

Thriving People. Vibrant Places.



**The Boston
Foundation's
Strategic
Framework**

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Background and Overview

Background

In Fiscal Year 2009, the Boston Foundation conducted a strategic analysis of its priorities and approach to grantmaking to determine how the Foundation can best leverage its resources to make an even more significant and measurable contribution to key issues in Greater Boston. The Foundation's analysis included a wide range of inputs including:

- Thirty convenings – in neighborhoods and at the Foundation – with more than 1,000 grantees, partners, and other organizations;
- Interviews and focus groups with grantees and other funders;
- Biennial surveys of the Foundation's grantees and stakeholders;
- Review of the Foundation's past work and initiatives;
- Research on goal setting and grantmaking approaches of other foundations; and
- Data-driven community conversations:
 - *Boston Indicators Project*: Sector convenings, reports, review of recent trends; and
 - *Understanding Boston*: reports, forums, task forces.

The resulting new, board-approved *strategic framework* more clearly articulates how the Foundation aims to make a material, measurable contribution to critical issues facing Greater Boston. *The Thriving People. Vibrant Places.* framework organizes the Foundation's work around a set of principal strategies that leverage and align a powerful combination of all the Foundation's resources – grantmaking, research, convening, policy, media and donors – to advance each strategy in collaboration with a wide array of partners.

Along with the new strategic framework, the Foundation has made important changes to its grantmaking to better support organizations that address shared goals. The new approach places a greater emphasis on unrestricted support for nonprofits closely aligned with the Foundation's principal strategies, and a more fluid grantmaking process which, together, will result in deeper engagement between the Foundation and its grantees. It will also provide greater flexibility for grantees. In addition, the range of grant types now available to organizations of all sizes will provide support for a broad set of issue areas, ensuring that the Foundation continues to be an open door to new ideas for tackling current and emerging issues in our community.

Overview of Thriving People. Vibrant Places.

Strategic Framework

The new strategic framework builds on the Foundation's enduring mission statement and the three principal ways it fulfills that mission: (1) making grants and designing special funding initiatives; (2) working in partnership with donors and other funders to achieve high impact philanthropy; and (3) serving as a civic hub that catalyzes research, common agendas for change, and strategic policy efforts. Each of these tools, on its own, can be an important lever for change. However, they can be particularly powerful when applied together to advance a specific strategy. The Foundation's new strategic framework seeks the greatest integration of these components to drive collaborative, results-oriented strategies.

The Foundation has also adopted a value statement, which reflects the importance of broadening participation and collaboration to ensure that opportunity and justice are extended to all residents. While these values have always been core to the Foundation's work, it was not previously articulated. Each strategy will embody this value statement, in part by working with partners who share this value and are focused on high need places and people.

Through the recent strategic review, the Foundation has adopted two broad, aspirational impact goals for Greater Boston:

1. Greater Boston residents are successful and thriving; and
2. Greater Boston communities are vibrant, safe and affordable.

Five *objectives* further focus the Foundation's work to advance those goals.

Flowing from the Foundation's goals and objectives are nine principal strategies that uniquely leverage its tools and resources to make a material contribution on key issues facing Greater Boston. These strategies build on past work and research, and will allow the Foundation to have greater impact by articulating a clearer line of sight between the Foundation's activities and desired results. In some cases, the Foundation is pursuing proven and promising models; in others, it is piloting new efforts. In combination with our mission and value statements, the new goals, objectives and strategies guide all of our work, including our grantmaking.

Building a Portfolio of Partners

As noted, the Foundation seeks to engage a variety of partners to achieve greater impact on key issues. For each of the nine principal strategies, the Foundation will construct a portfolio that achieves the right mix of partners to maximize our collective impact. This portfolio will include grantees, nonprofits and key providers, but it will also enlist intermediaries, public agencies, research institutions, business leaders, civic leaders, advocacy organizations, media, other funders, and donors to leverage a collective power behind specific strategies.

Grantmaking

The Foundation has revised its grant guidelines and policies to align its discretionary grantmaking resources with the new principal strategies, while also continuing to be an open door to innovative ideas that tackle emerging issues in the community. The Foundation maintains a mix of grant types to support a wide range of organizations. Those grant types include special initiatives, the Vision Fund, and Event Sponsorships, in addition to our competitive grantmaking. (Please see the Grants Guidelines for a detailed description of the Foundation's new grantmaking approach).

Following, is the Foundation's strategic framework, which includes details about our mission, value statement, objectives and the approach and desired end state for each of the nine principal strategies.

In September 2009, the Boston Foundation announced a newly articulated set of goals, objectives and strategies that place a strategic focus on the people and places of Greater Boston.

Mission

As Greater Boston's community foundation since 1915, the Boston Foundation devotes its resources to building and sustaining a vital, prosperous city and region, where justice and opportunity are extended to everyone. It fulfills its mission in three principal ways:

- » Making grants to nonprofit organizations and designing special funding initiatives to address this community's critical challenges;
- » Working in partnership with our donors and other funders in pursuit of mutual goals; and
- » Serving as a civic hub and center of information where ideas are shared, levers for change are identified and common agendas for the future are developed.

Value Statement

In everything we do, we will seek to broaden participation, foster collaboration and heal racial, ethnic and community divisions.

Goals, Objectives and Strategies

Goal: Greater Boston residents are successful and thriving.

Objective: Improve outcomes for Boston's residents across the education pipeline.

Strategy: Accelerate structural reform and promote innovation in public schools in Boston.

Problem & Key Data

Despite impressive examples of schools that break the connection between poverty and poor results, Boston's public schools have resisted change; in the 2007 Parthenon report, the district was cited as having a "culture of low expectations."

- » Persistent achievement gaps are evident across the education pipeline as reflected in scores of Proficient or above on key tests:
 - » 3rd grade reading as per 2008 MCAS: BPS - 29%, African American - 24%, Latino - 23%, white - 48%; Asian - 50%.
 - » 8th grade math as per 2008 MCAS: BPS- 34%, African American - 22%, Latino - 26%, white - 57%, Asian - 74%.
 - » 10th grade English/Language Arts: BPS- 58%, African American - 48%, Latino - 50%, white - 79%, Asian - 80%.

- » Too many students are not on track to be college ready:
 - › *Algebra in the 8th grade*: In 2007-2008, only 1% of BPS non-exam students took Algebra 1 in 8th grade.
 - › In 2007, 90% of the AP exams which received a 3 or higher were taken by exam school students. Only 54% of BPS high schools offer AP exams.
 - › For the class of 2007, the 4 year high school graduation rate was 63%.
- » Proven reforms have become stunted in Boston; too few students have access to schools that work:
 - › Only 4 new pilot schools between 2003 and 2009; Ongoing union resistance to new structures (e.g., grievances regarding pilot school governance & Advanced Placement classes); Boston is at the charter cap; there will be no new charters despite 8,577 Boston students on waitlists for charters.
 - › More than 10,100 Boston students enrolled in Catholic schools or METCO, but better data is needed to compare these options.

Approach

Each year, thousands of Boston's youth fail to achieve the academic standards that will prepare them for success after high school. Many assume that this cannot be changed. Yet recent research* has demonstrated that innovative schools, including charters and pilots (all with autonomous governance, longer school days/years, high expectations and standards, rigorous courses, comprehensive curricula, and talented leaders and teachers) are getting results for students and extending the range of quality school choices.

Choices were once limited to families of means, but the growth of choices within and outside of the system has offered some low-income families more high quality options. Demand for such schools far exceeds supply, denying opportunity to thousands of students.

By focusing on expanding enrollments in flexible, autonomous schools, the Foundation will ensure that low-income families have greater access to innovative and high performing schools with proven results. More students enrolling in schools proven to be successful in improving student outcomes (as measured by test scores and graduation rates) will strengthen the pipeline and create pressure on the rest of the schools to improve or convert to innovative schools.

To facilitate this, The Foundation will:

* Kane et al. (2009). *Informing the Debate: Comparing Boston's Charter, Pilot, and Traditional Schools*. Boston, MA: Boston Foundation; Tung & Ouimette. (2007) *Strong Results, High Demand: A Four-Year Study of Boston's Pilot High Schools*. Boston, MA: Center for Collaborative Education.

1. **Create public demand and political will** for more of these schools through external affinity groups, organizing efforts and media outreach.
2. **Support and advocate for enabling legislation, regulations, and guidelines** that create conditions for the proliferation of innovative schools.
3. **Commission research and publish reports** about which models show results for students, in order to build evidence for innovation and reform.
4. **Support planning and implementation of proven school innovations** and explore new innovative models that build on what works for students.

Desired End State

- » Double the number of autonomous schools in Boston
- » Improve outcomes along key student performance measures:
 - » 3rd grade reading proficiency
 - » % non-exam students taking Algebra in 8th grade
 - » 8th grade math proficiency
 - » % schools offering Advanced Placement classes
 - » 4 year graduation rate

OBJECTIVE: Improve outcomes for Boston's residents across the education pipeline.

STRATEGY: Increase the 2- and 4-year college graduation rate for low-income, minority and first-generation college students from public schools in Boston.

Problem & Key Data

A post-secondary credential is essential for success in our economy:

- » In Greater Boston, more than 50% of all job vacancies require at least an associate's degree – a percentage that is expected to grow.
- » A typical bachelor's degree holder would earn \$1.52M more over his/her lifetime than a high school dropout.
- » Despite being one of the best, large, urban public school districts in the nation, the vast majority of students in Boston's public schools (BPS) are not on track to successfully complete college:
- » Boston won the Broad prize in 2006 and enrolled large numbers of its graduates in higher education.

- » However, among the graduates of the BPS Class of 2000, only 35% of those who enrolled in college completed a 2- or 4-year degree within 7 years of their high school graduation.
- » A 2006 study found that $\frac{1}{3}$ of BPS graduates were enrolled in at least one developmental English course; $\frac{1}{2}$ were enrolled in at least one developmental math course.

Boston's exam school alumni, despite better academic preparation, still struggle to complete degrees at area 2-year colleges, suggesting that college readiness alone may not be sufficient for college success, particularly at 2-year and commuter colleges:

- » The Private Industry Council's (PIC) 2008 study of the BPS Class of 2000 found that among exam school students attending 2-year institutions, only 21.7% had earned a degree within 7 years of high school graduation.
- » Local college access and successful nonprofits, like Bottom Line (74% college graduation rate) and Posse Boston (90% graduation rate), are getting results by supporting BPS students' transition to higher education.

Approach

The region's economy is driven by knowledge-based industries that require a highly skilled workforce. To remain competitive both nationally and internationally, we must ensure that more students who enter college actually graduate. To increase college graduation rates, student outcomes must improve at many key junctures along the pre-K to 12 pipeline: we must send better-prepared students to college, support their transition and help them succeed while in college.

The Foundation will convene the partners and the resources necessary to increase the college graduation rates of BPS graduates through a three-pronged approach that focuses on:

1. **Getting Ready:** Students are **prepared to succeed in college**, with a focus on academic preparation and improved guidance prior to graduation.
2. **Getting In:** Students apply for, are admitted, and **successfully transition to higher education**.
3. **Getting Through:** Students **receive the supports during college** that are necessary to earn a degree that prepares them to enter the workforce.

Progress in all of these areas will require an integrated systems approach that connects Boston's public schools with nonprofit intermediaries, higher education institutions, and local businesses.

Desired End State

- » Boston graduates successfully transition to and complete college so that they can contribute to the civic and economic life in our city and region
- » Increase graduation rate from 37% (2007 baseline) to 70% by 2017

OBJECTIVE: Improve outcomes for Boston's residents across the education pipeline.

STRATEGY: Promote the career advancement and economic security of low-income individuals.

Problem & Key Data

To ensure that Boston's economy and citizens are thriving, residents must have access to training and education that lead to jobs with family-sustaining wages (FESS). However, Greater Boston's workforce development system faces a number of challenges:

- » Working families continue to be stuck below family economic self-sufficiency:
 - » In 2006, 35.6% of working age adults in Boston were part of families with children that had incomes below FESS levels (~\$62k for family of four).
- » A rising number of jobs require skills that Boston's workforce does not have:
 - » 45% of jobs in MA are middle-skill jobs; only 37% of the population has the skills.
 - » A rising number of job vacancies require more than a high school diploma.
- » Adults need help in getting the skills required to succeed in our economy, particularly in adult basic education and English language:
 - » In Boston, the waiting list for ESOL classes tops 3,500 during peak times of year; many local organizations lack the capacity to take individuals beyond the most basic levels of English.
 - » Only 2-3% of students who enter college through ESOL or GED programs earn a certificate in one year or more, or an associate's degree within five years.
 - » The three-year graduation rate for MA community colleges is 17.4%, compared with the national average of 21.5%, and Boston's community college graduation rates are considerably lower than the state average.
- » While the Commonwealth is a national leader in funding workforce development, the system is fragmented and federal resources are not sufficient. Boston, with more than 500,000 residents, receives fewer than 400 training vouchers annually.

- » A Foundation analysis of 2000 U.S. Census data for Boston shows that a non-native English speaker who speaks English very well earns an average of 31% more in annual income (a difference of \$12,500) than a non-native speaker who speaks no English.
- » A national analysis of 400 studies found that employment was the single most important factor in reducing recidivism (Lipsey, *What Works: Reducing Recidivism*, 1995).

Approach

The promising results garnered by the Foundation's *SkillWorks*, *Allied Health* and *English for New Bostonians* initiatives demonstrate the effectiveness of convening key partners – government agencies, employers, NPOs and educational institutions – to improve the local and regional workforce development landscape.

Of particular note are promising efforts aimed at shifting the workforce development paradigm from a client-focused approach to one that leverages the economic needs of the employer, increasing their investment in advancing low-wage workers.

With this in mind, the Foundation will:

1. **Invest in innovative and sustainable models of education and training** that build Boston's capacity to prepare its workforce for jobs in a knowledge-based economy, with a focus on employer-led initiatives.
2. **Invest in improving the quality of transitions and coordination** among adult basic education, post-secondary education and the workforce system.
3. **Advocate for greater and more focused public and private investment** in the workforce development system.

Desired End State

- » Increase % of workers with workforce skills that match those needed for middle skill jobs
- » Increase % of families with children earning FESS wage
- » Increase % of student achieving their GED/ESOL goals

OBJECTIVE: Increase health and wellness of Greater Boston residents.

STRATEGY: Encourage healthy behaviors among Boston residents and increase access to healthy food and opportunities for physical activity.

Problem & Key Data

The prevalence of obesity in the United States has increased dramatically due to unhealthy eating and lack of adequate physical activity. As this persists into adulthood, it contributes to increased chronic disease and rapidly escalating and unsustainable healthcare costs.

- » Obesity is a risk factor for and an indicator of poor health, a driver of healthcare costs and a marker of racial/ethnic disparities in Boston and MA. The rise in obesity and related chronic diseases, type-2 diabetes and heart disease, threatens not only the health of Greater Boston residents, but also the region's economic competitiveness:
 - » More than 50% of MA residents are overweight and 20% are obese.
 - » Self-reported diabetes in MA increased nearly 40% in a decade; rates for African-Americans were double that of whites in 2006.
 - » MA budget deficit is ~\$3B; MA spends \$3.2B per year on Type 2 diabetes.
- » Increased health care costs crowd out public and private investments in other areas, including determinants of health such as education, public health, and youth development:
 - » Healthcare is the single largest expense in the state budget (39%), and growth in healthcare spending is expected to average 6.7% per year for the next 10 years – greater than anticipated inflation (2.4%) and economic growth (4.9%) prior to the economic downturn.
- » Youth in Boston have limited access to opportunities for participation in sports and physical activity, contributing to obesity:
 - » An estimated 50,000 Boston youth are not served by sports programs; girls in Boston participate in sports at ½ the rate of boys.
 - » Boston youth have ⅓ of the opportunities to participate in sports than children in the suburbs, which carries a strong correlation to rates of obesity.

Approach

The Foundation's past health-related work has focused on access to health care. However, there is now ample evidence that investments in prevention and wellness have the highest payoff, both in terms of health outcomes and reducing health care costs. In partnership with the New England Healthcare Institute (NEHI), the Foundation is working to reframe the conversation about health from access to prevention and wellness and the impact on cost and economic competitiveness. Building on the Foundation report *Boston Paradox: Lots of Health Care, Not Enough Health*, the Foundation, with NEHI, has developed the Blueprint for Action, setting targeted strategies to address rising rates of obesity, chronic preventable disease, and health care costs.

Bolstered by evidence put forward by the NEHI report and reinforced by recent Robert Wood Johnson and Center for Disease Control reports, the Foundation's shift to primary wellness will include the following approaches:

1. **Invest in primary prevention programs** based on successful national and local models and aligned with state, city and community health center strategies.
2. **Pilot a program to increase participation in sports and physical activity** in out of school settings, with a positive coaching model and educational component, to develop skills and improve healthy life choices.
3. **Convene a leadership group** to implement the Blueprint for Action by selecting and supporting high leverage public policies and systems reform strategies.

Desired End State

- » Decrease % of children and adults who are overweight and obese
- » Decrease % of children and adults with preventable chronic diseases
- » Decrease % of the State budget devoted to health care costs

GOAL: Greater Boston communities are vibrant, safe and affordable.

OBJECTIVE: Increase the livability, affordability, and safety of Greater Boston communities.

STRATEGY: Increase neighborhood stability and the production and preservation of affordable housing for vulnerable populations.

Problem & Key Data

The combined effects of the recent economic and housing crises are creating affordability problems for those at the lowest rung of the ladder and jeopardizing the housing production system and infrastructure.

- » Sub-prime lending and the financial crisis have put individual families and whole neighborhoods at risk, resulting in the loss of housing units, increased homelessness and stalled affordable housing production:
 - » 12,430 foreclosure deeds were filed in MA in 2008 – 62% more than in 2007; Boston represented over 11% of these (primarily in low income and minority neighborhoods). Boston has 968 lender-owned foreclosed units.
 - » Family homelessness is on the rise with 5,000 MA families in shelters, of which 1,519 are in Boston. MA has 750 homeless families in motels.

- › Lack of investors buying allocated Low Income Housing Tax Credits to finance production is holding up 31 shovel-ready projects in MA, of which more than 16 are in Greater Boston. Production of nearly 6,000 units of housing and stability of housing producers is affected.
- ›› Instability in the housing market is affecting affordability for both renters and owners:
 - › In 2006 52.4% of renters and 43.1% of homeowners in Greater Boston paid more than 30% of income for housing.
 - › Expiring HUD mortgages threaten the loss of ~21% (19,475) of the Expiring Use affordable units in MA before 2010, which are likely to be converted to market rate housing particularly affecting low income elders, disabled and low income families.
- ›› Poor social and physical conditions affect the stability of neighborhoods and the mobility of people:
 - › Of the 968 bank/lender owned foreclosed units in Boston, 344 were “troubled” or “abandoned” and “posed a significant risk to neighborhoods by attracting crime and lowering local property values” according to the City of Boston’s 2008 Real Estate Trends newsletter.
 - › Experiencing high neighborhood poverty throughout childhood strongly increases the risk of falling down the income ladder according to Pew’s 2009 Neighborhoods & Black/White Mobility Gap report.

Approach

Housing is a stabilizing force in the lives of families and communities, as well as a key aspect of regional competitiveness. The region’s housing market has seen two extremes. Before September 2008, the region’s housing market was among the most expensive, and affected the region’s ability to attract talent for growth sectors of the economy. The more recent housing and economic crashes have resulted in an utterly chaotic housing market and have seriously affected the state’s subsidy systems. In addition, the credit crunch and lack of markets for Low Income Housing Tax Credits have stalled production and affected the stability of community development corporations (CDCs) and nonprofit housing developers – who have developed more than 6,000 new housing units since 2000 and helped more than 32,000 families in 2008 alone.

To make a meaningful contribution towards these significant issues the Foundation will:

1. **Increase housing production and preservation** through program related investments, public policy and advocacy.
2. **Significantly reduce homelessness** in Boston through a housing first approach in collaboration with the City, foundations and nonprofits.

3. **Strengthen the financial, collaboration and production capacity** of CDCs and housing advocates.
4. Consciously link housing to other Foundation objectives to **coordinate and channel resources into smart-growth, livable neighborhoods** that meet 21st century needs.

Desired End State

- » Decrease % of renters and homeowners who pay more than 30% of their income for housing
- » Decrease the number of homeless families in Boston
- » Improve indicators of neighborhood vitality—such as reduction in youth crime, increased use of public transit, and rising household income levels—for 2 to 3 neighborhoods

OBJECTIVE: Increase the livability, affordability and safety of Boston neighborhoods.

STRATEGY: Reduce the incidence of violence in Boston neighborhoods, especially among youth.

Problem & Key Data

- » A subset of Boston neighborhoods are disproportionately and persistently affected by high rates of violent crime:
 - » 70% of Boston’s gun violence is concentrated in only 5% of the city’s street corners and blocks.
- » A small number of young people (aged 16-24) play a significant role in driving the vast majority of violence in Boston:
 - » 1% of the City of Boston’s youth population aged 16-24 (1,400 – 2,200 people) drive more than 50% of gun violence citywide.
- » These “proven-risk” youth – those who are involved in gangs or other criminally active groups engaged in violent behavior – are chronically isolated both socially and economically. This is, in part, due to their lack of adequate access to role models, programs and services that lead youth to positive pathways.
- » Fear of violence is a significant cause of isolation for members of affected neighborhoods, who are often afraid to leave their homes, which impedes development of vibrant communities (see “Competing Under Fire,” *Boston Globe*, June 22, 2009).

Approach

- » The Foundation will design, resource and implement a sustained, multi-faceted effort to reduce violence through a targeted and coordinated initiative.
- » The Foundation will convene and lead a wide array of public, private, nonprofit, and faith-based partners on two core approaches:
 1. Street-level gang intervention: **Increase the number of highly trained and supported streetworkers**, deployed to establish relationships with proven-risk youth and intervene in cycles of violence, resolve conflicts, and connect youth to services.
 - » Based on successes in Boston, Chicago, Providence and other cities that have mounted similar interventions, effective and proactive street-level intervention is key to disrupting cycles of retaliatory gang violence.
 2. Neighborhood-based service delivery: **Establish collaborative, multi-faceted neighborhood-based network of programming and social services** for proven-risk youth.
 - » Significant anecdotal evidence suggests that enabling access to positive pathways that make participation in violent criminal behavior less attractive leads to a reduction in youth violence.

Desired End State

Citywide and in the five neighborhoods that are the focus of StreetSafe—the Dudley Square and Grove Hall neighborhoods in Roxbury; South End/Lower Roxbury; and the Morton/Norfolk and Bowdoin/Geneva areas in Dorchester:

- » Decrease % of youth violent crime
- » Decrease % of youth homicides

OBJECTIVE: Enhance civic and cultural vibrancy in Greater Boston.

STRATEGY: Strengthen and celebrate the region’s diverse audiences, artists and nonprofit cultural organizations.

Problem & Key Data

- » There is a mismatch between the number of arts/cultural nonprofits and public and private funding sources available to support them. This under-capitalization leaves these organizations fragile and unable to achieve scale or present the vibrant and innovative programs audiences desire:

- › From 1999 to 2004, the number of arts/cultural organizations grew 17% (534 to 624), while average inflation-adjusted contributed income decreased 8% and average contributed income per organization decreased 26% (*Vital Signs: Metro Boston's Arts and Cultural Nonprofits, 1999 and 2004*, Boston Foundation, December 2007).
- › From 1999 to 2004, average inflation-adjusted earned program revenue was flat or declined for NPOs of all budget sizes (*Vital Signs*, Boston Foundation, 2007).
- » While many organizations present some culturally relevant programming, the number of nonprofits serving or led by people of color does not reflect an increasingly diverse population. The participation rate of people of color is unknown, but it is fair to assume that it is low:
 - › In 2004, minority organizations represented 5.8% of all Greater Boston arts/culture nonprofit organizations (*Vital Signs*, Boston Foundation, 2007).
- » Many children lack arts instruction at school, which reduces the likelihood that they will be active art participants (whether as amateur, professional artists or as audience members) or have the creative skills to participate fully in the 21st century economy:
 - › In school year 2008/2009, about 30% or 9,500 K-8 students did not receive once weekly, year-long arts instruction (*The Arts Advantage: Expanding Arts Education in the Boston Public Schools*, Boston Foundation, February 2009)

Approach

Nonprofit arts and culture organizations play a vital role in cultivating a shared civic culture and vibrant places; supporting the region's economy, and addressing the educational and developmental needs of youth. The last 10 years of the Foundation's Arts Fund grantmaking has shown that there is greater leverage through investments in the management capacity of arts/culture nonprofits than in specific productions or youth development programs, which are often not sustainable without ongoing support. To fully realize its value, the sector's ecology must be strong – with financially healthy and well-led institutions, broad and diverse participation, and strong and capable intermediaries.

With this in mind, the Foundation will focus its resources on three principal approaches:

1. **Invest in the systems, policies and organizations** that support the field and expand its public and private funding.
2. **Invest in individual nonprofits' capacity** to achieve sustainable financial health and strong, diverse leadership.
3. **Support promising/proven and scalable efforts** to develop diverse, active participation in the arts.

Desired End State

- » Increase attendance for free and paid performances
- » Continued State funding for cultural facilities
- » All 32,500 BPS K-8 students receive weekly, year-long arts instructions by 2012, from baseline of 23,000 students in 2009
- » Increase % of BPS high schools offering arts instruction

OBJECTIVE: Increase job growth, economic competitiveness and equity in Greater Boston.

STRATEGY: Invest in strategies that increase Greater Boston's competitiveness, prosperity and efficiency, and create vibrant urban neighborhoods with opportunities for all residents.

Problem & Key Data

The economic revitalization of traditionally underserved areas depends on both regional sector-based business development and on small business development; however, Greater Boston faces many challenges:

- » Over the past 5 years, the City of Boston's pension and health care costs have increased 56% and 54%, respectively. Other cities are facing similar increases.
- » Small businesses account for 80% of inner city jobs and 90% of inner city businesses; however, most inner city small businesses do not reach full growth potential due to structural barriers (i.e., lack of growth capital, technical advice or credit).
- » Boston neighborhoods with the highest concentration of low-income families of color received only 8% of Small Business Administration (SBA) loans in Boston in 2008, compared to 50% going to business in Back Bay, South End, and Central Boston (*Boston Indicators Project*). Moreover, Boston Metro Service Area ranks near the bottom of the list in growth of Community Reinvestment Act reported loans (13th out of 15th) among large metro areas in New England (MA Community & Banking Council, 2007).
- » In Greater Boston, more than 52% of all job vacancies require at least an associate's degree. Because private colleges and universities have, for the most part, eliminated technical certificates and certification programs, there is greater demand for Boston area community colleges to meet the needs of employers.

Approach

In order to create opportunity for all Greater Boston residents, a prosperous region with thriving urban neighborhoods is essential. The Foundation will devote a portion of its work to selected efforts that focus on improving regional prosperity. While regional prosperity does not guarantee success, the Foundation's prior work has shown that workforce partnerships with deep employer engagement, as well as targeted efforts to aid inner-city populations can greatly improve Greater Boston's economic competitiveness and foster job creation and business growth. To this end, the Foundation will:

1. **Facilitate the development of industry clusters** (e.g., life sciences, green and creative industries) to strengthen the economic sector and foster growth.
2. **Support the growth of Greater Boston's inner-city small businesses** through technical assistance and increased access to growth capital.
 - › The Foundation has funded successful individual efforts (e.g., Initiative for a New Economy, InnerCity Entrepreneurs, Acción) that support the growth of urban, minority-owned, small businesses, pointing to the potential for greater impact through a farther reaching, strategic effort.
3. **Support efforts to promote regional efficiencies and economies of scale in local, regional, and state government** to reduce the costs of government and increase local control.
 - › Declining revenues coupled with increased spending for health care, pensions, and debt service point to the need for greater efficiencies.

Desired End State

- ›› Increase number of jobs in targeted and emerging industries (life sciences, green and creative industries) in Greater Boston and Boston's inner city by 2015
- ›› Increase number of women- and minority-owned small businesses in Boston

OBJECTIVE: Increase job growth, economic competitiveness and equity in Greater Boston.

STRATEGY: Enhance the long-term vitality of the Massachusetts nonprofit sector.

Problem & Key Data

The nonprofit sector provides tremendous civic, social and economic value to Massachusetts, making up 14% of the State's workforce, generating \$87B in revenues and holding \$207B in assets in 2007*:

* *Passion and Purpose*, The Boston Foundation, June 2008.

- » The sector has doubled in size over the past 18 years; however, the growth in revenues has not kept pace with the growth in numbers:
 - » Number of organizations have grown at an annual rate of 6.3%, revenues have grown at rate of 1.3%, and expenses have outpaced revenue growth at 2.1% annually.
- » Fiscal health of nonprofits is further deteriorating with the economic climate:
 - » In 2003, more than 40% of nonprofits showed a deficit and roughly 1/3 had less than 30 days of cash on hand.
 - » A national survey of nonprofits indicates philanthropic funding is projected to be down in FY2010 and FY2011.
 - » MA revenues were down \$2B in FY2009 and are projected to be flat in FY2010.
- » Lack of visibility and understanding of the nonprofit sector results in public policies and government revenue cutbacks that weaken the sector:
 - » Government contracts do not cover the full cost of services; regardless, in FY2009, MA nonprofits experienced 9-C cuts for services totaling \$700M;
 - » FY2010 projections show a \$1.5B increase in the cost of services due to inflation and an increased case load.
- » Lack of investment in the capacity building of nonprofits results in weak financial and leadership capacity, which affects the ability of nonprofits to succeed:
 - » Philanthropic funders and individuals favor program funding over capacity building and general operating support.
 - » In 2007, 6,000 nonprofit sector employees surveyed reported that while 1 in 3 aspired to lead a nonprofit organization, only 4% viewed themselves as being groomed for executive roles.
 - » In 2002, the Annie E. Casey Foundation reported that 15%-35% of nonprofit executives planned to leave their current jobs within two years, while 61%-78% planned to leave within 5 years.

Approach

Nonprofits provide three distinct values – creation of a civil society, a safety net for the Commonwealth’s residents, and economic value/competitiveness. Their strength and vitality is critical to the healthy growth of the region and its residents.

While the Foundation’s grantmaking and other tools help to support the social impact and overall strength of a subset of nonprofit organizations, the Foundation also works to influence issues related to the broader sector (e.g., the Foundation’s *Passion & Purpose* report on the fiscal health of Massachusetts nonprofits, and its support of the creation of the Mass Nonprofit Network).

The wealth of information and data about the nonprofit sector suggest the following productive avenues for ensuring superior performance of nonprofits and needed investments in the sector to improve regional competitiveness and equity:

1. **Improve performance and impact by building the leadership and management capacity of Greater Boston nonprofits**, which account for more than 37% of the state's 990 filing nonprofits.
2. **Promote and support collaborations and mergers among nonprofits** to increase efficiency, improve effectiveness and promote innovation.
3. **Improve the visibility/awareness of the MA nonprofit sector among policy makers** through research, convening and advocacy.
4. **Improve incentives and benefits for MA nonprofit workforces** in order to attract and retain talent.

Desired End State

- » 13% of the approximately 3,000 Greater Boston nonprofit organizations filing IRS form 990 will have leaders credentialed in nonprofit management by 2014
- » At least 30% of nonprofits have received technical assistance or attended workshops provided by TBF by 2014
- » Increase # of completed mergers/alliances in the nonprofit sector
- » Nonprofits show evidence of a better match between their revenues and expenses
- » Policy makers have a greater appreciation and understanding of benefits provided by nonprofit sector