. What is high-engagement—or venture—philanthropy?
2. How does the SYTE approach in Syracuse fit with the venture philanthropy approach?
3. What are some of the lessons learned from Say Yes Syracuse and selected organizations about venture philanthropy?

To answer the key questions, the authors drew on:

- A brief literature scan on venture philanthropy
- Data from the Foundation Center on current and historic foundation giving
- Reports on Say Yes Syracuse, as well as American Institutes for Research's (AIR's) own organizational experiences supporting the initiative
    - Internal implementation reports and other reviews (e.g., Herman, Burnett, Cash, & Coleman 2013, which examined the Say Yes Syracuse initiative in the context of the research on community collaboration)
    - An external review (Maeroff, 2012) that described the successes and challenges of Say Yes Syracuse's role in mobilizing community reform

- Interviews with the leaders of five key venture philanthropies focused on their particular philosophies and the strengths and challenges of their work

## Exploring Venture Philanthropy in the Big Picture (Question 1)

The paper identifies three characteristics from across the common definitions of venture philanthropy (e.g., Letts, Ryan, & Grossman, 1997, John, 2007; Ochs, 2008; Buckland, Hehenberger, & Hay, 2013) that are most applicable in the United States context and the most useful for contrasting with more traditional philanthropic approaches. Specifically, venture philanthropies:

- Conceive of their donations as *strategic investments* that are carefully selected in an interactive vetting process, upon which a return is expected, and in which some risk is assumed by the foundation
- *Actively engage in collaborative partnerships* with recipient organizations, whether through joint planning and decision-making or the provision of technical assistance or other in-kind support or capacity building
- Emphasize the regular *measurement of progress toward outcomes* and use these data to inform decision-making

Although not large when viewed as a percentage of education giving overall, venture philanthropy still makes substantial contributions to United States education in absolute terms: at least $1.5 billion—not including substantial in-kind services—to more than 500 investees in roughly the last decade. Moreover, venture philanthropy is growing along with the industry in general—with cash donations quadrupling over this time period—and often focuses on the most vulnerable groups in society.

## Examining Say Yes Syracuse in the Venture Philanthropy Approach (Question 2)

While SYTE does not self-identify as a venture philanthropy, its partnership in Syracuse demonstrates all the key features of such, including:

- Related to *strategic investment*: the work is guided by a singular goal (postsecondary completion) and a memorandum of understanding among partners, and there was extensive vetting of sites and significant investment on the part of the philanthropy
- Related to *active engagement in a collaborative partnership*: SYTE was a core contributor of many elements of the change strategy and it serves as an “honest broker” among partners
- Related to *focus on measurement of outcomes*: it employs a multi-level data strategy, around which public dialog is required

## Lessons Learned in Say Yes Syracuse and the Venture Philanthropy Approach (Question 3)

AIR's work with Say Yes Syracuse and the interviews conducted with leaders of five leading venture philanthropies yielded a set of "lessons learned," organized around the key characteristics of venture philanthropy. These lessons (around which the paper provides additional specific recommendations for practice) include:

- Related to *strategic investment*
    - Conduct due diligence, which is essential in selecting partners
    - Establish a common vision with agreement around the specifics of what is to be accomplished and how
    - Move judiciously and do not rush to scale up before the partnership is ready.
- Related to *active engagement in collaborative partnerships:*
    - Respect the context and facilitate buy-in and investee ownership, which are essential
    - Develop structures needed for communication and ensure that there is ample staff support for them
    - Seek transparency, which builds confidence and know-how
- Related to *focus on the measurement of outcomes:*
    - Establish a comprehensive data strategy to which all partners are dedicated
    - Establish structures for vetting data and acting on it

Foundations that take a venture philanthropy approach are unique in their conceptualizations of their funding, their degree of involvement with their investees, and their drive to measure progress and make continuous evidence-based improvements to meet ambitious goals. The experiences of Say Yes Syracuse and the other venture philanthropies, in particular, yield some lessons learned around these unique characteristics that can be useful for other foundations embarking on such an approach to educational reform.

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# Introduction

Foundations in the United States make substantial investments in public education. They do so for a variety of reasons, which include improving educational conditions and outcomes, supporting innovation, and increasing access for the underserved. Recent data suggest these investments totaled nearly $5 billion in 2010, representing more than one fifth of all foundation giving (Foundation Center, 2010). The potential reach and impact of foundation involvement is not insignificant and the ways in which foundations interact with their benefactors is worthy of study.

This paper explores the role of foundations in education reform by examining the experiences of Say Yes to Education (SYTE) in a large-scale initiative in Syracuse, New York (Say Yes Syracuse), comparing and contrasting them to other philanthropies with a similar "high-engagement" approach, and setting these experiences within the larger context of philanthropic giving in education.

SYTE is classified as a private operating foundation, meaning that it achieves its purpose primarily by running its own program rather than relying exclusively on grantmaking. Since 2008, SYTE has been collaborating with key stakeholders from across the Syracuse community to improve students' access to and success in postsecondary education by implementing a suite of supports intended to overcome the various barriers these mostly at-risk students face. While there are obvious comparison points in similarly aimed projects (e.g., the Kalamzoo Promise, Believe2Become, or I Have a Dream), this paper more broadly explores where the SYTE model as implemented in Syracuse fits along the continuum from the traditional approach to philanthropy (characterized by a more hands-off philosophy) to the venture philanthropy approach (characterized by high engagement, among other things) that has arisen in the past 15 to 20 years. As will be shown, the paper argues that SYTE has much in common with the venture philanthropy movement and thus uses its experiences, alongside those of several leading venture philanthropies, to offer lessons learned for other foundations seeking to establish high-engagement investments in the education field.

The paper addresses the following questions:

4. What is venture philanthropy?
5. How does the SYTE approach in Syracuse fit with the venture philanthropy approach?
6. Using the defining characteristics of venture philanthropy as a framework, what are some of the lessons learned from Say Yes Syracuse and selected venture philanthropies about high-engagement philanthropy?

# Methods

This paper draws from several data sources to address the three study questions. To address the first question, we conducted a scan to identify the most pertinent literature describing the strengths and challenges of the venture philanthropy approach and how it compares and contrasts to other approaches. To identify relevant articles, the team reviewed the key resources available through the Foundation Center-New York, the Stanford Center on Philanthropy and Civil Society, and the Center for Effective Philanthropy, which are widely known as key resources in the field. Although there was little scholarly research available, there was practice literature that provided insights into the field.

Also to address the first question, the study team deployed a process to identify those foundations that invest in education and might be classified as venture philanthropies. The list of venture philanthropies in this paper was compiled from a general Internet search, a search of the Foundation Center database using the terms “venture” and “social venture,” and organizations identified on venture philanthropy websites.[1] The team then conducted a structured website review in order to verify status as venture philanthropy and to extract data on the year of founding, areas of geographical or topical priority, and data on historical giving and most recent-year giving. The team also collected data on these organizations’ yearly giving from the Foundation Center database.

The team also used the Foundation Center database to compile statistics on giving overall and in education, as well as to identify the top 25 funders in education (based on amounts given in 2010) to assess the presence of venture philanthropy at this level. Similar to what was done for the venture philanthropies, the team conducted a structured review of the websites of the top 25 education donors to extract data on the year of founding, areas of geographic or topical priority, how priorities are established, how grantees are managed, shifts in foci or recipients over time, and locations of annual reports and other documentation. This review allowed the team to categorize the top 25 funders as having either traditional or venture philanthropy approaches; the categorization was necessary because the Foundation Center does not explicitly identify organizations by approach. In only one case did the language on an organization’s website or the processes for managing grantees suggest that it was consistent with the venture philanthropy approach. The website review also provided information to supplement the statistics available through the database and arrive at a more complete understanding of these organizations.

The information gained from these sources was compiled in “factbooks,” which allowed the research team to examine data from across sources to develop the tables and figures presented in the first section.

To address the second and third study questions, the research team reviewed the internal implementation reports prepared by American Institutes for Research (AIR) for SYTE on its work in Syracuse and a research paper (Herman, Burnett, Cash, & Coleman 2013) examining the Say Yes Syracuse initiative in the context of the research on community collaboration, as well as relied on their own experiences from participating in the project since 2008. It also drew on a review by Maeroff (2012) describing the successes and challenges of Say Yes Syracuse’s role in mobilizing community reform.

Also to address the third research question, the study team identified a group of five venture philanthropy organizations and conducted telephone interviews with their founders, CEOs, or other key executives. The intent was for the five selected organizations to represent the leaders in venture philanthropy, have sufficient history in order to provide a perspective on changes in the field, and (to the extent possible) have a scale of giving similar to SYTE’s. In terms of founding date, the team targeted those organizations established at least a decade ago, a significant amount of time in the

[1] Although we do not present the list as exhaustive, we do present it as comprehensive enough to be representative of this still-growing field.

relatively short history of venture philanthropy. In terms of amount given, data showed a range of funding for venture philanthropies, with groups historically giving more than $400 million, between $10 and $90 million (where SYTE falls), and less than $10 million. The two organizations that gave more than $400 million were ruled out for their much larger scale compared to SYTE. Of those remaining, four organizations stood out (New Profit, Inc., New Schools Venture Fund, Social Venture Partners Seattle, and Venture Philanthropy Partners) as meeting all three criteria: a widely known reputation, a history of venture philanthropy, and scale similar to SYTE. In selecting a fifth organization, the research team looked at the smaller scale organizations for one with a relatively long history that would supplement the otherwise bicoastal skew of the other included organizations and chose St. Louis Social Venture Partners. Appendix A presents the protocol used to guide the interviews. The 30-minute interviews were conducted in October and November 2012.

# Exploring Venture Philanthropy in the Big Picture

Foundations in the United States are defined by the Internal Revenue Service within the broader category of tax-exempt, nonprofit institutions, and falling specifically within the 501(c)(3) category of religious, educational, charitable, or scientific organizations or those that test for public safety, foster national or international amateur sports, or prevent cruelty to children or animals. Foundations are typically classified as either private foundations, which receive most of their funds from an individual, family, corporation, or some combination of those sources, or public charities, which receive their funds from multiple, unrelated donors and must continue to fundraise from such sources to retain this status. Private and public foundations are bound by slightly different tax regulations.

Within the category of private foundations, there are independent (or family) foundations and corporate foundations, distinguished by their primary funding source. In each of these two categories, some foundations are further distinguished as operating foundations—such as SYTE—which, again, denote that the foundation accomplishes its purpose through the running of its own program rather than relying exclusively on making grants to other organizations or individuals. Public charities include community foundations, which focus on raising money within a community for charitable redistribution within that community, and other foundations that raise and disperse funds around some community of interest.

This, however, all relates to what type of foundation an organization is. Foundations may further, and usefully, be described by their approach: the specific philosophies and strategies that tend to guide their work.

## The Theory of Venture Philanthropy

One of the major trends of the past 15 to 20 years has been the rise of the venture philanthropy approach—also known as social venture philanthropy or, as suggested previously, high-engagement philanthropy. The rise of venture philanthropy began with the newfound wealth and enthusiasm of the dot-com industry of the 1990s (Social Innovation Exchange, n.d.) and, although still in its infancy compared to traditional philanthropy, it has generated a great deal of interest and debate because of its use of business practices that focus on fostering bold leadership, implementing sound management strategies, and encouraging innovation. Venture philanthropy is so called because of parallels with venture capital firms, which make strategic investments designed to support growth and set expectations for returns on investment (Sievers, 2001). Most foundations that are identified as venture philanthropies in this paper are public charities because of their funding base, though there are some private foundations that employ a venture philanthropy approach and, as this paper argues, at least one organization self-identifying as an operating foundation (i.e., SYTE) that shares many similarities with the venture philanthropy approach.[2]

Detractors of the venture philanthropy approach suggest that there are flaws in the underlying assumptions that the principles of venture capital can be transferred to the philanthropic world. More specifically, they suggest that measuring success, or the "bottom line," is more difficult in the educational and social service arena[3]; the idea of scaling up to capture efficiencies may not make sense for solving social problems arising in unique and complex contexts; there is operational conflict when grantmakers share controlling stakes in implementation with the investee; and it is difficult to develop exit strategies that leave investees self-sufficient (Sievers, 2001). Although those in venture philanthropy may agree that these are challenges in their field, they also suggest that overcoming these challenges can lead to real success and impact. Measuring outcomes in a way that is meaningful and drives continuous improvement *is* difficult in social services, but it has been successfully done in some cases and arguably should still be the standard for which organizations aim (Morino, 2011). Also, the operational conflict that arises as a result of the close, collaborative relationship between investor and investee can also test the mettle of that relationship and allow the investee organization ultimately to grow if that conflict is overcome and the investor and investee develop approaches more suited to the needs of the project. Moreover, despite these criticisms, it has been suggested that venture philanthropy has matured since its early days and has other balancing strengths: Venture philanthropists are comparatively ambitious in their goals, supporting projects aimed at providing solutions to major social problems, and they have begun to focus as much on diversifying the recipients of investments as on building the capacity of the investee organizations (Herr, 2007).

The venture philanthropy approach is generally held out as being on the opposite end of the spectrum from the traditional approach, in which organizations provide funding that meets a particular criterion or priority but in which program officers have little involvement in the activities conducted under the grant and do not provide direct oversight. Grantees provide progress reports or, in some cases, participate in interim evaluations or informational site visits with the funder but, generally speaking, are not held accountable to specific benchmarks or outcomes. Many foundations today operate in this traditional mode (Morino, 2011), and this encompasses all foundation types.

The merits of the more traditional approach can be found in the benefits of specialization: Grantmakers focus their energy and expertise in developing their overall mission and perform appropriate due diligence in selecting the most qualified grantees aligned to that mission. The traditional approach allows grantees the freedom to do or deliver specific things (e.g., develop or deliver programming, provide financial support or services to individuals in need). Through traditional philanthropy, billions of dollars have flowed to worthy causes that may not otherwise have received

[2] This is based on our review of descriptive information available through the Foundation Center, including the top funders in education and the venture philanthropies identified for this paper.

[3] The philanthropic world has typically worked around this difficulty by thinking in terms of "double" and "triple bottom lines," in which cost-benefit analyses on decision making take into consideration not only financial factors (e.g., what does it cost to achieve a given outcome?), but also social factors (double) or social and environmental factors (triple).

the needed support. However, detractors suggest that the lack of strong oversight or expectations for demonstrable outcomes leads to overall inefficiencies. For example, if foundations are not focused on selecting grantees with demonstrable outcomes or close alignment to the foundations' vision, potential funding impacts are lessened. A recent study of a sample of foundation CEOs and program officers suggests that only about one quarter were truly strategic in making funding decisions (i.e., had an externally focused framework for decision making that included a hypothesized relationship between funding and achieving goals), highlighting that there is room for improvement in this area (Bolduc et al., 2007).

However, as with any continuum, there is an ample middle ground that needs to be acknowledged and, in this case, it is reflected in the movement among a number of grantmakers from a purely traditional approach to a more outcomes-based approach. This can be seen in two ways: first, foundations are seeking better management tools for their own internal processes and, second, they are asking more of their grantees in terms of reporting their outcomes. As an example of the first, the Rockefeller Center, Carnegie Foundation, and Edna McConnell Clark Foundation, among others, provided funding for the establishment and maintenance of the Center for Effective Philanthropy (the author of the study referenced above), which is focused on researching new ways of measuring social service impact and designing tools to help foundations measure the results of their investments. As an example of the second, a few traditional philanthropies also have begun to embrace principles of performance measurement with respect to their grantees. The main example is the transformation of the Edna McConnell Clark Foundation to supporting evidence-based funding, although large foundations such as the Hewlett, Robert Wood Johnson, Irvine, Annie E. Casey, and Kellogg foundations have also been placing a greater focus on funding nonprofits with proven records of effectiveness and impact (Morino, 2011).

Given these movements, it is important to look more closely at those characteristics that define venture philanthropy and best distinguish it from other approaches in the philanthropic world.

### Collective Impact

Another trend currently prominent in philanthropy journals is the "collective impact" or coordinated giving concept. In a collective impact model, foundations work with each other and across sectors in recognition of the need for committed coordination to solve many of society's major issues. The key advocates of collective impact suggest that there are five main requirements for implementing the model successfully: a common agenda, agreed-upon progress and outcome measures, mutually reinforcing activities, continuing commitment, and a backbone support organization (Kania & Kramer, 2011). Although the venture philanthropy approach shares many of these principles (e.g., measuring outcomes, building capacity), its focus still tends to be on learning how to scale up successful individual initiatives by finding and growing "the best." In many ways, SYTE's work in Syracuse reflects the "collective impact" model and it is in these aspects that SYTE diverges from its other similarities with the venture philanthropy approach.

## Defining Characteristics of the Venture Philanthropy Approach

Letts, Ryan, and Grossman (1997) are often credited with helping to define and articulate the vision of venture philanthropy in its early stages, when they identified six specific lessons that foundations could learn from venture capital firms in a seminal article in the *Harvard Business Review*. They discussed how, in contrast to traditional philanthropy: (1) the risk assumed by venture capitalists creates pressure for their (beneficial) active involvement; (2) venture capitalists use performance measures to drive continual assessment and improvement; (3) the relationships with investees are close and marked by the funders' provision of noncash technical assistance; (4) the amounts of funding tend to be significant and focused on organizational growth instead of specific programs; (5) the length of funding tends to be significant for realizing growth (e.g., five to seven years); and (6) venture capitalists focus on sustainability, with an interest in investees' future funding sources and building assurances that the organization will not flounder after the investor's exit. They argued that by applying these principles and by focusing not just on the efficacy of the programs being funded (as in the traditional purview) but on the long-term capacity of the funded nonprofits to deliver and sustain such programs, foundations could greatly increase the overall impact, the social returns, of their grantmaking.

The reflection of many of these lessons can be seen in one of the more commonly regarded set of venture philanthropy's key characteristics today. Adopted by the European Venture Philanthropy Association and routinely cited elsewhere (e.g., John, 2007, p. 7; Ochs, 2008; Social Innovation Exchange, n.d.), these six characteristics include:

- High engagement, in which the funder has a close, hands-on relationship with the funded organization and is usually involved at both strategic and operational levels.
- Tailored financing, where the investment approach is customized for the funded organization.
- Multiyear support, in which the funder provides substantial support for periods generally lasting three to five years and that focuses on sustainability at the end of the period.
- Nonfinancial support, in which the funders provide value-added services as well as access to other networks and potential funders.
- Organizational capacity building, in which the funder focuses on the long-term viability of the organizations in their portfolios, rather than funding individual projects or programs.
- Performance measurement, in which the investment is performance-based and emphasizes good business planning, measurable outcomes, achievement of milestones, and high levels of financial accountability and management competence.

For the purposes of this paper, we have chosen not to focus on those characteristics that are less applicable to the U.S. context or less useful as a contrast to other approaches to philanthropy. For example, tailored financing is more common to venture philanthropy as practiced in Europe, with U.S. venture philanthropies still primarily funding grants (versus, for example, providing loans or quasi-equity financing) (Ochs, 2008). Also, among these touted characteristics, multiyear support has the least distinguishing power, as many foundations provide grants that go beyond a single year, and the period of three to five years, such as with venture philanthropists, is not uncommon (Ochs, 2008). We also note the overlap in high engagement, nonfinancial support, and organizational capacity building, so in our definition below, we condense these under the label high engagement. Moreover, missing in these characteristics explicitly—though arguably implied—is the focus on a highly strategic selection of grantees and the view of grants as investments.

Thus building from these definitions, this paper offers the following definition of venture philanthropy in which the intent is to have a more engaged funder who brings increased emphasis on formative and summative evaluation to monitor progress and document the measurable impact of the investment. The three defining characteristics are that the foundation: (1) conceives of its donations as strategic investments, which are carefully selected in an interactive vetting process, upon which a return is expected, and in which some risk is assumed by the foundation; (2) is actively engaged in a collaborative partnership with the recipient organization, whether through joint planning and decision making or the provision of technical assistance or other in-kind support, and with capacity building; and (3) emphasizes the regular measurement of progress towards outcomes and uses these data to inform decision making . Although it is true that some foundations once on the traditional end of the spectrum are becoming more strategic in their giving (characteristic 1) and placing an increased emphasis on measurement (characteristic 3), the extent to which venture philanthropies embody these criteria is, to date, deeper than philanthropies with other approaches and part of the fabric of their existence, enabled by their uniquely high levels of engagement (characteristic 2).[4]

## Where Venture Philanthropy Fits in the Big Picture of Education Giving

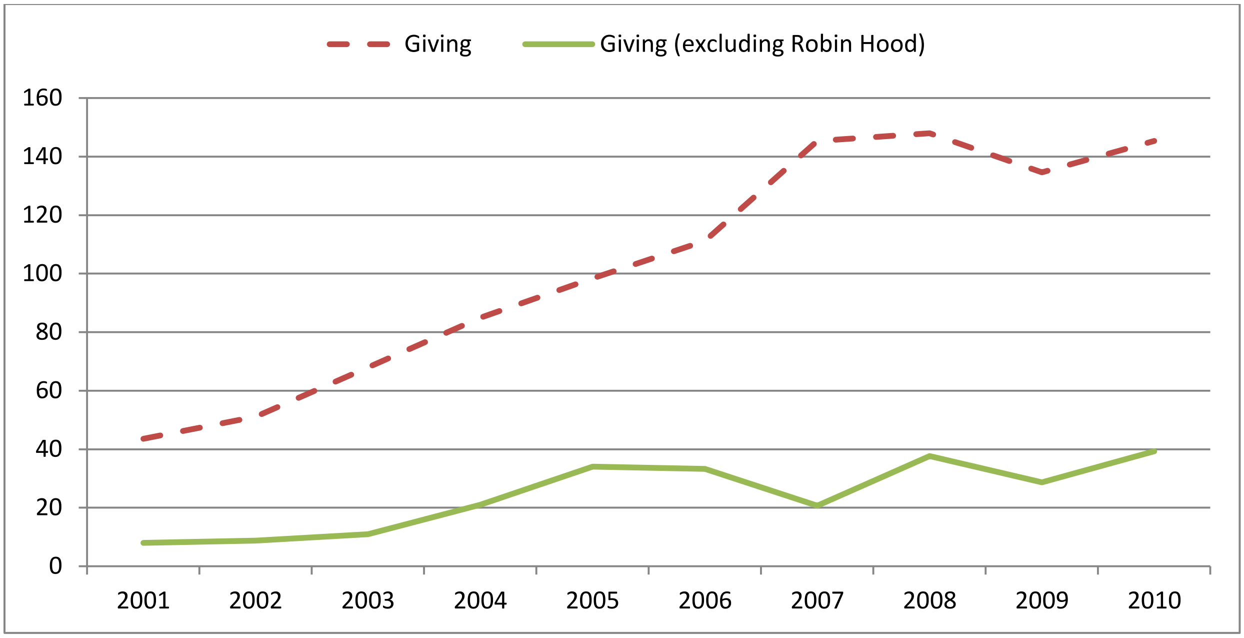
There is no definitive list of venture philanthropies operating in the United States though estimates suggest that the number is just over 50 (Social Innovation Exchange, n.d.). Thus, as was described earlier, the study team deployed a process to identify those philanthropies that may be classified as having a venture philanthropy approach and, among those, that may invest in education initiatives.[5]

As shown in Figure 1, venture philanthropy's investments have grown since the early years of this decade. Looking at 15 venture philanthropy organizations for which there are data over time, cash investments have increased from $43.6 million to $143.4 million from 2001 to 2010. Setting aside the outlier (the larger and much earlier founded Robin Hood Foundation), investments (not including in-kind contributions) have more than quadrupled, from $8 million to $39.3 million, during this period.

[4] A study by the Center for Effective Philanthropy confirms that most philanthropies lack the level of engagement typified in this approach. The study found in a survey of more than 12,000 foundations that only 5 percent provided "comprehensive assistance" (e.g., more in the vein of venture philanthropy), whereas 86 percent provided little or no assistance. (Others were in the middle or did not follow an identifiable pattern of assistance.) (Buteau, Buchanan, Bolanos, Brock, & Chang, 2008).

[5] This list includes organizations that appear to embody the defining characteristics of the venture philanthropy approach in a way that is distinct from other organizations; although within this list there will be variation as well.

**Figure 1. Trends in Investments by Venture Philanthropy (in millions of dollars): 2001–2010**



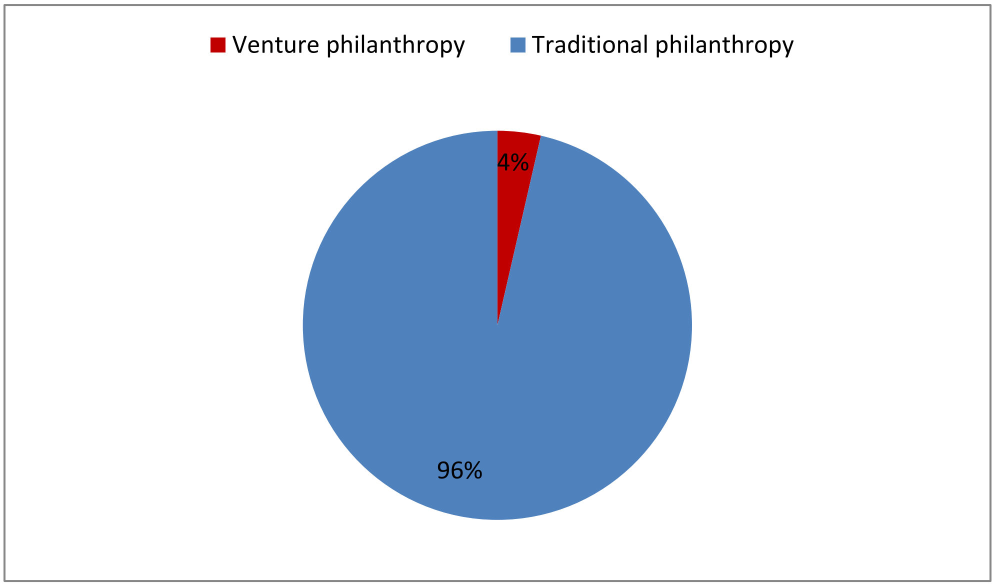

Source: IRS 990 and related forms were referenced from www.foundationcenter.org for all organizations except New Schools, Inc. Information on this organization was obtained from the annual reports archive on the organization's website.

Notes: Data for the red line are based on 15 organizations classified as having a venture philanthropy approach for which there are data for 2010 and prior years. Data for the green line are based on the same organizations and the same time period, excluding the Robin Hood Foundation (which is a financial outlier). Figures are not restricted to education-related projects.

This represents proportionately larger growth than for education giving overall, which roughly doubled over a similar period, from $2.37 billion in 1998 to $4.87 billion in 2010. It is also proportionately larger than the growth for giving overall, which rose more than two times, from $19.46 billion in 1998 to $45.8 billion (see Appendix B). However, as these figures suggest, grantmaking in venture philanthropy remains a small percentage of total giving in education: just 4 percent in 2009–10 (see Figure 2).[6] On one hand, this figure may also be overestimated, as the totals for venture philanthropies are not restricted to their education-related projects. On the other hand, it may be underestimated, as a big part of giving by venture philanthropies is through in-kind services, which are often reported to increase the estimated investment by a factor of at least two and often far more.

[6] For further context, as a percentage of federal spending on education (approximately $64.1 billion in 2010 [White House, 2012]), overall foundation giving in education is about 8 percent and venture philanthropies specifically spend less than 1 percent.

**Figure 2. Percentage Distribution of Education Giving by Approach: 2009–2010**




Source: Derived from Appendix B and Table 2.

Note: The figure for venture philanthropy is not restricted to education-related projects.

Venture philanthropy is similarly underrepresented among the top 25 funders in education—although this may not be surprising given their newness and scale compared to the organizations in this group (see Appendix C). Only one of the 25, the Eli and Edythe Broad Foundation, is classified as having a venture philanthropy approach with respect to its work in education, with its grantmaking representing almost 2 percent of the total amount awarded by this group (see Table 1). The remaining top 25 education funders are classified in our review as having a traditional approach and include both public community foundations and private foundations and, within the latter, both independent, family organizations and corporate-based ones.. Among the traditionalists, community philanthropies are underrepresented in the percentage of amount awarded and overrepresented in the percentage of total awards. This finding suggests that they tend to award more grants of smaller amounts than do private, independent—or even private, corporate—philanthropies.

**Table 1. Investments by the Top 25 Funders in Education by Approach and Type: 2009**

| Approach/Type | Number of Foundations in Top 25 | Amount Awarded | Percentage of Amount Awarded by Top 25 | Number of Awards | Percentage of Awards by Top 25 |
|---|---|---|---|---|---|
| Venture/Private, independent | 1 | $31,115,884 | 1.69% | 80 | 0.22% |
| Traditional/Private, independent | 16 | $1,372,820,720 | 74.45% | 1,780 | 49.13% |
| Traditional/Private, corporate | 4 | $278,713,805 | 15.11% | 662 | 18.27% |
| Traditional/Public, community | 4 | $191,540,250 | 10.39% | 1,549 | 42.75% |
| TOTAL | 25 | $1,844,015,996 | 100% | 3,623 | 100% |

Source: http://foundationcenter.org/findfunders/statistics/pdf/04_fund_sub/2010/50_found_sub/f_sub_b_10.pdf

Table 2 shows a more complete list of venture philanthropies (including those for which we were not able to obtain financial information to present in Figure 1), as well as data for Say Yes to Education for comparison. The organizations listed below the double line are all of the domestic affiliates of Social Venture Partners International (SVPI) that include at least some focus on education (or are not topically specified and thus presumed to not exclude education-related projects). SVPI is a network of similar organizations that share a mission to impact change in their respective communities through philanthropic development and capacity building for nonprofits. Altogether, SVPI has 27 affiliates that have given more than $46 million in cash donations since the model's inception in 1997; it is a key fixture in the world of venture philanthropy.[7]

Looking at the overall list of venture philanthropies, three subsets of organizations emerge based on patterns of giving and length of history. There are two organizations, the Eli and Edythe Broad Foundation and the Robin Hood Foundation, that have made significantly larger investments, both historically and for the most recent year for which there are data, than the remaining organizations in this category. These organizations have been established for a longer period of time[8] and have their initial roots in traditional philanthropy. There is another group of five organizations (New Schools Venture Fund, New Profit, Inc., Venture Philanthropy Partners, Social Venture Partners Seattle, and Strategic Grant Partners) that were among the first wave of venture philanthropies in the late 1990s and early 2000s and have grown to the point that their historical giving is more than $10 million apiece. Finally, there is a group of smaller scale venture philanthropies, established in the early to mid-2000s, with historical giving ranging from $130,000 to more than $5 million. As noted earlier, the in-depth look at venture philanthropies presented later in this paper examines four of the organizations from the middle set of five, as well as one from the group of smaller scale venture philanthropies. The set of four organizations met the criteria for a strong reputation for leadership in the venture philanthropy community and are similar in scale and history to SYTE. The single organization chosen from the third set met the criteria for reputation and history and, although smaller, brought some geographic balance to the selected philanthropies.

In the most recent year for which data are available (either 2010 or 2011 depending on the organization), the average investment made by venture philanthropy organizations ranged from $7,222 (Full Circle Fund) to more than $1.4 million (Broad Foundation, as well as Say Yes to Education), and the number of investments ranged from two (Pittsburgh Social Venture Partners and Venture Philanthropy Partners) to 58 (New Schools Venture Fund). These figures are nearly three and 11 times smaller, respectively, than the highest ranges of amounts and grants among the top 25 education funders (see Appendix C), but likely more akin to the vast majority of other philanthropies contributing to the remaining 62 percent of education-related grantmaking (data not shown).

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[7] In addition to the affiliates presented in the list, there are three domestic affiliates that do not include an education focus (Cincinnati, Greater Tucson, and Santa Barbara); two affiliates (Central Iowa and New Mexico) that appear to be nonfunctioning; and two that are just beginning (Chicago and Houston).

[8] Although the Broad Foundation is listed as beginning in 2001, the foundation was actually started much earlier, in the 1960s. This year (2001), however, marks the point in time at which the founders retired from the private sector, became devoted to the work of the foundation, and shifted to the principles of venture philanthropy.

**Table 2. Investments by Venture Philanthropy: Total and Most Recent Year Available**

| Organization | Since Inception | | | Recent Year | | | |
|---|---|---|---|---|---|---|---|
| | Beginning Year | Amount Invested | Number of Investments | Reference Year | Amount Invested | Number of Investments | Average Investment |
| **Say Yes to Education, Inc.*** | **1997** | **$86,016,153** | **6** | **2011** | **$8,625,575** | **6** | **$1,437,596** |
| Charitable Venture Foundation* | 2001 | $5,368,196 | m | 2010 | $12,000 | m | m |
| Eli and Edythe Broad Foundation | 2001 | $422,000,000 | m | 2010 | $31,115,884 | 22 | $1,414,358 |
| New Profit, Inc.* | 2002 | $29,538,403 | 35 | 2010 | $9,764,351 | 24 | $406,848 |
| New Schools Venture Fund* | 2002 | $80,824,531 | 100 | 2010 | $13,638,140 | 58 | $235,140 |
| Phoenix Venture Philanthropy Foundation, Inc.* | 2006 | $1,123,071 | m | 2010 | $397,615 | m | m |
| Robin Hood Foundation* | 1988 | $788,216,851 | m | 2010 | $106,068,054 | 220 | $482,128 |
| SEVEN Fund* | 2008 | $3,954,245 | m | 2011 | $863,244 | m | m |
| Social Venture Partners Delaware, Inc.* | 2003 | $1,628,026 | m | 2011 | $85,000 | m | m |
| Strategic Grant Partners | 2002 | $41,075,000 | 22 | m | m | m | m |
| Venture Philanthropy Partners* | 2002 | $41,119,189 | 14 | 2011 | $1,906,847 | 14 | $953,424 |
| Western Association of Venture Capitalists* | 2005 | $190,755 | m | 2011 | $15,315 | m | m |
| Cleveland Social Venture Partners* | 2002 | $1,339,141 | 10 | 2010 | $65,000 | 4 | $16,250 |
| Dallas Social Venture Partners | 2000 | $1,409,650 | 13 | m | m | 6 | m |
| Full Circle Fund* | 2000 | $1,197,362 | 61 | 2010 | $65,000 | 9 | $7,222 |
| Innovation+ | m | m | m | m | m | m | m |
| Los Angeles Social Venture Partners* | 2007 | $302,312 | 8 | 2010 | $53,740 | 3 | $17,913 |
| Pittsburgh Social Venture Partners* | 2004 | $530,924 | 18 | 2010 | $38,960 | 2 | $19,480 |
| Silicon Valley Social Venture Fund | 1998 | m | 38 | 2011 | $490,750 | 13 | $37,750 |
| Social Venture Partners of Arizona | m | $3,000,000 | m | 2011 | $209,385 | 16 | $13,087 |
| Social Venture Partners of Boston | 2002 | $1,000,000 | 14 | m | m | 4 | m |
| Social Venture Partners of Boulder County | 2001 | $1,500,000 | 18 | m | m | 4 | m |
| Social Venture Partners of Charlotte | 2005 | $560,000 | m | m | m | 6 | m |
| Social Venture Partners of Denver | 2000 | $650,000 | 45 | m | m | 4 | m |
| Social Venture Partners of Minnesota | 2001 | m | 19 | 2011 | $373,500 | 9 | $41,500 |

| Organization | Since Inception | | | Recent Year | | | |
|---|---|---|---|---|---|---|---|
| | Beginning Year | Amount Invested | Number of Investments | Reference Year | Amount Invested | Number of Investments | Average Investment |
| Social Venture Partners of Portland* | 2005 | $760,794 | 15 | 2010 | $132,110 | 4 | $33,028 |
| Social Venture Partners of Rhode Island | m | $130,000 | m | m | m | m | m |
| Social Venture Partners of Sacramento | m | m | m | m | m | m | m |
| Social Venture Partners of San Diego** | 2001 | $20,000,000 | 40 | m | m | 12 | m |
| Social Venture Partners of Seattle | 1997 | $13,000,000 | 73 | 2011 | $876,000 | 14 | $62,571 |
| St. Louis Social Venture Partners | 2001 | $1,500,000 | 19 | m | m | 4 | m |

Notes: An asterisk (*) indicates that there are data over time for the organization and they are included in the data underlying Figure 1. A double asterisk (**) indicates that the total figure may include in-kind contributions as well as cash contributions supporting nonprofit ventures. In addition, there were at least three other venture philanthropy organizations (E+Co, REDF, and Community Development Venture Capital Alliance) identified in our research, but not included in the table because they do not indicate an education focus. "m" indicates data are missing.

Sources: Data on the founding year and number of awards are from the organizations' websites (accessed between October 15 and 29, 2012). Data for all asterisked (*) organizations are from IRS 990 and related forms, documented by the Foundation Center, with the exception of New Schools, for which data were obtained from archived annual reports on the organization's website. Annual reports were also used to obtain the total giving amounts for Silicon Valley Social Venture Partners and Social Venture Partners of Boston, the current giving amount for Social Venture Partners of Minnesota, and both amounts for Social Venture Partners of Arizona. Total giving amounts for Dallas Social Venture Partners, St. Louis Social Venture Partners, Social Venture Partners of Boulder County, Social Venture Partners of Charlotte, Social Venture Partners of Denver, and Strategic Grant Partners were obtained from the organizations' websites.

All of the philanthropies listed among the top 25 funders and the venture philanthropies in Table 2 contribute funding to education endeavors, although education is not always their exclusive focus. Also, in the case of some of the venture philanthropies, their giving is not driven by a focus on a particular sector but rather by desired characteristics of recipient organizations, such as a focus on innovation, although there is evidence of education-related investees.

Although not all of these philanthropic organizations describe particular priorities within their education portfolios, some do: Eight organizations focus on youth development, seven on higher education, five on low-income or at-risk children, five on urban education, and five on early learning or care—with some organizations having multiple areas of interest (see Appendix D). Besides education, the most prevalent areas in which these organizations make grants or investments are economic and community development, the environment, health, and arts/culture/civics/religion. Also, housing and homelessness, aging and seniors, and global issues are cited by some of the organizations as priority areas for funding. Some of these areas may affect students' education indirectly (such as improvements in the economic or housing situation of their families); others are less likely to affect students' education but are noted to describe the breadth of interest among organizations that also give to education.

Comparing venture philanthropies with traditional philanthropies, the latter more frequently fund endeavors within the arts, culture, civics, religion, and economic and community development than do the former. Venture philanthropies tend to focus their funding, rather, in the areas of education for low-income or at-risk children (such as SYTE), youth development, and poverty alleviation and human services.

## Summing It Up

Although not large when viewed as a percentage of education giving overall, venture philanthropy still makes substantial contributions in absolute terms: at least $1.5 billion—not including substantial in-kind services—to more than 500 investees in roughly the last decade. Moreover, venture philanthropy is growing along with the industry in general—with cash donations quadrupling over this time period—and often focuses on the most vulnerable groups in society. The remainder of this paper looks at the philosophies and strategies of venture philanthropies, in particular, and the experiences of one organization in a partnership to drive large-scale education reform.

# Examining Say Yes Syracuse in the Venture Philanthropy Approach

SYTE is a national nonprofit foundation that is committed to dramatically improving high school and college graduation rates for inner-city youth. The aim of SYTE is to address and remove the obstacles typically facing at-risk urban students so that they can succeed in their K–12 education and have access to and success in higher education. The foundation's theory of action is that successful academic outcomes require a comprehensive approach—including supports in the areas of *academics*, *social emotional learning and development*, and *health and well-being*, as well as access to *financial resources* such as college scholarships for students meeting district residency, graduation, and other requirements—and collaboration across sectors, which includes but is not limited to schools. This theory of action undergirds the suite of supports that encompasses the SYTE package, including extended day/year programming, student diagnostic testing and monitoring, and school-based academic supports, family services, health care, and legal services, along with the scholarship program.

Since its founding in 1987, SYTE has worked within school districts in four cities.[9] Building on these experiences, SYTE developed a new model and, in 2008, established its first partnership with an entire school district in Syracuse, New York.[10] Say Yes Syracuse was a landmark undertaking in that it was working to establish a communitywide collaboration—one that crossed sectors and involved all relevant stakeholders, including the Syracuse City School District (SCSD), Syracuse University (SU), city and county government, the school board, the teachers' union, and numerous community-based organizations (CBOs). In this way, Say Yes Syracuse embodies a collective action model, with a focus on attracting, aligning, and increasing investments for the long-term around a set of specific goals to solve the complex social problem of the education system's chronic underperformance.

As stated before, SYTE is an operating foundation. Yet, the ways in which it has operationalized its work in Syracuse suggest that the model fits broadly within the venture philanthropy approach, though there are some differences in the specifics of the approach when compared to organizations that would be considered "classic" venture philanthropies (see Table 3).

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[9] Within-district chapters prior to Say Yes Syracuse included Philadelphia, Pennsylvania; Hartford, Connecticut; Cambridge, Massachusetts; and Harlem (New York City).

[10] Since Syracuse, SYTE has founded a second districtwide partnership in Buffalo, New York, begun in the fall of 2012.

**Table 3: The Venture Philanthropy Approach**

| Characteristics | Specifics | Say Yes Syracuse | 5 classic VPs |
|---|---|---|---|
| Strategic investment | Extensive vetting and selection based on perceived ability to collaborate… | Includes meetings and discussions with key stakeholders over the course of the year prior to the collaboration. | Is an extensive process going beyond a grant application and including discussions with key stakeholders and feedback from the community. |
| | Expected return… | Is dramatically increasing postsecondary completion. | Is increasing impacts on the social issues addressed by the funded organizations (e.g., increase in individuals served). |
| | Assumption of risk… | Is undertaking a comparatively ambitious project representing a significant part of the foundation's funding during the initial years. | Is through funding a small number of organizations that show promise but are not yet mature. |
| Active engagement in a collaborative partnership | Provision of nonfinancial support… | Includes in-kind support through staff involvement and a significant investment of time. | Includes in-kind support through staff or donor involvement and significant investment of time. |
| | Focus on capacity building… | Is a component and desired outcome, as is the provision of strategic support, but program delivery is equally important. | Is through the provision of board development, strategic planning services, leadership development, and business services. |
| Focus on performance measurement | Development of a plan that includes inputs/outputs and impacts… | Is represented by the multilevel data strategy for monitoring growth, targeting resources, assessing impact, and providing transparency. | Is represented by customized plans for funded organizations that focus on assessing growth and impact. |
| | Data-based decision making to support continual improvement and an exit strategy… | Is through the establishment of structures for public disclosure of data, interpretation of data, and making recommendations. | Is through annual (or more frequent meetings) between the foundation and the funded organization for interpretation of data and action planning. |

## Strategic Investment

The first distinguishing characteristic of venture philanthropy is the concept that financial contributions are investments, which are carefully vetted in an interactive selection process, upon which a positive return in outcomes is expected and in which there is some risk assumed by the foundation. This is true in the case of SYTE's work in Syracuse.

Syracuse was chosen as the first district to implement the SYTE theory of change as a communitywide collaborative after roughly a year of careful consideration and discussion among the leaders of SYTE (who had long wanted to undertake work in upstate New York) and key partners in the community, including the president of SU and the superintendent of schools (Maeroff, 2012). It appeared from the statistics on student outcomes that SCSD was in need of dramatic improvement. However, this was true for numerous cities in upstate New York. The key to Syracuse's selection was the relationships that SYTE had already begun to establish with key leaders and the staff's assessment that the community had the civic and political leadership that was essential to the project (Maeroff, 2012).

The process for vetting the partnership in Syracuse is not unlike the processes that leaders of the classic venture philanthropies use. In all cases, these leaders told us that the process for selecting grant recipients extends far beyond a grant application and involves numerous, prior discussions with the leaders of the potential investee organizations, as well as fact finding in the community at large. In fact, two of the venture philanthropies we spoke with used marriage metaphors to describe their relationships with investee organizations, which denotes the seriousness of the process of due diligence that precedes the investment being issued. That process is a "courtship" in which both sides are assessing their fit for each other and their ability to cooperate and engage should the relationship move forward past "dating."

For several of the venture philanthropies (notably New Profit, New Schools, and Venture Philanthropy Partners [VPP]), a key characteristic being sought is leadership—an assessment that the potential investee organization is led by a person with vision, experience, and an entrepreneurial spirit that

***New Profit, Inc***. *funds nonprofits with the potential to create significant, long-term impact on the social mobility of low-income Americans. They are currently funding 12 education projects, ranging from preparation of teachers and administrators, to provision of academic and social emotional supports for students, to implementation of education reform models.*

***New Schools*** *invests in both nonprofit and for-profit organizations working to improve public education. Funded initiatives include charter schools, professional development for educators, and educational tools for teachers and students.*

***Social Venture Partners Seattle*** *works to connect philanthropists, strengthen nonprofits, and invest in collaborative solutions. They are funding seven projects in the area of K–12 education and early learning.*

***St. Louis Social Venture Partners*** *funds nonprofits that provide education programs for disadvantaged youth.*

***Venture Philanthropy Partners*** *funds high-performance nonprofit organizations that serve children and youth. Most of the 14 currently funded projects are related to the provision of educational and other* can be supported and strengthened through a partnership with the foundation. “The fundamental premise,” shares Mario Morino, the founder of VPP, “is trying to identify the organizations that are having a meaningful impact in children’s lives and that have a vision or sense of how they can grow that impact, and then help them build a high-performing organization to take that impact to a much higher level.”

This last statement, however, sheds light on a difference between SYTE and classic venture philanthropies. Whereas the latter are funding individual organizations that have been vetted for particular characteristics including potential for success and willingness to accept the funders’ involvement, the former is primarily funding a public entity—a school district—that has been vetted for its needs and willingness to work not just with the funder but with other partners as well.

In terms of the returns expected on the investment, Say Yes Syracuse is clear that the ultimate goal is dramatically increased student postsecondary completion. This is the very first on its list of “nonnegotiables”—or core principles, as they are now known—to which all partners had to agree at the outset of the collaboration. Postsecondary completion is the primary goal against which the collaboration ultimately is measured. Again, this is not unlike what we heard from the classic venture philanthropy leaders, who work with their investee organizations with the ultimate goal of increasing their impacts on the populations being served. “Lives touched” is the frequent outcome measure that is touted in annual reports—showing that the investee organization has been able to reach more and more individuals in need. (Additional details about the outcomes measurement are considered later in the paper.)

Finally, SYTE’s decision to invest in Syracuse represented the assumption of significant risk. Although there were successful experiences in four other locales, Say Yes Syracuse was comparatively ambitious in its desire to transform an entire system and to take on the level of coordination required. As a demonstration project, it was expected that there would be missteps and lessons to learn (see next section), but the hope was to establish the groundwork that could be transferred to and built on in other cities such as Buffalo, as is now occurring. However, from 2008 to 2011, a significant portion of SYTE’s grant funds were invested in Syracuse compared to its four other sites—a fact that sets it apart from many foundations with more diversified portfolios.

The classic venture philanthropists assume risk, too, and although their number of investees tends to be comparatively small because of the level of engagement required by the relationships, there is some diversification. The element of risk comes with the fact that, although investee organizations are chosen because of a proven potential for impact—with New Profit, VPP, and St. Louis SVP noting this most strongly in our sample—they are still organizations that are not yet at a mature stage; they are still in the early stages of development. The venture philanthropy leaders said they do not need to see years of demonstrated impact—often they view their role as helping bring organizations *to* that stage—but they do expect to see that the investee organization has tested its idea, has demonstrated the idea has promise, and is looking to increase its footprint. As Lisa Jackson from New Profit suggested, “What is appealing is those organizations that have shown an appetite for scale.” Being able to successfully scale up, however, is the risk. While the classic venture philanthropies tend to take on “newer” organizations, SYTE in Syracuse took on a mature but not fully functional system and—in both these scenarios—the risk is inherent.

## Active Engagement in a Collaborative Partnership

The second distinguishing characteristic of venture philanthropy is active engagement of the foundation partner in a collaborative partnership with the investee. This is the piece that sets SYTE and venture philanthropies farthest apart from foundations using more traditional approaches, but it is also where there is more divergence in operationalization between SYTE and classic venture philanthropies.

SYTE's engagement in Syracuse is guided by clearly stated principles and philosophies. Referred to earlier, this guidance is encapsulated in the core principles. At the outset of the collaboration, the three main partners (SYTE, SCSD, and SU) signed a memorandum of understanding (MOU) that laid out these core principles (see Appendix E, which describes their essential function in guiding the investment and how they were expected to be applied in Syracuse specifically). Similarly, all of the venture philanthropy leaders with whom we spoke had a guiding framework for how they selected and then set expectations with their partner organizations.

In terms of nonfinancial support, SYTE is involved on a deep and day-to-day basis, contributing in primarily two substantial ways. First, as the core principles lay out, SYTE plays the role of "honest broker" through which it aims to build and communicate about the partnership. Second, it is the core contributor of essential elements of the change strategy (i.e., it is the Say Yes model that guides the rollout of supports in schools). In this way, SYTE is the "backbone support organization" that the collective impact model describes. These functions require substantial time commitment both from senior leadership to serve in the "honest broker" role—with weekly visits by and conversations with the president and chief operating officer during the early years of implementation—and through the placement of a number of locally based staff to help facilitate implementation and support the programming being rolled out.

Classic venture philanthropies also routinely provide nonfinancial support to their investee organizations. In the venture philanthropies in our study, in the case of the SVP affiliates (St. Louis and Seattle), these supports are often provided through the in-kind technical assistance of the individual donors who pooled their investments in the foundation, whereas in the case of the other philanthropies, this support is provided through staff, such as it is in Say Yes Syracuse.

With regard to capacity building, however, there is some divergence of Say Yes from a more classic venture philanthropy approach. Although local capacity building is an important goal of Say Yes—the core principles underscore the desire for the model to be self-sustaining financially and otherwise within a given time period—it is equally engaged in embedding and ensuring delivery of the Say Yes theory of change. When SYTE makes an investment and takes on a partnership, such as in Syracuse, part of the agreement is to apply its theory of change, which identifies the suite of supports necessary to remove the barriers for students to access and succeed in postsecondary education, and customizes them for the local conditions. SYTE's staff of 11 in Syracuse support the rollout of these supports, as well as tasks related to fundraising, marketing, and communications. In addition, Say Yes provided funds to Syracuse University for the hiring of staff to be located in two thirds of the schools, who served as coordinators to support Say Yes programming designed to meet individual students' needs.[11]

By contrast, the classic venture philanthropies whose leaders we spoke with are content-neutral—although they may have preferred topics of focus, they do not advocate a particular program or theory—and all of their energy is focused on developing overall operating capacities, efficiencies, and growth. As Paul Shoemaker, the CEO of Seattle SVP, summarized: "It's not that our grantmaking is better than anyone else's [i.e., foundations with a traditional approach] per se; the value added comes afterward in helping the investees to build long-term capacity. We make the grant and then our work *begins*." The leadership of SYTE would likely agree that the real work begins at this stage, too, though their focus straddles content and process whereas the leaders of the venture philanthropies in our sample focus on process.

The supports that venture philanthropies most frequently cite providing to their investee organizations include board development and strategic planning services. Board development is considered exceedingly important because the board is viewed as a vital support to the leadership team, an important resource for fundraising and networking, and a voice for pushing continual change and expansion. Leaders of venture philanthropies often take a board seat on the organizations they fund in order to have a direct role in governance and oversight. Most of the interviewed philanthropies also provide strategic planning services. These encompass the use of commercially available self-evaluation tools, planning committees, and visioning sessions around the idea of what the organization's goals are, what is possible to achieve, how that can be measured, and how it can be brought to scale. (These are most similar to the activities SYTE engaged in in Syracuse as well, such as strategic spending reviews conducted by its partner Education Resource Strategies or other consulting provided through Schoolhouse Partners.) The leaders of these venture philanthropies also reported placing a strong focus on leadership development, which includes the organization overall, not just a singular leader or the board. Finally, supports cited included the development of the business systems that support the organization, including sound financial planning, accounting and modeling processes; technology systems; marketing strategies; and evaluation tools.

As in Syracuse, the provision of these types of supports translated, for these venture philanthropies, into significant investments of time, with the minimum amount of time spent with the investees being "several times a month" up to "several times per week."

[11] Staff were only located in the elementary and K–8 schools, which represent about one third of the schools in SCSD. Since the 2012–13 school year, funding and management of these positions have been moved to the Huntington Family Center, which hires and manages the staff primarily with Say Yes funds and a small supplement from the state.

**Capacity Building in the Venture Philanthropy Approach: Views From the Field**

On the importance of Boards: VPP and New Profit describe how it is important to assess the strengths and weaknesses of existing boards and connect the organizations with potential board members to fill gaps. Kathy Osborn, the leader of St. Louis Social Venture Partners, notes that they generally will not fund organizations in which the leadership and board are divergent because "that is a problem that will follow you."

*On the importance of leadership:* Although the idea of the visionary leader and a supportive, well-connected board is important, the belief among the venture philanthropists we interviewed is that in addition to the access and ideas of the leader, the organization needs a strong team in order to be successful in the long run. As Mr. Morino put it, "It's about getting the right people in the right seats on the right bus."

## Focus on Measurement of Outcomes

The third defining characteristic of the venture philanthropy approach is the focus on measuring performance, including the idea that there must be measures of outcomes (in addition to inputs and outputs) and the performance data should be used to inform the operation or the investee or partner organization, as well as to assess overall impact and success.

The importance of data is reflected throughout Say Yes Syracuse's core principles. The common vision stated that the ultimate measure of success would be an increase in the postsecondary completion rates for SCSD students. However, the expectations also laid out a more complete vision of how data could be used to monitor progress on benchmarks that have been determined to indicate that students are on a trajectory that suggests they will complete postsecondary education, and to identify needs at the student, school, district, and community levels, and then target services to those needs. SYTE's expectations for data use included:

- The development of a student monitoring system to collect information about students' academic, social emotional, and health needs in order to better target services and enrichment opportunities at an individual level; monitor and assess school, district, and SYTE performance; and provide transparency.
- The participation of schools in an annual quantitative and qualitative school review process to inform school improvement planning and that included programmatic reviews, teacher and student surveys, and staff and parent input.
- The cooperation of the district's data office in providing (or enabling the collection of) data.
- Due-diligence reviews of the community-based organizations (CBOs) that deliver services to SCSD students.
- The development of a dashboard of indicators available to the community, which would track conditions related to the educational and economic health of the city.
- Cooperation in an ongoing effectiveness study conducted by the research partner.
- Cooperation in implementation reviews conducted by the research partner for use by SYTE internally.

These expectations were achieved with mixed success in Syracuse. The school reviews were conducted in three consecutive years, with improvements in facilitating the actual use of school reports (profiles) in school planning processes, especially in the second year when school leadership teams were invited to join the briefing sessions previously held with only the principals. In addition, more than 25 due-diligence reviews of CBOs were completed, as were implementation reviews in three years. However, data quality and timeliness issues at the district level challenged the development of the effectiveness study and completely stalled the development of the monitoring system. With the dashboard, the partnership was able to successfully identify the list of indicators (and their data sources) with input and buy-in from community leaders.

The expectations also clearly stated that the partners engage in public dialogue around these data—that all partners and the public would have an ongoing picture of the inputs (e.g., status of the delivery of services, funding allocations) and outcomes (e.g., student achievement on tests, graduation rates, postsecondary enrollment, and eventually completion rates). Although this did not get under way until the second year of the project, the partnership did arrive at a useful structure—including the formation of a Community Action Group (CAG) and other task forces—for vetting data and disseminating them to the public. These task forces provided regular opportunities for various sector leaders to come together to discuss and weigh in on developments and directions of the activities. These structures worked well in the Syracuse context because there were multiple groups each with a specific focus (e.g., health and wellness, community advisory, corporate giving), which made the best use of particular expertise and effectively managed the volume and diversity of those involved.

The message from Syracuse in terms of outcomes, however, is still evolving. While several indicators are either similar to or down from 2008 levels, some have been trending positively since 2009, including a slowly increasing graduation rate and pass rate on the Regents algebra exam. In addition, there has been an obvious increase in numerous inputs and resources (e.g., social workers in schools, extended day programs, health and legal clinic availability, scholarship money awarded) as well as a reduction in in- school (but not out-of-school) suspensions. However, there are differing reports among partners on the ultimate measure of success—access and completion of postsecondary education—thus, the impact of Say Yes Syracuse on college-going rates remains unclear to date. Continuing to address the need for high-quality data, as well as developing the monitoring system that would provide timely projects of whether desired outcomes are being reached, are paramount for understanding the impacts of the collaboration and making decisions for going forward.

As SYTE, all of the venture philanthropies in our group focused on routinely measuring progress. In general, these philanthropies examined two key questions aligned with the overall mission: Are investee organizations developing capacity and growing? Are their impacts increasing?

In the most sophisticated approaches (including that implemented by VPP), the philanthropy works with the investee organization to identify specific milestones that include organizational accomplishments, outputs, and outcomes; annually assess progress toward these milestones—although in reality, there is ongoing assessment throughout the year—and make decisions about how to proceed based on those evaluations. New Profit also has a yearly assessment, which it combines with other inputs such as a grantee perception report, and, in the case of six investees funded through Social Innovation Grants, an external, third-party evaluation. What New Profit has learned (and investees agree) is that the value-added is in their strategic and board development services. SVP Seattle has a similar approach as VPP and New Profit, with the establishment of investee-specific milestones—"It's not just one method or measure"—but found over time that an every-other-year formal assessment was sufficient.

To address the question about the growth of organizations and capacity building, the venture philanthropy leaders we interviewed pointed out that some of the data they use are hard (answering questions such as: Has there been personnel growth? Are the needed business systems in place?), but some are soft (answering questions such as: Is the board functioning better? Does the leadership team work well together? Is the strategic plan clear and useful? What has been the quality of coaching provided to the organization?), which thus introduces an element of subjectivity. Gloria Lee from New Schools also pointed out that because of the stage of development of their organization (i.e., "growing"), the milestones may change over time and a challenge is finding targets that are meaningful to measure over time.

To address the question about the impacts of investments, the venture philanthropy leaders in the sample relied on a mix of data, including some collected by the foundation partner and other information collected by the investee partner. At a minimum, these data include the number of "lives touched" to demonstrate growth in the reach of the organization. However, at a more sophisticated level, these data should include evidence of actual outcomes (e.g., increased test scores), although Mr. Morino warned that while they should remain the key driving force, the outcomes do not usually come for at least three years.

Finally, one aspect of performance measurement as it is ideally practiced in the venture philanthropy approach is that the focus on outcomes is the ultimate driver: if the desired outcomes are not achieved, funding is discontinued. However, in the case of Say Yes Syracuse and some of the venture philanthropists in our sample, the idea of "pulling the plug" is still somewhat elusive and actual practice has not fully lived up to the ideal inherent in this defining characteristic. In Syracuse, several of the key elements of the theory of change were not implemented (e.g., the student monitoring system, a systemwide approach to social emotional learning) and, as described earlier, the picture on outcomes is unclear. However, the relationship and funding continue, because it is has not been deemed desirable to walk away from the accomplishments that have been made. When so much is tied up in one investment, in a demonstration project, the stakes are higher for walking away. In our discussions with the leaders of the other venture philanthropies, there too were far more tales of adjusting expectations than in severing relationships.

# Lessons Learned From Say Yes Syracuse and the Venture Philanthropy Approach

This final section draws on the experiences of Say Yes Syracuse, as well as the five classic venture philanthropies in our sample that share a similar high-engagement approach, to offer considerations and recommendations to foundation leaders who are funding and participating in large-scale educational reform initiatives.

## Strategic Investment

**Due diligence is essential in selecting partners.** SYTE and the five contributing venture philanthropists all employ a lengthy and intimate selection process as the first essential step in building a healthy partnership. SYTE chose Syracuse as the first district to partner with in a communitywide collaborative only after careful consideration and discussion among the leaders of SYTE and key partners in the community, including the president of SU and the superintendent of schools. Although numerous districts in the U.S. and, indeed, several in upstate New York could have met the criteria for need, the key to Syracuse's selection was the relationships that SYTE had already begun to establish there, which they believed could be strengthened and expanded over time. The venture philanthropists all echoed this sentiment—stressing the importance of selecting investees that fit with the grantmaker's vision and are truly open to the kind of collaborative partnership and deep involvement of the grantmaker that comes with the financial investment. To assess this fit, foundation leaders and staff should learn all that they can about the potential investees, beyond simply reviewing reports and data, to having extensive discussions with potential investee leaders and board members and discussion with other members of the community to get a broader sense of investees' reputations, potential for impact, and ability to work in partnership with the funder.

**Establish a common vision with agreement around the specifics of what is to be accomplished and how.** SYTE and the five contributing venture philanthropists also demonstrate the importance of coming to agreement on an overall vision and being *specific* about what is to be accomplished and *how* it is to be accomplished. Although the MOU and SYTE were clear on the overall goal and vision for the partnership in Syracuse, the partners had different ideas on how that goal was to be accomplished. Although the partners agreed in principle to the SYTE theory of action about removing barriers and rolling out supports in the areas of academic, social emotional learning and development, and health, the identification of some of those supports and how they should be rolled out were not specified and became sources of challenge in the earlier years. For example, one of SYTE's priorities was establishing, along with high-quality academic programming, social emotional learning in SCSD schools, but because SCSD did not share this particular priority—although it had signed off on it in the MOU—they pushed back during program selection and the effort stalled in comparison to other elements of the action plan. SYTE and SCSD also disagreed on the degree to which SYTE should be "embedded" in the district. Although SYTE described a vision for embedding, some of its early actions (such as hiring school-based Say Yes staff without the explicit collaboration of principals or moving to roll out afterschool programs on an aggressive timetable) established them as more separate. Such tensions related to mismatches that partners have about priorities (as well as about culture, data, and measures) can cause serious problems in collaborative efforts (Ostrower, 2005). Thus, one of the lessons learned in Syracuse was that, despite having an MOU among the three key partners in the collaboration—SYTE, SCSD, and SU—it would have been useful (a) to have all partners sign the agreement and be part of the initial discussions and (b) to have more specificity in the series of steps that would be taken to establish the overall goal. The school alone cannot be the partner—it must also include local government, community-based organizations, and foundations. The process of local adaptation is one that should be part of the planning at the outset and not just in implementation.

**Move judiciously and do not rush to scale up before the partnership is ready.** This can be the hardest lesson to learn as both the investor and the investee want to make continual forward progress. However, moving too fast can lead ultimately to time wasted. In Syracuse, for example, SYTE pushed to roll out afterschool programming and, in doing so, relied on staff hired expressly for this purpose, overlooking the community-based organizations (CBOs) who were key partners in the collaborative and who had provided some of the previously existing programming. However, in the end, the new programs were not uniformly well run—quality control processes in hiring and implementing the programming were insufficient—and the CBOs were somewhat marginalized. In the second year, SYTE learned to make better use of the CBOs and employ them to deliver more consistent afterschool programming more integrated with the individual schools. Had there been a review of the quality and capacity of existing programming, this challenge could have been avoided. The interviewed venture philanthropists also urge foundation leaders to go slow at the beginning, learn about the process, and develop the service. Looking ahead and being ready to grow is important, but looking too far ahead can be counterproductive.

## Active Engagement in a Collaborative Partnership

**Context matters and buy-in and investee ownership is essential.** In high-engagement philanthropy, grantmakers come to projects with specific ideas of what can be offered to partners and investees—in the case of Say Yes Syracuse, a commitment to raising money to endow the scholarship fund and a theory of action to guide the reforms and, in the case of other venture philanthropies, the business acumen to support organizational growth and development. Ideally, these supports and expectations are codified in MOUs. The relationship, however, remains a two-way street and both investor and investee have to be prepared to customize based on the investee context and to ensure that investees have the input necessary to support their buy-in and sense of ownership in the effort. The earlier example of SYTE pushing to roll out the afterschool programs without more consultation from CBOs was a misstep for the foundation in this way. In a similar vein, in the early years, SYTE hired school-based staff without the explicit collaboration of building principals and thus instead of enabling SYTE to be “embedded” in the district, the school-based staff were viewed as separate and their services and connections to supports for students were not as well utilized as they could have been. SYTE is applying this lesson in its work in Buffalo where staff undertook, in collaboration with their partners, an extensive exercise to identify existing assets in the community prior to beginning any other elements of program rollout or due diligence with CBOs. Once assets were determined, SYTE coconstructed a due-diligence process with nearly 30 local Buffalo CBOs and representatives from the district, county, city, and foundation community.

**Develop structures needed for communication and ensure that there is ample staff support for them.** It goes almost without saying that good communication is essential for any effective collaboration; built-in structures can foster that communication and ensure that all partners are on the same footing. In Syracuse, SYTE played the role of “honest broker,” and in this role, they were able to bring together groups that had previously been wary of working together. SYTE was viewed as neutral and they became the trusted “third-party” to convey information. However, performing in this role—especially at the beginning—required a large time commitment (including weekly visits by the president and COO), and because SYTE was so prominent in the communication scheme, they became very visibly connected with the reforms and the sense of local ownership was delayed. The trade-off in this case was getting previously disparate groups talking and on the same page, but other grantmakers might carefully consider what structure or group is best poised to be an approachable conduit but at the same time not limit investee ownership.

**Transparency builds confidence and know-how.** This consideration goes somewhat hand-in-hand with having effective communication structures and also overlaps with the considerations around measuring outcomes (see below). When partners are working from the same information—whether it is trending negative or positive—better decisions can be made to address any problematic issues, which in turn supports the growth of the endeavor. This further feeds the confidence in the partnership and builds a knowledge base that is shared among the partners. In Syracuse, for example, the partnership engaged a neutral contractor to conduct a financial audit of district spending for the purposes of improving efficiency within the existing budget. This information was shared with the Community Advisory Group (CAG; see below), as a way of gathering input and community buy-in around budgetary considerations for SCSD to take forward. The venture philanthropists described success as their investees sharing bad as well as good news with them, without hesitation, because they were viewed as trusted partners in an effort of continual improvement.

## Focus on the Measurement of Outcomes

**Establish a comprehensive data strategy to which all partners are dedicated.** Having a clear strategy for what to measure is essential in tracking the progress of an effort, informing decisions about managing it, and judging its ultimate success. In Syracuse, the common vision stated that the ultimate measure of success would be an increase in the postsecondary completion rates of SCSD students, as well as how data could be used to track progress and inform the reform effort and continual improvement. The strategy addressed all levels from student to school to district to community and, while it was not successful in every component, it has provided important information to the key actors—namely through the school review, CBO due diligence, and implementation review processes. In those components that were less successful, a lack of dedication by some partners to data availability (see also below) were the primary hindrances. The venture philanthropists suggest that among their investees, it is the ones who become most engaged in the aspects of continually measuring themselves against desired outcomes and continually assessing the effectiveness of their supportive processes who get the most out of the investment.

**Recommendations for Foundations Undertaking High-Engagement Investments**

*Invest strategically*

1. Spend a significant amount of time courting potential investees to make sure both sides understand the nature of the possible future relationship. Review the data, but also engage investee leaders and key stakeholders in discussions about the future and get a broad perspective about the stakeholders from the community at large.
2. Establish a memorandum of understanding that all investors and investees develop and agree to and that has enough specificity to avoid the emergence of individual agendas once the initiative is begun.
3. Take stock of what is currently working and not working with all the partners, rather than pushing to make changes on an accelerated schedule.

*Actively engage in the partnership*

4. Take account of the investee's context and make adjustments to offerings as needed. Ensure that stakeholders are involved in discussions about the particulars of implementation so that there is a sense of ownership and buy-in.
5. Ensure that there is a particular organization or group of staff with explicit responsibility for fostering communication among the partners—for collecting and disseminating information, collecting feedback as necessary, and bringing partners together when necessary.
6. Put a priority on transparency and support partners in being transparent by creating an environment of trust and problem solving. Listening carefully to different perspectives, following through on promises, and focusing on solutions rather than blame are ways to foster such an environment.

*Measure performance and use data to make decisions*

7. Identify what data are needed to track progress toward goals and involve all partners in developing the overall data strategy.
8. Assess the strengths and weaknesses of existing data sources and plan for new or refined data sources, as needed. Pay close attention to issues of data quality and timeliness in order to ensure completeness and credibility.
9. Ensure that all investees and stakeholders have routine opportunities to engage with data about the project, so that they can contribute to the interpretation of the data and decision making around next steps.

**Ensure quality and timeliness of data.** A key component of the data strategy is having a complete picture of what data are already available—including their strengths and limitations—and what data should be newly collected (or improved) to provide the needed information for assessing and steering the effort. In Say Yes Syracuse, the SCSD data office was to be a primary supplier of quantitative data on schools and students to inform the school reviews, ad-hoc studies, the effectiveness study, and the development of a student monitoring system. However, the nature of the existing data was not always well geared to the purposes to which Say Yes Syracuse wanted to put it (e.g., the student database was not built to support longitudinal analyses), and staff turnover and changes in leadership sometimes made communication difficult. In another example, data on students' postsecondary enrollments—typically obtained through the national clearinghouse—were not available, severely limiting the conclusions that can be drawn in the effectiveness study. Thus, for any data strategy to be fully implemented, close attention needs to be paid to ensuring the quality and timeliness of data.

**Establish structures for vetting data and acting on it.** In addition to having a plan for data and having access to high-quality and timely data, there needs to be a plan to make all the stakeholders are aware of the data and provide them opportunities to comment on it. Part of the expectations for the partnership in Syracuse was that the partners were to engage in public dialogue around hard data. This was to ensure that all partners and the public would have an ongoing picture of the inputs (e.g., status of the delivery of services, funding allocations) and outcomes (e.g., student achievement on tests, graduation rates, postsecondary enrollment and, eventually completion rates). Say Yes Syracuse used the CAG and other task forces to provide regular opportunities for various sector leaders to come together to discuss and weigh in on developments and directions of activities. These structures worked well in the Syracuse context, with multiple groups each with a specific focus (e.g., health and wellness, community advisory, corporate giving) to make best use of particular expertise and to effectively manage the volume and diversity of those involved.

# Conclusion

Foundations that take a venture philanthropy, or high-engagement, approach are unique in their conceptualizations of their funding, their degree of involvement with their investees, and their drive to measure progress and make continuous evidence-based improvements to meet ambitious goals. The experiences of Say Yes Syracuse, and several other high-engagement philanthropists, highlight some lessons learned around these three unique characteristics that might be useful for other foundations embarking on such an approach to educational reform.

Other foundation leaders seeking to actively engage in educational reform should realize that it will take substantial time to build relationships with partners, among partners, and with the community, and to learn how to communicate in clear ways. Building from and supporting local capacity, and developing buy-in and support from the groups that will implement, sustain, and benefit from the activities will be paramount as well. Other foundations seeking a high-engagement partnership will need to develop the structures and mechanisms—such as an MOU, a data strategy, and committees and task forces—to operate with their partners toward the common goal. And in order to measure progress and ultimately judge success, foundations will have to strongly prioritize issues of data quality and timeliness, and develop mechanisms for stakeholders to be involved in the interpretation of findings and decision making around them. Good measurement and open discussion of those measures is what distinguishes the venture philanthropy approach, what allows continual improvement, and what lends credibility to the overall endeavor.

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# Appendix A. Interview Questions for Venture Philanthropy Leaders

1. What are the guiding principles for your approach to venture philanthropy?
2. What are the tools and strategies you deploy to select your investments?
3. What type of support do you provide your investees during the investment period?
4. What type of evaluation do you use to determine success and accomplishment of milestones?
5. What are the strengths and challenges of your approach?
6. How do you think venture philanthropy has changed the face of philanthropy in education?
7. Is there anything else you would like to share with us regarding your organization's giving in education?
8. What is your advice to other venture philanthropists along the lines of lessons learned?

## Interviewees

Lisa Jackson, Managing Partner of New Profit Inc.

Gloria Lee, Chief Operating Officer of NewSchools Venture Fund

Mario Morino, Cofounder and Chairman of Venture Philanthropy Partners

Kathy Osborn, Executive Director of St. Louis Social Venture Partners

Paul Shoemaker, Executive Connector of Social Venture Partners Seattle

# Appendix B. Number of Funders and Giving Overall and in Education (in Billions): 1975–2010

| Year | Number of Funders Overall | Number of Funders in Education | Giving Overall | Giving in Education | Giving Overall (Adjusted) |
|---|---|---|---|---|---|
| 1975 | 21,877 | m | $1.94 | m | $1.94 |
| 1976 | 21,447 | m | $2.23 | m | $2.11 |
| 1977 | 22,152 | m | $2.35 | m | $2.08 |
| 1978 | 22,484 | m | $2.55 | m | $2.1 |
| 1979 | 22,535 | m | $2.85 | m | $2.11 |
| 1980 | 22,088 | m | $3.43 | m | $2.24 |
| 1981 | 21,967 | m | $3.79 | m | $2.25 |
| 1982 | 23,770 | m | $4.49 | m | $2.5 |
| 1983 | 24,261 | m | $4.48 | m | $2.42 |
| 1984 | 24,859 | m | $5.04 | m | $2.61 |
| 1985 | 25,639 | m | $6.03 | m | $3.01 |
| 1986 | 26,650 | m | m | m | m |
| 1987 | 27,661 | m | $6.66 | m | $3.15 |
| 1988 | 30,338 | m | $7.41 | m | $3.37 |
| 1989 | 31,990 | m | $7.91 | m | $3.43 |
| 1990 | 32,401 | m | $8.68 | m | $3.57 |
| 1991 | 33,356 | m | $9.21 | m | $3.64 |
| 1992 | 35,765 | m | $10.21 | m | $3.91 |
| 1993 | 37,571 | m | $11.11 | m | $4.14 |
| 1994 | 38,807 | m | $11.29 | m | $4.1 |
| 1995 | 40,140 | m | $12.26 | m | $4.33 |
| 1996 | 41,588 | m | $13.84 | m | $4.74 |
| 1997 | 44,146 | m | $15.99 | m | $5.36 |
| 1998 | 46,832 | 20,080 | $19.46 | $2.37 | $6.42 |
| 1999 | 50,201 | 22,063 | $23.32 | $2.82 | $7.53 |
| 2000 | 56,582 | 24,615 | $27.56 | $3.78 | $8.61 |
| 2001 | 61,810 | 25,629 | $30.5 | $4.49 | $9.27 |
| 2002 | 64,843 | 26,490 | $30.43 | $4.21 | $9.1 |
| 2003 | 66,398 | 24,531 | $30.31 | $3.51 | $8.86 |
| 2004 | 67,736 | 25,689 | $31.84 | $3.63 | $9.07 |
| 2005 | 71,095 | 26,114 | $36.4 | $3.94 | $10.03 |
| 2006 | 72,477 | 28,521 | $39.0 | $4.31 | $10.41 |
| 2007 | 75,187 | 30,099 | $44.39 | $4.94 | $11.52 |
| 2008 | 75,595 | 32,106 | $46.78 | $5.5 | $11.69 |
| 2009 | 76,545 | 30,108 | $45.78 | $5.15 | $11.48 |
| 2010 | 76,610 | 28,891 | $45.68 | $4.87 | $11.31 |

Note: “m” indicates data are missing.

Sources: http://foundationcenter.org/findfunders/statistics/pdf/02_found_growth/2009/04_09.pdf; http://foundationcenter.org/findfunders/statistics/listing02.html (distribution of grants by subject area, individual tables)

# Appendix C. Overview of the Top 25 Funders in Education: 2010

| | Foundation (Type) | Founding Year | Approach | Amount Awarded | Number of Awards | Average Amount of Award |
|---|---|---|---|---|---|---|
| 1 | Bill & Melinda Gates Foundation (PR/I) | 1994 | Traditional | $356,867,799 | 314 | $1,136,522 |
| 2 | Walton Family Foundation, Inc. (PR/I) | 1962 | Traditional | $223,340,467 | 289 | $772,804 |
| 3 | W. K. Kellogg Foundation (PR/I) | 1930 | Traditional | $137,095,655 | 101 | $1,357,383 |
| 4 | The Duke Endowment (PR/I) | 1924 | Traditional | $108,784,636 | 25 | $4,351,385 |
| 5 | The Weill Family Foundation (PR/CP) | m | Traditional | $80,000,000 | 1 | $80,000,000 |
| 6 | Lilly Endowment, Inc. (PR/CP) | 1937 | Traditional | $79,984,010 | 19 | $4,209,685 |
| 7 | Silicon Valley Community Foundation (PU/CM) | 1954 | Traditional | $79,533,259 | 630 | $126,243 |
| 8 | Andrew W. Mellon Foundation (PR/I) | 1969 | Traditional | $71,709,428 | 174 | $412,123 |
| 9 | Michael and Susan Dell Foundation (PR/I) | 1999 | Traditional | $62,983,993 | 191 | $329,529 |
| 10 | Carnegie Corporation of New York (PR/I) | 1911 | Traditional | $57,549,300 | 76 | $757,228 |
| 11 | Ford Foundation (PR/I) | 1936 | Traditional | $49,242,707 | 127 | $387,738 |
| 12 | William and Flora Hewlett Foundation (PR/CP) | 1967 | Traditional | $48,747,031 | 116 | $420,233 |
| 13 | Susan Thompson Buffett Foundation (PR/I) | 1987 | Traditional | $47,321,155 | 103 | $459,429 |
| 14 | The Starr Foundation (PR/I) | 1955 | Traditional | $45,845,000 | 84 | $545,774 |
| 15 | Greater Kansas City Community Foundation (PU/CM) | 1978 | Traditional | $45,439,203 | 323 | $140,679 |
| 16 | Robertson Foundation (PR/I) | 1996 | Traditional | $43,002,296 | 71 | $605,666 |
| 17 | Bernard Osher Foundation (PR/I) | 1977 | Traditional | $42,262,317 | 101 | $418,439 |
| 18 | Lumina Foundation for Education, Inc. (PR/I) | 2000 | Traditional | $41,011,900 | 71 | $577,632 |
| 19 | GE Foundation (PR/CP) | 1953 | Traditional | $39,808,101 | 78 | $510,360 |
| 20 | Omaha Community Foundation (PU/CM) | 1982 | Traditional | $36,393,125 | 148 | $245,899 |
| 21 | Eli & Edythe Broad Foundation (PR/I) | 1960s/2001 | Venture | $31,115,884 | 80 | $388,949 |
| 22 | Shimon Ben Joseph Foundation (PR/I) | 2005 | Traditional | $30,199,400 | 28 | $1,078,550 |
| 23 | The New York Community Trust (PU/CM) | 1924 | Traditional | $30,174,663 | 448 | $67,354 |
| 24 | Sherman Fairchild Foundation, Inc. (PR/I) | 1955 | Traditional | $28,135,000 | 9 | $3,126,111 |
| 25 | The Wunderkinder Foundation (PR/I) | m | Traditional | $27,469,667 | 16 | $1,716,854 |
| | TOTAL | | -- | $1,844,015,996 | 3,623 | -- |

Source: http://foundationcenter.org/findfunders/statistics/pdf/04_fund_sub/2010/50_found_sub/f_sub_b_10.pdf

Notes: "m" indicates data are missing. "PR/I" indicates a classification by the Foundation Center as a private, independent or family foundation; "PR/CP" indicates a classification as a private, corporate philanthropy; "PU/CM" indicates a classification as a public, community foundation.

# Appendix D. Areas of Priority for Traditional and Venture Philanthropies

| | Education | | | | | | | Other Areas | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Not Specified/ General | Early Learning/ Care | Urban | Low-Income/ At-Risk | Youth/Out-of-School Time | Higher Education | Not Specified | Economic Development | Housing/ Homelessness | Poverty/Human Needs | Environment | Arts/Culture/ Religion/Civics | Global | Aging/Seniors | Health Care/Medicine |
| *Traditional Philanthropies* | | | | | | | | | | | | | | | |
| Bill & Melinda Gates Foundation | X | | | | | | | | | X | | | X | | |
| Walton Family Foundation, Inc. | X | | | | | | | X | | | X | | | | |
| W. K. Kellogg Foundation | X | | | | X | | | X | | | | X | | | |
| The Duke Endowment | | X | | | | X | | | | | | X | | | X |
| The Weill Family Foundation | X | | | | | | | | | | | | | | |
| Lilly Endowment, Inc. | X | | | | | | | X | | | | X | | | |
| Silicon Valley Community Foundation | X | | | | | | | X | | | | | | | |
| The Andrew W. Mellon Foundation | | | | | | X | | X | | | X | X | | | |
| The Michael and Susan Dell Foundation | | | X | | | | | X | | | | | | | X |
| Carnegie Corporation of New York | | | | | | X | | | | | | X | X | | |
| Ford Foundation | X | | | | | X | | | | | | X | | | X |
| The William and Flora Hewlett Foundation | X | | | | | X | | | | | X | X | X | | |
| The Susan Thompson Buffett Foundation | X | | | | | X | | | | | | | | | |
| The Starr Foundation | X | | | | | | | | | X | X | X | | | X |
| Greater Kansas City Community Foundation | | | | | | | | | | | | | | | |
| Robertson Foundation | X | | | | | | | | | | X | X | | | X |
| Bernard Osher Foundation | | | X | | | | | | | | | X | | | X |

| | Education | | | | | | | Other Areas | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Not Specified/ General | Early Learning/ Care | Urban | Low-Income/ At-Risk | Youth/Out-of-School Time | Higher Education | Not Specified | Economic Development | Housing/ Homelessness | Poverty/Human Needs | Environment | Arts/Culture/ Religion/Civics | Global | Aging/Seniors | Health Care/Medicine |
| Lumina Foundation for Education, Inc. | X | | | | | X | | | | | | | | | |
| GE Foundation | X | | | | | | | | | | | | | | |
| Omaha Community Foundation | | | | | | | | | | | X | | | | |
| Eli & Edythe Broad Foundation | | | X | | | | | | | | | X | | | X |
| The Shimon Ben Joseph Foundation | X | | | | | | | | | | | X | | | |
| The New York Community Trust | X | | | | X | | | X | | | | X | | | X |
| The Sherman Fairchild Foundation, Inc. | | | | | | | | | | | | | | | |
| The Wunderkinder Foundation | | | | | | | | | | | | | | | |
| *Venture Philanthropies* | | | | | | | | | | | | | | | |
| Eli and Edythe Broad Foundation | | | X | | | | | | | | | | | | |
| Charitable Venture Foundation | X | | | | | | | X | X | X | | | | | |
| New Profit, Inc. | X | | | X | | | | X | | | | | | | X |
| New Schools Venture Fund | X | | | | | | | | | | | | | | |
| Phoenix Venture Philanthropy Foundation, Inc. | X | | | | | | | | | | X | | | | |
| Robin Hood Foundation | | X | | | X | | | X | | X | | | | | |
| Say Yes to Education, Inc. | | | X | | | | | | | | | | | | |
| SEVEN Fund | | | | | | | | | | X | | | | | |
| Social Venture Partners Delaware, Inc. | | | | | | | | | | | | | | | |
| Strategic Grant Partners | | X | | | X | | | X | | X | | | | | |
| Venture Philanthropy Partners | | | | X | | | | | | | | | | | |
| Western Association of Venture Capitalists | | | | | | | | | | | | | | | |
| Cleveland Social Venture Partners | | | | | | | | | | | | | | | |
| Dallas Social Venture Partners | | | | X | | | | | | | | | | | |

| | Education | | | | | | | Other Areas | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Not Specified/ General | Early Learning/ Care | Urban | Low-Income/ At-Risk | Youth/Out-of-School Time | Higher Education | Not Specified | Economic Development | Housing/ Homelessness | Poverty/Human Needs | Environment | Arts/Culture/ Religion/Civics | Global | Aging/Seniors | Health Care/Medicine |
| Full Circle Fund | X | | | | | | | | | | X | | X | | |
| Innovation+ | | | | | | | | | | | | | | | |
| Los Angeles Social Venture Partners | X | | | | | | | | | X | X | | | | |
| Pittsburgh Social Venture Partners | | | | X | | | | | | | | | | | |
| Silicon Valley Social Venture Fund | X | | | | | | | | | | X | | X | | |
| St. Louis Social Venture Partners | | | | X | | | | | | | | | | | |
| Social Venture Partners of Arizona | | | | | X | | | | | | | | | | |
| Social Venture Partners of Boston | X | | | | | | | X | | | | | | | |
| Social Venture Partners of Boulder County | | X | | | | | | | X | X | | | | X | X |
| Social Venture Partners of Charlotte | X | | | | | | | | X | | | | | | X |
| Social Venture Partners of Denver | X | | | | | | X | | | | | | | | |
| Social Venture Partners of Minnesota | X | | | | X | | | | | | | | | | |
| Social Venture Partners of Portland | X | | | | | | X | | | | | | | | |
| Social Venture Partners of Rhode Island | | | | | | | | | | | | | | | |
| Social Venture Partners of Sacramento | X | | | | | | | | | | | | | | X |
| Social Venture Partners of San Diego | X | | | | X | | | | X | X | X | | | X | |
| Social Venture Partners of Seattle | X | X | | | X | | | | | | X | | | | |

Note: Shading indicates this information was not available through the website review.

# Appendix E. Core Principles Guiding Say Yes Syracuse

| Core Principle | Essential Function | Implementation in Syracuse |
|---|---|---|
| Postsecondary completion | To identify a common vision and goal | Required that partners agree to measuring postsecondary completion as the primary goal |
| Partnership with higher education and serving as “honest broker” | To set expectations for investee partners regarding collaboration | Required that partners show willingness to work with higher education to improve services for students |
| | To specify a central role for the foundation partner | Required that SYTE would serve as the “honest broker” with responsibility to maintain transparency and foster collaboration within the partnership |
| Transparent accountability | To set expectations for investee partners regarding measurement of outcomes | Required that SCSD engage in a public dialogue with third-party validated data to drive an ongoing continuous improvement process, with measures at the student, teacher, school, district and community levels. |
| Transparent and sustainable fiscal management | To establish a plan for the foundation’s exit and transfer of ownership | Required that the initiatives begun would be sustainable within existing budgets by 2014 |
| Cross-governance and -sector collaborative governance model | To foster the collaborative nature of the endeavor and thereby acknowledge that collaboration is necessary to meet the needs of students | Required the creation of new structures for governance (i.e., cross-sector task forces and groups) |

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