

GEO Member Spotlight



How the Edna McConnell Clark Foundation is advancing funding partnerships for the benefit of grantees and the entire youth development field

Tasked with immense challenges, grantmakers working to reshape the lives of disadvantaged youth are often faced with the reality of their own limitations, which is what makes the Edna McConnell Clark Foundation's capital aggregation work so inspiring.

"Our goal at the Edna McConnell Clark Foundation is to transform the life trajectories of thousands more of America's most vulnerable young people, so they can lead independent and productive lives," said Charles "Chuck" Harris, portfolio manager and director of capital aggregation at EMCF.

To do this, EMCF equips some of the most promising nonprofits with the tools and capacity to help thousands more young people get an education, find and keep a job, and avoid teen pregnancy and crime. It invests in organizations with inspired leadership, a proven track record of success, a strong vision for growth and a commitment to holding themselves accountable for their success.

"The challenges confronting America's low-income youth are immense, and in a weak economy, are growing even larger," Harris said. "As funders, we must find ways to work together more effectively so that substantially more numbers of youth benefit from programs we know work."

EMCF has indeed found ways to work together. In 2007, recognizing that EMCF's resources alone could not provide all the resources these organizations need to achieve their growth plans, EMCF began to experiment with growth capital aggregation.

The foundation engaged partners in collaborative, coordinated co-investments using the following principles:

- **All funders invest against the same grantee business plan**, agreeing to the same terms and conditions, operating principles, performance milestones and metrics to monitor performance.
- **All funding is unrestricted but payout is performance-based**, contingent on a grantee's meeting yearly and end-of-investment milestones set by the grantees to hold themselves accountable.
- **All funding is committed upfront**, so a grantee can concentrate



Charles "Chuck" Harris
Portfolio Manager and Director
of Capital Aggregation

Below is a list of funders that have co-invested in the True North Fund. All are committed to exploring how their collective resources can contribute to significantly expanding evidence-based programs and making a substantial impact on the lives of vulnerable youth throughout the U.S.

- [The Annie E. Casey Foundation*](#)
- [The Duke Endowment*](#)
- JPB Foundation
- [The William and Flora Hewlett Foundation*](#)
- [George Kaiser Family Foundation*](#)
- [The Kresge Foundation*](#)
- [Open Society Foundations*](#)
- The Penzance Foundation
- [The Samberg Family Foundation](#)
- [The Starr Foundation](#)
- [Tipping Point Community](#)
- [The Wallace Foundation](#)
- [Weingart Foundation*](#)

* Indicates GEO-member organization

on pursuing its growth plan less distracted by the need to raise funds to execute it.

- **All reporting is centralized and streamlined** to make it efficient and productive for both co-investors and grantees.
- **All co-investors are committed to working collaboratively** and to sharing what they learn with other funders, practitioners and policymakers.

To test this approach, the foundation launched the [Growth Capital Aggregation Pilot](#). Within a year, the foundation helped three grantees — [Nurse-Family Partnership](#), [Youth Villages](#) and [Citizen Schools](#) — secure, in addition to the foundation’s investment of \$39 million, commitments of \$81 million from their boards and 19 co-investors, including other foundations, corporations and individual philanthropists.

“Today all three grantees are much stronger organizations. For example, they are now serving between 50 and 90 percent more youth than before,” Harris said. The grantees also earn more annual operating revenue and are well-positioned to sustain their growth by tapping emerging federal funding opportunities for proven programs.

Encouraged by this initial success, the foundation expanded and adapted its growth capital aggregation model to additional individual grantees and to a portfolio of nine nonprofits it selected in 2011 as an intermediary organization for the [Social Innovation Fund](#). With the SIF funds and the support of 13 co-investors, the foundation created a \$120 million fund, the [True North Fund](#), to support the expansion and evaluation of this grantee portfolio.

“Already we are seeing signs of initial success,” Harris said. “The [nine nonprofits](#) supported by the True North Fund have served nearly 19,000 additional youth since July 2011, and they have launched programs in New York City, Baltimore, Tulsa, Dallas, San Diego and elsewhere across the country.”

In addition to supporting the growth of these grantees, True North Fund co-investors strive to impact the broader field. By aggregating and delivering upfront the large infusions of capital that are a prerequisite for scale and sustainability, the True North Fund seeks to demonstrate a more efficient and effective method of organizing private and public capital on behalf of low-income youth, modeling how capital can be better deployed to scale what works.

About the Edna McConnell Clark Foundation:

The [Edna McConnell Clark Foundation](#) focuses on advancing opportunities for low-income youth (ages 9 to 24) in the United States. The Foundation believes that making significant and long-term investments in non-profit organizations — with proven outcomes and growth potential — is one of the most efficient and effective ways to meet the urgent needs of low-income young people.



Charles “Chuck” Harris will be one of 22 facilitators leading a [session on strategies and tactics for co-funding](#) at GEO’s upcoming [Strategic Co-Funding: A Grantmaker Convening](#). Registration is now full for the convening, and we are looking forward to the conversations and exploration that will take place at this unique, interactive convening.

The sixth of an eight-part briefing paper series on growing social impact from GEO’s *Scaling What Works* initiative, [How Can Grantmakers Aggregate Resources to Grow Impact?](#) explores more unified approaches, like co-funding, that increase leverage and reduce transaction costs for grantmaker and grantee, alike.



How Can Grantmakers Aggregate Resources to Grow Impact?

REFRAMING THE CONVERSATION:
A GEO BRIEFING PAPER SERIES ON GROWING SOCIAL IMPACT