

Place-Based Initiatives in the Context of
Public Policy and Markets:
Moving to Higher Ground

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Place-Based Philanthropy in Rural Settings: Increasing the Potential for Whole-Community Change

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We begin this response by underscoring the “defining insight” insight of Chapter 3, namely that localized community-change efforts need to take account of larger trends, forces and policies. Most place-based poverty-reduction initiatives operate within urban neighborhoods. Investments are targeted toward improving the physical, economic and social infrastructure within the neighborhood, while at the same time seeking to increase civic engagement, leadership, capacity and political power among local residents. As is pointed out, these neighborhood-specific change efforts need to take account of the larger ecosystem within which the neighborhood is nested. Regardless of how much energy, resourcefulness, creativity and strategic thinking that local residents bring to the initiative, an impoverished urban neighborhood is unlikely to transform itself solely through localized change-making efforts.

Foundations that have experimented with place-based initiatives have come to realize the limitations of operating solely at the neighborhood level. Also noted in Chapter 3 is that this recognition has led to initiatives, such as The California Endowment’s *Building Healthier Communities*, that include not only local grantmaking and capacity building, but also education and advocacy to change policies and systems at the state and national levels.

Along these same lines, we recommend that place-based initiatives adopt an expanded definition of “place,” one that extends beyond specific neighborhoods of interest to encompass the entire city or town within which those neighborhoods reside. At their core, place-based initiatives intend to generate more functional and productive actions, decisions, attitudes and relationships among local actors (individuals, organizations, institutions, etc.), while also improving the environmental, political, social and cultural conditions that support health and prosperity. Although place-based initiatives have typically applied a neighborhood-level lens in stimulating community-change, this is an artificial constraint. Foundations can structure their initiatives in ways that reach out to actors at more macro levels of the community, including civic leaders, business leaders, nonprofit organizations, government agencies, clergy and progressively-oriented residents who have values aligned with the foundation’s intent. The expectation is not so much that these larger scale actors will focus their attention on specific low-wealth neighborhoods, but rather that they will play a role in creating social, economic and political change on a community-wide basis.

This “whole-community” approach to place-based philanthropy is admittedly challenging in large urban communities. The dollars that foundations – even major foundations – can make available for these initiatives will inevitably appear small relative to the total budgets of city agencies and metro-wide nonprofit organizations. Moreover, the foundation may find itself competing with a multitude of other change-oriented actors already operating in the urban landscape.

The dynamic can be very different in rural communities, and this may be precisely where place-based philanthropy is best suited. The prospect of six- or seven-figure grants will readily attract the attention and fuel the imagination of people throughout a rural community. More importantly, small towns and rural counties are more naturally suited for community-wide change than are urban or suburban communities. First off, the smaller population makes it easier to engage a critical mass of people and organizations in a large-scale change effort. Second, rural communities tend to be less socially segmented than are cities. Residents of different social and economic classes interact in a variety of social and business settings on a daily basis (e.g., commercial transactions, school functions, sports leagues, civic clubs, churches), which facilitates the diffusion of new ideas, conversations, networking and working together. This smaller scale and personal interaction also makes it easier to gain community-wide alignment around priorities and solutions. All these factors suggest that it is easier in rural than urban settings to achieve a “whole-community” shift in conditions, attitudes, knowledge and ways of doing things.

We have in fact begun to see the wholesale transformation of communities within *Healthy Places NC* (HPNC), a place-based initiative that focuses exclusively on rural, economically challenged counties.

HPNC was launched by the Kate B. Reynolds Charitable Trust in 2012 with the intent of improving community health in up to 15 of these counties across North Carolina. Under the initiative, the Trust has committed at least \$100 million in grants over 10 years to support locally defined health-improvement projects and various forms of individual and organizational capacity building.

The core strategy of HPNC involves activating and supporting a broad range of people and organizations to carry out new work that addresses the community's critical health issues. Rather than asking a group of local leaders to come together on the front end and develop a strategic plan, HPNC begins by sending the foundation's program officers into the community to find people who have an interest in taking action to improve health. Recognizing that a community's health depends on broader economic and social conditions, the foundation looks well beyond health-care institutions and health-related agencies. Especially in rural communities, health is everybody's business. Accordingly, program officers spend considerable time on the ground (6-8 days per month) meeting with representatives from a variety of nonprofit and governmental organizations as well as unaffiliated residents interested in the health and well-being of their community. The program officer's task is to learn about local conditions and issues, while at the same time stimulating new thinking and action – by listening to residents' ideas for what could happen in the community, encouraging them to pursue promising ideas, offering up the prospect of grants, prodding deeper thinking, suggesting connections and partnerships, and bringing in others who might be useful in moving an idea forward. Organizations such as the Center for Creative Leadership provide targeted leadership development programming for established and emerging leaders who are playing key roles in carrying out and growing the work. This training focuses not only on building the personal capacity of participants, but also on strengthening organizations and networks (network leadership is a special area of emphasis).

Under HPNC, grants serve both as a form of enticement and a means of testing out new ideas. The program officer maintains a close working relationship with the funded groups to promote learning and to encourage deeper and more strategic projects, which in turn are supported with subsequent rounds of grantmaking. The initiative also encourages cross-sector partnerships that transcend the silos and segregated thinking that are all too common within institutions.

HPNC is still a young initiative. The Trust identified the initial three counties two-and-a-half years ago and added a fourth county a year later. Despite the relatively short time frame, it is possible to find signs and harbingers of whole-community change. A simple but telling indicator is the number and variety of competitive grant proposals that organizations in each of the participating counties have submitted to the Trust (between 10-20 grants funded in each county). Prior to HPNC, these four counties were largely absent in the Trust's funding portfolio. One of these counties actually had a reputation among funders in the state as a place to avoid making grants, but under HPNC has made considerable progress on multiple grants and has advanced to larger and more comprehensive strategies for increasing physical activity.

Broader forms of progress are also evident in the initial cohort of HPNC counties. An independent evaluation carried out by a team at Duke University interviewed approximately 15 key informants in each of the first three HPNC counties to assess initial effects stemming from the Trust's investments and activation work. Interviewees consistently reported that they were observing new partnerships, expanded networks, increased capacity, more "sense of possibility," and the building of community-wide momentum to improve health (i.e., greater will to act). The Duke team is surveying larger samples of residents in each HPNC county in order to assess more directly whether and how people are changing (e.g., attitudes, propensity to act, leadership activities) and how networks are expanding.

One of the promising early results from HPNC is broad, diverse engagement in the business of community change. Established institutional leaders (e.g., elected officials, town managers, hospital executives, YMCA directors, community college presidents, and heads of chambers of commerce) have worked together and within their own domains to design and carry out major new projects. We have been particularly pleased to see that city officials have not tried to act as gatekeepers to control how the Trust's grants are expended, but instead have used HPNC as a platform to enter into broad, open-ended conversations to explore what else might be done to improve community health. At the same time, residents who have never done work along these lines are finding their way into these efforts and taking the initiative to develop their own ideas into viable projects.

In other words, we are beginning to see transformation at a “whole-community” level. These effects might be due to the peculiar place-based strategy embodied in HPNC. But we also believe that we’re observing the huge benefits of doing place-based work in rural settings. Whereas neighborhood initiatives have struggled to engage key actors from the larger ecosystem, HPNC is reaching and influencing a broad range of stakeholders. Capturing the attention and imagination of actors at all levels of the community is an essential condition for success in any place-based initiative, rural or urban.