



Local Philanthropists Work Together to Transform Public Education

By Andrew Belton, Murrayl Berner, Betsy Doyle, and Mike Perigo

In three cities, local funders are working side-by-side with district leadership and the community to dramatically improve educational outcomes for all students.

Jim Boyd believes in the power of education to transform individual lives and whole communities. “We’ve been trying to find a way to really impact poverty, and we see education as the primary lever for doing that,” said Boyd, executive director of the [Pyramid Peak Foundation](#) in Memphis.

But until recently, the foundation was not investing in Memphis public schools. “Our involvement was in private schools and some parochial schools because those were the ones most open to the kinds of reforms that were thought to be important in improving education outcomes. The public school system in Memphis tended not to be open to these kinds of reforms. Lots of money had gone in, and you hadn’t seen much improvement.”

But in the last few years, local philanthropists have helped put Memphis schools on a new path. New state legislation; federal Race to the Top funding; a historic, multiyear investment by the Bill & Melinda Gates Foundation in local educator effectiveness; and changes in how the district is organized have combined to create new opportunities. Today, Memphis is home to an ambitious collaborative of local donors who plan to invest significantly over the next several years to substantially improve teaching effectiveness and student learning and achievement. Now, said Boyd, “We are having a real conversation about how we as a community of funders, providers, and teachers can support the changes that need to be made.”

In communities across the country, local philanthropists have long provided resources for existing schools (e.g., saving arts and music programs, buying laptops, and hiring after-school tutors) and funded new schools, primarily charters. These investments make a difference, sometimes a big one, for the students who benefit. At best, however, these are small-scale successes compared to the challenge of improving educational outcomes and life prospects for students across a whole district in a way that could significantly reduce poverty, build a better workforce, and strengthen the whole community.

“For a long time, we’ve funded nice programs. That’s not to take anything away from programs that stuff backpacks with food, or tutoring programs, or programs that place a business leader in a school for a week,” said Ethan Gray, the founder and CEO of [Cities for Education Entrepreneurship Trust](#), a national nonprofit dedicated to helping cities improve public education. “But if you look at the long-term data trends, those are not transforming programs.”¹ The [National Committee for Responsive Philanthropy](#) noted in a recent report, “Grantmakers have invested billions of dollars in recent years in efforts to improve education. Yet, success remains elusive and millions of children are denied equitable opportunities.”²

1 Christina A. Samuels, “[Local Foundations Shift Strategies on Schools](#),” *Education Week*, August 28, 2012.

2 Kevin Welner and Amy Faley, *[Confronting Systemic Inequity in Education: High Impact Strategies for Philanthropy](#)*, National Committee for Responsive Philanthropy, October 2010.

Could local philanthropic dollars be doing more to help all students in their communities? Many would say no, that philanthropic funding, which rarely amounts to even 1 percent of a school district's budget,³ cannot bring about the kind of fundamental changes in teaching and learning required to achieve successful education outcomes for all students. We disagree. Although the investment may be relatively small, local philanthropic dollars stand apart because they can catalyze real change, providing funds for innovation and improvement beyond the scope of day-to-day operations. Local funders often bring with them an understanding of the local context and a willingness to stay the course rather than move on to the next big thing.

However, to realize this potential, they need to approach their giving in new ways. In major transformation efforts under way in Charlotte, Jacksonville, and Memphis—all of which Bridgespan teams have worked with—local donors are:

- working hand-in-hand with the school district to develop and pursue bold strategies to ensure that every student graduates ready for college and career,
- investing together over multiple years in these shared strategies, and
- engaging the community to shape and sustain the work.

The Charlotte partnership has been at it the longest, so we describe its efforts in greater detail. But each city offers lessons for local donors who are seeking to spur big changes in educational outcomes.

Working with the District to Develop and Pursue a Bold Strategy

Like Boyd in Memphis, the donors investing in efforts to transform local education are intensely committed to the cities where they live, work, and in many cases grew up. Like many of their neighbors, they see transforming the public schools as a key to social and economic justice and to making their communities and the local economy better and stronger.

There are no easy solutions for transforming a large urban school district. Decades of low performance, financial challenges, and frequent leadership turnover create difficult conditions in which to pursue and sustain real educational improvements. A strong, capable district leadership team is a necessary first step, as is a credible, long-term strategy focused on effective teaching in every classroom and the right supports for every student. Developing and implementing such strategies often requires resources beyond a district's operating budget, which is where local philanthropists come in. Local funders—working hand in hand with the district leadership team—can provide the resources to design new approaches and to scale them across the district.

³ Jay Green, "Small Change?" *Philanthropy Magazine*, Spring 2013. An analysis of Foundation Center data indicates that in 2009 to 2011, in Charlotte and Jacksonville, philanthropic dollars focused on elementary and secondary education totaled 1 percent or less of the district budget, with local philanthropy contributing a somewhat larger share of the total than national philanthropy in all three cities. In Memphis, a \$90 million grant from the Bill & Melinda Gates Foundation dramatically affects the statistics. Moreover, in Memphis, local philanthropy contributes an unusually large share, nearly 4 percent of the total district budget.

Take, for example, Charlotte's school system, the nation's 18th largest, which serves more than 145,000 students in kindergarten through 12th grade. Fifty-four percent are economically disadvantaged, and 60 percent are African American or Hispanic. Far too many of Charlotte's low-income students are falling far behind grade level and failing to graduate from high school. Many who do graduate aren't prepared to succeed in college and career.

Frustrated with these poor outcomes, yet encouraged by a superintendent who was focused on better teaching and high student achievement, key members of Charlotte's philanthropic community, many of whom had long been involved with the public schools, have come together around a new strategy. Explained Anna Spangler Nelson, a Charlotte philanthropist and herself a graduate of the city's public schools, "We had several high schools with a graduation rate in the mid-50 percent range. It was such a screaming issue that it was hard not to respond." Together with the Levine Foundation, which also made a major commitment to the effort, Nelson approached other philanthropists with the idea of collaborating

Questions for a local donor considering a big investment in district transformation:

- Does the district have a credible long-term strategy to drive and sustain significant improvements in student achievement, and prepare students for success in college and career?
- Will the superintendent, district leadership team and school board welcome a multiyear partnership with local funders and put in the time to make it work?
- Are there other local funders who are interested in and able to invest to support key elements of the district strategy?
- Are we willing to engage and work side-by-side with a diverse set of community partners and create solutions together?
- Are we willing to hold ourselves accountable for success, make tough choices, and stay the course when the work gets hard?

Unfortunately, many communities will not yet have the right conditions for the kind of strong local funding partnerships described in this article. And there are decades of failed local funding initiatives as costly evidence. If the answer to some of these questions is no, a funder might want to consider intermediate steps: hold conversations with other funders about what a transformation effort might look like, support formal strategic planning activities at the district level, get involved in efforts to select the next superintendent, or find smaller-scale opportunities that can build a platform for future change, such as investing in efforts to develop and retain great teachers or school leaders. With patience and commitment, a local funder collaborative can begin to build the right conditions for transformational investments in its public school system.

to help implement the district's reform strategy. "Perhaps together we could move the needle in a way that individually we couldn't," she said.

From the beginning, the school district and local donors forged a close working relationship. Deputy Superintendent Ann Clark recalled how in late 2010 she, Superintendent Peter Gorman, and a core group of local philanthropists began to do the research for a new strategy, "approaching people one-by-one and asking who are the thought leaders from around the country that we should bring in to talk to us about the root causes of failure and the academic achievement gap." The group looked at a variety of innovative efforts and ideas, including the "collective impact" framework,⁴ with its emphasis on a common agenda, shared measurement systems, and continuous communication among partners. The [Foundation For The Carolinas](#), which as a community foundation has the kind of infrastructure and convening experience that individual philanthropists often don't, played a critical facilitation role in keeping the budding partnership together and focused on the most important questions.

What emerged from many months of collaborative planning was [Project L.I.F.T.](#) (Leadership & Investment For Transformation), which pooled local foundation resources under the umbrella of the Foundation For The Carolinas. While the ultimate goal of Project L.I.F.T. is to boost student achievement across the entire district, it has focused its five-year \$55 million philanthropic investment on nine historically low-performing schools in West Charlotte—a high school and the eight elementary and middle schools which feed into it. L.I.F.T. is pursuing change in four key areas. One is *talent*—recruiting, training, and retaining excellent principals and effective teachers. Another is extending students' *learning time*. The North Carolina General Assembly has exempted L.I.F.T. schools from the mandatory start and end dates for other schools in the state, and philanthropic funds are helping pay for the additional in-school time and summer programs for the most at-risk students. The other key areas are enhanced use of *technology* and *community and parent engagement*. Project L.I.F.T. intends to boost West Charlotte high's graduation rate from 54 percent in 2011 to 90 percent in 2016. Over the same period, the initiative aims for 90 percent of students to achieve more than a year's worth of growth in math and reading in a year of school.

The link between the philanthropic effort and district leadership became even stronger when Denise Watts—a much-honored middle school principal—was hired as the Project L.I.F.T. Learning Community's superintendent in charge of the nine West Charlotte schools. Because philanthropic funds pay the salaries of Project L.I.F.T. administrators, Watts at first operated outside the district's administrative structure accountable only to the philanthropists group. However, as she explained, "very quickly I realized that I could not be sitting in the Foundation For The Carolinas and be accountable for results at the school district." Today, Watts reports both to the district and to the philanthropic leaders, ensuring a strong link between what is happening in the Project L.I.F.T. schools and what is happening across the whole

4 John Kania and Mark Kramer, "Collective Impact," *Stanford Social Innovation Review*, Winter 2011.

district. “Now we’re living up to the commitment that the district made to have an innovation zone where we would test things out and then expand them across the district,” said Deputy Superintendent Clark.

If the trio of factors we saw in Charlotte are what it takes to spark real change—an innovative district leader, collaborative local funders, and promising strategy they all agree on—the district leader has to be the starting point. Unless a school district’s leadership team is committed, as Charlotte’s is, to a real change strategy, local philanthropists, no matter what their ambitions or resources, cannot have much effect on district-wide outcomes. “If you don’t have people in the school district influencing change, it’s like forcing democracy on Iraq. It must be started from within,” observed Gary Chartrand, former chairman of the Jacksonville Public Education Fund and a key player in that city’s education transformation partnership.

Jacksonville had a change of superintendents in 2012, early in the planning stage for that city’s partnership. So the funders’ group hit the pause button, restarting the effort only when a newly arrived superintendent, Nikolai Vitti, made clear that he strongly supported the philanthropists’ focus on attracting and retaining high-quality teachers and principals. The Jacksonville initiative, known as the [Quality Education for All Fund](#), found that while the school district had resources for the professional development of veteran teachers and leaders, it had more limited funds for attracting, nurturing, and keeping talented new ones. The Jacksonville plan includes a teacher residency program to train new teachers, a Principal Leadership Institute, a performance pay incentive program, and a stronger data system to improve decision making on talent within individual schools and across the district. Jacksonville is focusing on the 36 consistently lowest performing schools in the feeder patterns for three high schools and has a Memorandum of Agreement with the teachers union to replace underperforming teachers from these schools.

Vitti agreed that the philanthropists had been right to wait for reassurance about the district’s strategy and commitment. “Even if you have the best idea ever, and you have the biggest wallet in town, if you don’t have a district that wants to invest in real change, you don’t have anything,” he said. “As a philanthropist, what you really want is to share a vision with the district—and for the district to take ownership and drive the work that’s needed to achieve the vision.”

Finally, the strategy itself needs to have a credible and measurable definition of success in order to align the funders and district. The **Memphis** philanthropic partnership only got off the ground when the school system had a clear road map for transformation. As in Charlotte and Jacksonville, the plan includes a focus on teacher development. Memphis is pursuing a strategy to create many more great school options within the local community—relying on both in-district and nonprofit organizations to turn around underperforming schools. The funders’ commitment provided an incentive for local charter operators to expand and to attract top-performing outside operators who bring to the city substantial experience in turning around low-performing schools. The new approach gives school leaders

more autonomy to hire their own teams and set their own strategies, and it uses data to measure whether these strategies are producing better student outcomes.

“Early on, we learned that to be successful, school leadership and a focus on teacher talent are two of the most important things you can do to advance student achievement,” explained Teresa Sloyan, executive director of the Hyde Family Foundations, another large investor in the Memphis partnership. “So we became more and more interested in the importance of the quality and effectiveness of teachers.” Today, the Memphis funder collaborative is working side-by-side with both the Shelby County School District and the [Achievement School District](#)—created by state law and responsible for turning around the lowest performing local schools—on talent initiatives targeting both the supply of and demand for effective teachers. This funding is meeting the immediate need for new talent (e.g., by bringing new teachers to Memphis) and also supporting a longer-term effort to develop and retain local talent in partnership with local universities and existing community groups.

It’s worth noting that the strategies in all three cities have a strong focus on developing and retaining effective teachers, work that we believe is critical to accelerating student outcomes but which often requires investments and expertise outside a district’s operating budget. Private dollars are helping each district to build a strong base of committed and effective teachers and school leaders, an asset that will benefit students and the community for years to come.

The philanthropists we profile here also emphasize that working with the district isn’t about saying yes to whatever is proposed. Together, funders and district leaders are debating, developing, and pushing forward new approaches. “Philanthropists can take risk—calculated risk,” said Sloyan. “We can operate inside, but also operate outside the traditional system to really push.”

Investing Together Over Multiple Years to Implement Shared Strategies

Though local funding collaboratives for public education are not new,⁵ they rarely take on the tough challenge of transforming a district. But we found that philanthropists in Charlotte, Jacksonville, and Memphis have forged what our Bridgespan colleagues have characterized as *high stakes donor collaborations*.⁶ High stakes refers both to the amount of money being invested and the ambitious goals of those investments. Such collaborations typically place results ahead of organizational or individual recognition and involve a shared multiyear vision around which donors pool talent, resources, and decision making.

5 The Public Education Network, an association of such local collaboratives (which closed its doors at the end of 2012) listed 75 member funds, http://publiceducation.issuelab.org/resource/public_education_network_pen_members_directory.

6 Willa Seldon, Tom Tierney, and Gihani Fernando, “High Stakes Donor Collaborations,” *Stanford Social Innovation Review*, Spring, 2013.

The local philanthropic partnerships discussed here are not simply trying to raise the largest possible pool of money, but rather to build and direct the largest possible pool toward a *credible long-term district strategy* for transformation. Each has committed funding for at least four years.

The Charlotte donors pooled their more than \$55 million in private funding through the Foundation For The Carolinas. The 13-member governing board meets monthly, together with Superintendent Heath Morrison and Deputy Superintendent Ann Clark and project staff. The board monitors progress and tackles implementation issues—for example, the politically difficult choice of which group of Charlotte schools would get the initial investment, or a decision to end funding for one of the two initial summer program providers when students in the program failed to show the same gains as students served by the other provider.

“People say they are motivated by being part of this group,” said Nelson. “We meet often and long!” One topic of those frequent conversations centers on accountability, a new dimension for most donors involved with Project L.I.F.T. Observed Brian Collier of the Foundation For The Carolinas, “We’d had opportunities to work together through much smaller pooled funds and were starting to understand that we always hold nonprofits accountable. But until now we have rarely had the conversation about holding *ourselves* accountable.”

Jacksonville’s Quality Education for All Fund, which is in an earlier phase of its fundraising work, also has turned to a small number of big donors to raise \$50 million in pooled funds. “It’s a lot of money for a small town like Jacksonville,” said Chartrand.

However, it’s not just a dollar commitment, but a commitment to the plan, noted Nina Waters, president of [The Community Foundation for Northeast Florida](#), which has been closely involved in the Jacksonville initiative from the beginning. “Our donors are diverse and have different levels of knowledge and experience with public education and effective reform strategies,” she continued. “We needed a well-researched plan that would keep everyone focused and marching in the same direction. The donors are not just giving money but signing on to a concrete strategy and a clear process for spending the money.” Those who pledge \$5 million sign an agreement that governs the fund and sit on the partnership’s advisory board. “Everyone who has skin in the game has a vote,” said Waters.

In **Memphis**, Boyd emphasized that “strategy came first. We didn’t just start off with let’s raise a lot of money and then see what we can do. We started with what do we need to do, what level do we need to fund, what do we need to bring individually. Over the last four to five years, after seeing the [STRIVE initiative](#) in the Cincinnati area, I have really seen the benefits of trying to find a way for organizations to align their goals and work. They can more effectively move the needle than by trying to do it on their own.”

However well-designed the original strategies, funders describe a need to continuously adapt and evolve their approaches and respond to the challenges and setbacks that inevitably arise. “The strategy is a living document and requires soul

searching at practically every meeting,” explained Charlotte’s Collier. Collaboration itself brings challenges. As Boyd said, “we are still learning how to work together as Memphis funders. But we know we have this moment in time and something concrete and specific to work on together, and so we partner even when it’s hard. Perhaps because what makes it hard is also what makes it powerful.”

Engaging the Community to Shape and Sustain the Work

A close working relationship between district leaders and local funders is critical to any significant change effort, but that’s not the only relationship that matters. To set the school system on a new path, and to stay on that path over the years, effective funders engage the community as a partner from the outset—an activity in which local funders may have a real edge over national ones. This means pursuing a dialogue between the district, philanthropists, public agencies, neighborhood associations, parents, and students to create a shared understanding of what is needed to achieve real results. It means listening to different points of view and changing course as needed, ensuring that the work is done side-by-side with the community and reflects the local context. All too often, school improvement efforts trigger decades of tension—political, economic, and racial. Successful funders seek out diverse partners, with the goal of building trust and a sense of shared purpose.

In Charlotte, the focus has been on parents. “So much of the community engagement is about sustainability beyond five years,” said Clark, Charlotte’s deputy superintendent. “We have to build this engagement on the front end because otherwise people will be suspicious. What they need is to feel connected to this and invested in this.” Said Michael Marsicano, president and CEO of the Foundation For The Carolinas, “Philanthropists’ money is not going to sustain this beyond demonstrating that something can work. And once it works, the community and the district have to take it over.”

Recognizing the need for community support, Project L.I.F.T. established a structured process for meeting with hundreds of parents and other residents through focus groups and town halls in churches, schools, and other community gathering places. The funders wanted to make sure that their investments did not feel like changes imposed on the community. Parents welcomed the opportunity to be heard. At the kick-off community meeting, “a woman stood up and said, ‘This is the first time somebody has not just tried to come in and fix us,’” recalled Marsicano.

“The funders and the district people were not coming in as experts. They were there to listen, to absorb, and to learn from area residents and people involved in a particular school,” said Dianne English, executive director of the Project L.I.F.T.’s Community Building Initiative, which led the engagement work. “We were surprised not just by the number but also by the range of people, including students, who showed up over the full course of the engagement process.”

The community’s collective voice helped to shape the Charlotte reform strategy. Technology, for example, emerged as an unexpectedly high priority among West

Charlotte parents. “Parents said the digital divide was a big issue for them, and so technology moved in as an investment area,” said Clark. The community engagement process also prompted a real give and take about the proposal for extended learning time, which was at first poorly perceived by the community. However, after discussing the strategy in meetings, the philanthropists and community members realized that the phrase “extended learning” sounded like nothing more than a longer school day. Relabeling the investment “continuous learning” emphasized the combined contribution of in-school and out-of-school learning.

Rather than running its own engagement process, the **Jacksonville** initiative benefitted from an existing project called **One by One**, facilitated by the Jacksonville Public Education Fund, in which more than 1,600 Jacksonville residents participated in 169 small-group conversations, identifying what issues mattered the most in public schools. Delegates nominated from every part of the city then met to endorse the top four priorities that emerged from the conversation data. One of the four was “high quality teachers and leaders”—a focus the funder partnership had identified in its initial work.

In **Memphis**, the Achievement School District went door-to-door and held a series of community meetings to reach parents. And the funders engaged local organizations already connected to public schools to shape their strategy. In May 2013, over 65 leaders from charter school operators, local universities, nonprofits that recruit and develop teachers, and civic engagement associations, gathered in Memphis for “**Teacher Town**,” a session designed to find ways for Memphis to become the best place in America for great teachers and school leaders. The funders also invited promising education organizations from outside Memphis to participate, helping to create new connections between outside and local organizations and to inspire these outside organizations to bring their work to the city. The event has directly informed the funders investment plan for Memphis. Over the next few years a number of the most promising ideas generated in the initial community brainstorm will come to life in schools throughout the city.

Community engagement is more than a “feel good” approach. It matters because it may surface perspectives that change the strategy, and it builds relationships that will be essential to sustaining change over the long haul. Even the largest donors are learning that to succeed they can’t do it on their own. In Memphis, Boyd described how hard it has been to recruit the needed talent to turn around so many schools. “Getting great teachers is a really big challenge. We began to develop responses on our own, quickly realized the complexity of it, and backed off. We saw this required a community effort to really ensure the talent was in place to support the large-scale transformation of these low-performing schools.”

Progress to Date Is Encouraging

While Memphis and Jacksonville are still in the early stages, completing their fundraising and making the first steps toward implementation, the Charlotte partnership is in its second year of implementing its reform plan. No one is claiming transformation yet. But there are encouraging early substantive results.

Project L.I.F.T. has so far implemented the “continuous learning calendar” in four out of its nine West Charlotte schools, designed both to increase the hours spent in school and in out-of-school-time summer learning programs. It sought to improve performance by replacing a large number of teachers and principals in its nine schools. And West Charlotte High School has achieved a 15 point increase in the graduation rate compared to a system-wide 5 percent increase. However, Watts, the West Charlotte superintendent, cautions that the high school’s gain “was just the low-hanging fruit.” There have been real challenges as well, including staff turnover and difficulties in securing the number of high-quality out-of-school-time slots needed to implement the continuous learning calendar.

Watts has her eye on the future—including how to carry on the core elements of the reform effort beyond the five-year investment period that the Charlotte funders have committed to. “Beginning this year, I will run every financial decision through the filter of sustainability. First thing I say when I look at an investment is what do we with this investment in four years?”

The three communities profiled here are pioneers in charting a new path for local philanthropy. Many school districts do not yet have in place a leadership team capable of leading a district-wide transformation. Even where there is such leadership, only a handful have yet done what Charlotte, Jacksonville, and Memphis have—committed to a multiyear transformation strategy, raised a large pool of private donations to help implement key elements of the strategy, and worked with the community in order to sustain the changes they hope to achieve.

None of these cities is close to its ultimate goal, but each is on the path. In the face of one of America’s most daunting challenges—making sure public school students, whatever their income levels and backgrounds, are ready for college and career—we believe that the structure, scale, and energy of these donor partnerships demonstrate what it takes to transform student outcomes. They have weathered changes in district leadership, created large pools of private funds to support improving student outcomes, and kept their focus through a variety of obstacles. More communities can learn from and advance similar efforts. It won’t be easy, cautioned Watts, speaking to her experience in Charlotte: “I have been told more times than I can count that this is going to fail. But there is a belief in the boldness and the ability to come together and coalesce around an idea. It is a beautiful thing.”

Andrew Belton, Betsy Doyle, and Mike Perigo are partners, and Murrayl Berner is a case team leader with The Bridgespan Group.

BOSTON
2 Copley Place, 7th Floor
Suite 3700B
Boston, MA 02116
Tel: 617 572-2833

NEW YORK
112 West 34th St., Ste. 1510
New York, NY 10120
Tel: 646 562-8900

SAN FRANCISCO
465 California St., 11th Fl.
San Francisco, CA 94104
Tel: 415 627-1100

