



ISSUE BRIEF SERIES
Place-based Investing
from the Inside Out

BRIEF 1

The 15 Characteristics that Matter Most

A Self-Reflection for Funders Pursuing
Place-based Investing

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INTRODUCTION

Place-based Investing from the Inside Out is a new series from Equal Measure for funders considering adding place-based investing to their portfolio of strategies. The Briefs draw on our decades of experience with place-based initiatives and our commitment to incorporating diversity, equity, inclusion, and learning into our engagements.

Place-based investing (PBI) is a powerful philanthropic strategy to catalyze substantive social change in communities. We believe PBIs offer an opportunity for funders to support communities and local decision makers, shine a brighter light on inequitable systems, and promote more equitable approaches to change—breaking down silos and siloed thinking, building new and inclusive relationships, and elevating diverse perspectives and lived experiences.

In conversations across the philanthropic sector, we hear an increasingly thoughtful and open dialogue about the history, roots, and structures of their grantmaking, investments, and relationships. For instance, many long-time foundations are finding ways to reinvest their financial holdings (such as those that support prisons or fossil fuels) and helping communities overcome the environmental or societal harm that established their foundation's wealth and initial founding – all in service to their current missions.

Especially evident among foundations in 2020 were discussions about how their internal structures and norms may actually counteract efforts toward equity and community-centeredness. By pursuing and refining PBI strategies, philanthropy may find solutions that begin to address both the visible and obscured bias and harm of their approaches.

The Briefs in this series are intended to help funders reflect on their organizational and team dynamics and identify place-based investment strategies that best support their organizational model. We have observed that many types of funders with differing resource levels and orientations can implement highly effective place-based strategies.

When guided by a clear strategic intent, reflections on organizational infrastructure, and a well-aligned learning and evaluation culture, PBI is a promising approach for a broad range of funders aiming to address the unique cultural, political, and historic facets of social change in a community.

Core Values

In all our work, including place-based engagements, Equal Measure operates from a values perspective with clients and partners to:

Advance Equity. Rooting the investment in each community's unique struggle with injustice and oppression, as well as in strengths and resiliency.

Acknowledge and Share. Knowledge. Elevate community voices and tap collective knowledge in beneficial ways to the community.

Adopt a Learning Orientation. Create spaces for emergent learning and shared interpretation to shape



About this Issue Brief

In this Issue Brief, we propose 15 organizational characteristics that best support how funders implement place-based strategies. We aim to articulate the importance of creating a shared understanding across teams, staff, and governance boards of organizational characteristics, and how those characteristics serve or hinder place-based investing. The Brief has three sections:

Grounding in Place-based Investing	Offers readers a snapshot of the background and literature on PBIs.
The 15 Defining Characteristics	Identifies organizational areas that matter to PBI strategies
Reflection Exercise	Guides foundations to reflect on their internal workings and implications for PBI using the 15 characteristics

Grounding in Place-based Investing

Place-based investment has been a topic in philanthropic literature and approaches for some time. Typically, PBI involves a focus on a specific, geographically bounded area (Murdoch, 2007); harnesses comprehensive strategies to address different needs (social, health, economic) (Fehler-Cabral, James, Preskill, & Long, 2016); necessitates “in-depth, granular knowledge” of the locality’s history, conditions, assets, and needs (Ferris & Hopkins, 2015); and is intentional, strategic, and long term (Karlstrom, Brown, Chaskin, & Richman, 2007).

Complementing the literature, several dynamic conversations about place-based investing have occurred over the past few years—for instance, the Neighborhood Funders Group and Aspen Institute Forum for Community Solutions’ 2016 [convening](#), “Toward a More Resilient Place: Promising Practice in Place-Based Philanthropy;” and the Council on Foundations’ 2015 [webinar series](#), to develop a roadmap to place-based funding. To learn more about place-based investments and implications for funders, see Recommended Readings at the end of this Brief.

For the purposes of this Brief, we distinguish PBIs as follows:

<u>Place-based Investments Are....</u>	<u>Place-based Investments Are Not....</u>
Focused on geographically bounded areas and reflect local community contexts.	Focused on replicating programs or models with fidelity across communities
Intended to build or improve localized ecosystems through a variety of partnership and social change models.	Intended to implement and sustain programs and program models.
Used in concert with other investment strategies, community resources, and assets.	Used as stand-alone investments reliant on a single funding source.
Shaped primarily by long-term goals that may be achieved beyond the timeline of financial support.	Shaped by short-term outcomes that are rapidly achievable.



THE 15 DEFINING CHARACTERISTICS

Here we introduce the organizational characteristics that are important to how a funder implements PBI strategies.

The 15 characteristics fall into *five categories* (three characteristics in each category). The characteristics are presented across a spectrum: reflecting on where their organization falls along the spectrum, we invite funders to consider the implications for place-based investing. The spectrums do not steer funders to “right” or “wrong” ways to structure their organizations or their teams; rather, this is a self-reflective activity to help funders examine how they form relationships with communities, create goals, track progress, approach failures, and foster learning, and thoughtfully and strategically set realistic aims and find their role in place-based investing. Most funders likely fall within the middle of each spectrum.



STRATEGIC INTENT

Encompasses the origins and aims of place-based investments to reach a desired impact.

Driven by Funder Needs



Driven by Community Needs

GOALS

Goals for place-based investments are set by board and staff to meet or build upon internally driven aspirations.

Goals are shaped in concert with community priorities, progress, and unique context.

EXPECTATIONS

Funder seeks PBI grantees who will respond to/fulfill funder-defined activities, markers of progress, and outcomes.

Funder expectations informed by local priorities, conditions, culture, and progress to date in determining grant size, scope, and outcomes.

LOCAL CONDITIONS

Funder proscribes internal strategy absent of or not informed by communities’ context, other investments, and ongoing efforts.

Funder’s strategy is informed by and complements the unique political, environmental, economic, and cultural forces shaping each funded community.



SUPPORTS AND RESOURCES

Encompasses the size and types of funding mechanisms available to a foundation working with communities; can be financial (e.g., grants) or non-financial (e.g., intermediaries, technical assistance, convenings, communities of practice, and communications).

Limited



Robust

PROGRAMMATIC PRIORITIES

PBI is not critical to funder’s mission; and staff/board attention, resources, and learning is limited compared to larger investments.

Place-based strategy is critical to funder meeting its mission and institutional goals, with accountability distributed across staff and board.

INTERNAL CAPACITY

Internal staffing, roles, and responsibilities are focused on grants administration and often marked by high grantee “caseloads.”

Internal roles, responsibilities, capacity building, and staffing are structured to meet the intense and personalized nature of PBI.

LONGEVITY

Investment is short-term or unclear; resources are expected to produce rapid results or create immediate energy.

Funder committed for long amount of time to contribute to systemic change, supporting communities to understand and shift entrenched inequities.



FUNDER DISPOSITION AND CULTURE

Encompasses the internal institutional, team, and individual cultures that make up the funding organization and how it approaches grantmaking, relationships, and partnerships externally.

“Traditional” Philanthropic Culture ←————→ Equity-Advancing Culture

PREFERRED ROLE

Funder desires to be primary and visible partner in community effort through branding and engagement mechanisms.

Funder desires a role that is low visibility, as a behind the scenes supporter bolstering reputation of local stakeholders.

APPROACH TO UNCERTAINTY

Internal and external funder discussions are oriented toward monitoring and accountability processes that ensure investment outcomes are fairly predictable and stable.

Funder has competence and appetite for uncertain, emergent work grounded in community context, risk taking, and local priorities and agendas.

GUIDING VALUES

Funder’s values, culture and ways of working are rooted in “traditional” grantor-grantee dynamics that prioritize funder goals, approaches, and expertise.

Funder’s organizational values and practices are rooted in or reorienting towards justice, equity, and community power building.



ORGANIZATIONAL INFRASTRUCTURE

Encompasses formal organizational and grantmaking processes, technology platforms, protocols, metrics, and structures that funding staff operate within.

Highly Proscriptive



Flexible and Accommodating

PROCEDURES AND PROCESSES

Standardized procedures and processes must be met by all grantees, regardless of program, individual needs, or investment strategy.

Funder processes and protocols are flexible and can be tailored to place-based investment strategies to meet local needs/context and reduce burden.

INTERNAL PRESSURES

Funder is accountable to outcomes that communities must meet in a confined time period, typically through standardized strategies and tactics.

Funder dialogue and internal decisions are driven by deep understanding of complex, place-based, community-driven activities and contextualized outcomes.

PARTNERSHIP ORIENTATION

Funder's primary experience is acting as sole funder or maintaining distance from other funders supporting local work to maintain independence, assert power, or gain attribution for impact.

Funder has lengthy, successful experiences collaborating and allying with a diverse mix of other funders, local government, and business leaders who are involved in and key advancers of place-based work in communities.



EVALUATION AND LEARNING

Encompasses the organization’s evaluation, learning, and refinement approaches internally and in partnership with grantees and communities

Funder Designed



Collectively Designed

PLANNING

Funder has primary role in planning and structuring outcomes, evaluation methods, and indicators of progress, often to meet internal metrics and accountability measures.

Funder collaboratively establishes with grantees/communities the learning agenda, evaluation approach, and outcomes, rooting them in collective aims and needs of partners.

APPROACH TO DATA AND DATA CAPACITY

Data systems are designed to respond to funder-driven questions, accountability measures, and decisions; methods tend to be extractive from (rather than beneficial to) the community.

Process ensures democratic access to data and equitable and culturally competent data collection methods; supported by an internal culture of humility, shared learning, “safe to fail” experiments, and continuous learning.

COMMUNICATIONS STRATEGIES

Funder has limited experience or resources for sharing learning from place-based partnerships and efforts.

Funder is experienced in supporting transparent, learning-focused communications through a range of platforms that benefit place-based investment partners and stakeholders.



REFLECTION EXERCISE

We encourage grantmakers, strategy teams, and foundation leaders to reflect upon their organization employing the spectrums of the 15 characteristics.

To facilitate self-reflective dialogue for teams, staff, and boards, we developed a four-stage discussion guide. The exercise—and its guiding questions—are organized into five categories: Strategic Intent, Supports and Resources, Disposition and Culture, Organizational Infrastructure, and Learning and Evaluation. Figure A on page 11 illustrates a sequence for internal conversations that will help funders reflect on their organization’s dynamics and re-examine the strategic intent of the PBI to better align with their inner workings. To create a community-centered approach, there are suggestions throughout the exercise that expand the discussion and decisions inclusive of external partners, grantees, and community leaders.

1. Strategic Intent

Begin by articulating the strategic intent (including *how* you approach goals, expectations, and local conditions) for a place-based investment.

The changes anticipated from a place-based investment depend on the goal: for instance, a funder looking to mobilize residents about an emerging climate crisis issue might expect their investment to enhance resonant messaging campaigns, the number of residents involved, and visibility among key stakeholders and decision makers to lay the groundwork for improved environmental policies down the line. A funder supporting a group of long-standing, cross-sector partners focused on economic mobility might expect improved organizational, cross-institutional, and legislative policies and pathways that actively lift people from poverty and create a safety net for future generations. Of note, funders seeking a community-centered approach will elevate local goals, expectations, and perspectives in setting the investment’s strategic intent. The strategic intent and goals articulated at this first stage will serve as a lens for the next four stages of the reflective exercise.

2. Resources, Disposition, and Infrastructure

This is an opportunity to discuss your organizational capabilities and structures.

Funders accustomed to grants in general operating support, policy change, or programs may find place-based investments will challenge their organization’s functioning and practices. Discussions at this stage involve how flexible and accommodating the funding organization can be toward communities and partners with different needs, assets, and capacities. It is very beneficial to gather grantee perception feedback at this stage to understand how the organization’s grantmaking structures are experienced in



the community. This stage is also an opportunity to “test” the strategic intent set in the first stage of the exercise, ensuring the funder has the resources, commitment, and bandwidth for their articulated goals. If they do not, funders may find they need to: 1) adjust their Strategic Intent to better align with available resources, disposition, and infrastructure (see Stage 3); 2) adjust the orientation or depth of resources, disposition, and infrastructure to accommodate the strategic intent; 3) bring on additional funding partners to bolster the investment’s impact; and/or 4) engage community leaders and grantees to generate solutions and better align strategic intent with the funder’s internal capacity. Finally, consider the funder’s role in place-based work: to bridge relationships and networks in a community, draw national attention to a local innovation, provide behind-the-scenes advice and just in time supports, or another function that fits with the internal dynamics at the funding organization.

3. Return to Strategic Intent

Based on the outcome of the Stage 2 discussions, a funder may need to revisit the investment’s strategic intent.

Think again about the likelihood of meeting the investment’s goals in the timeframe allotted given current, available resources and internal infrastructure. Consider the funding team or staff’s established culture and how it might support or hinder the investment’s goals once implementation is underway. Often, the strategic intent, including the goals and and timeline for change, needs ongoing refinement to create a strong, sustainable investment approach.

4. Learning and Evaluation

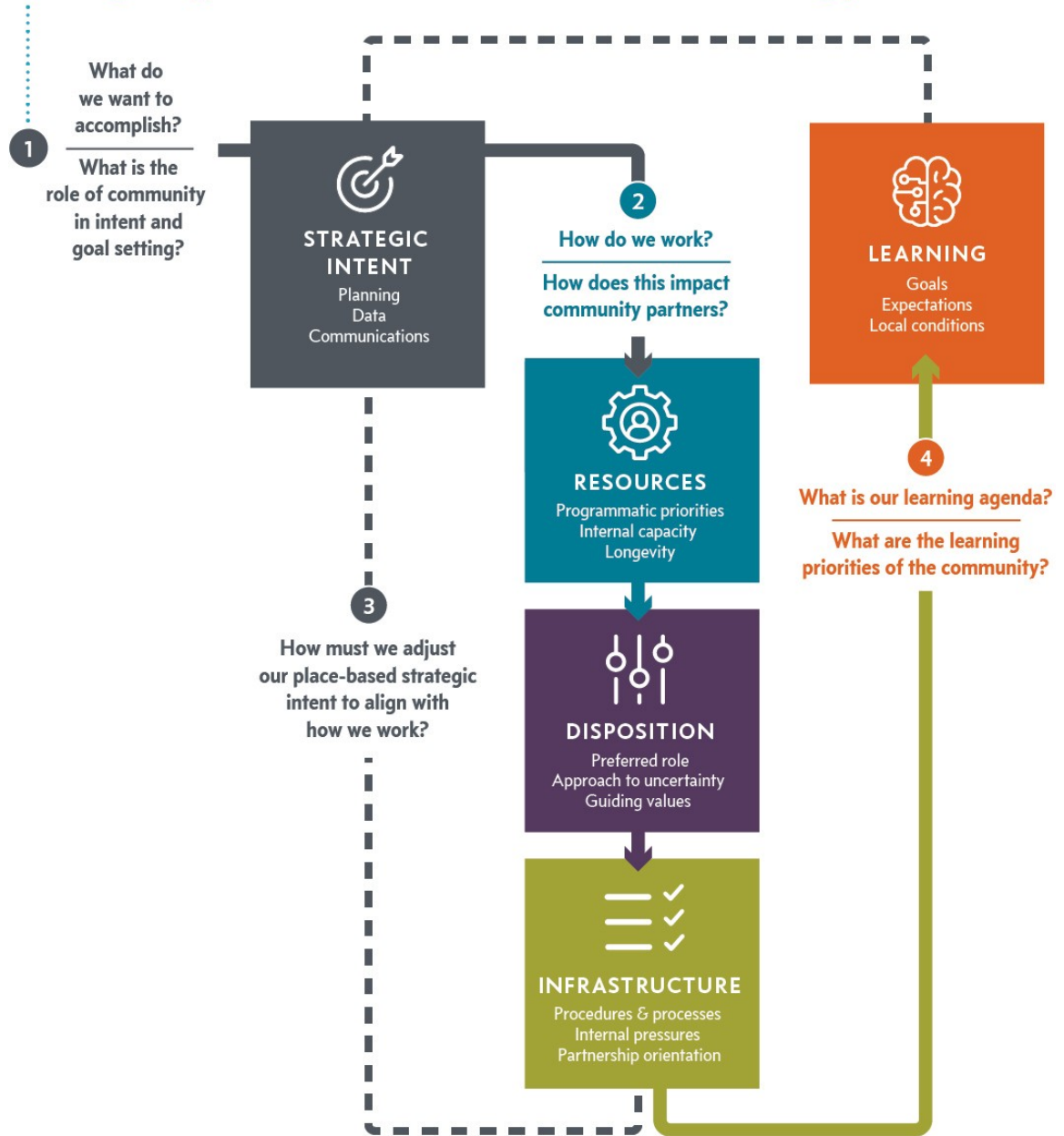
The “final” stage of the exercise helps develop an approach to the learning agenda, data collection, and evaluation.

Place-based investments often require an evaluation plan that is developmental and flexible enough to fit with an array of community milieus and individual learning needs; and builds an understanding of the unique priorities and implementation effort in each site. A well-designed evaluation planning process provides a chance to surface assumptions and theories of both funders and local stakeholders before the investment’s substantial work is underway. Evaluation can be a powerful launch point for collective sense-making across funders, grantees, and local partners over the life of an initiative.

Early evaluation findings may necessitate the funder revisit this exercise, perhaps with a more inclusive circle of grantees, community members, and philanthropic partners, ensuring strategic intent, organizational practices, and the evaluation align with each other and with community expectations.



Designing an Effective Place-Based Strategy





CONCLUSION

Our intent with this Issue Brief is to deepen philanthropy's understanding of the organizational levers for creating successful place-based investments.

A complex and unique blend of dynamics shape foundations. We offer here a way for funders to examine their own organizational dynamics and begin to consider how they affect place-based investments. Additionally, we are hopeful that this Brief can help funders consider opportunities for internal growth and change, and inspire their pursuit of more equitable, power-balanced approaches to investing in communities.

In the first half of 2021, we will continue our inquiry into place-based strategies. We will publish a companion Brief, which expands the common conceptualization of PBI as an umbrella term by proposing four types of PBI strategies commonly in use across philanthropy. We will include a typology tool to help funders apply the 15 internal characteristics examined in this Brief to identify the types of PBI types that fit their strengths and orientation to communities.

We also plan to engage grantees, grassroots organizers, government officials, and residents engaged in place-based investments to understand their perspectives on the role of funders and the challenges of PBI. We are interested in elevating how PBI funders can leverage their organizations and power for more supportive, beneficial, innovative, or liberating opportunities for communities.

We invite you to share your experiences with and approaches to place-based strategies in communities. To do so, please reach out to us at kglassman@equalmeasure.org.



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About Equal Measure

Equal Measure is a Philadelphia-based nonprofit consultancy working with national and regional foundations, nonprofits, and public entities to advance social change. Equal Measure offers program design, evaluation through a wide range of methodologies, capacity building, technical assistance, and communications services to help those who do good, do even better. For more than 30 years, we've partnered with clients across a broad spectrum of content areas, sharing fresh insights and translating good ideas into meaningful change—strengthening our clients' efforts to make our communities healthier, more equitable, and more inclusive.

End Notes

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