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Generative Philanthropy: Long-Term Investments in Economic Opportunity

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Key Points

- Generative philanthropy is a collaborative investment practice that tests prototypes and identifies new opportunities that, over time, can focus direction and generate momentum for change. It is an incremental, decentralized approach to investment in communities.
- This article's purpose is to clarify the theory and practice of generative philanthropy and contrast it with other approaches. It provides an in-depth discussion of the meaning of generative philanthropy, offers five examples of the approach related to economic opportunity, and draws lessons for future practice.
- Generative philanthropy offers a framework for understanding and enriching philanthropy's long-term role and collaboration with partners from a developmental perspective. It can hopefully inspire and guide new foundation practices that pay attention to what comes next after the first or second investment of time, money, knowledge, and leadership.

Introduction

The growth and maturation of philanthropy in recent decades has encouraged introspection and experimentation about its roles and strategies. In this context, foundation leaders have reflected upon the "theory of the foundation" — that is, what foundations do or should do and what ideas should guide their efforts. The development of foundation theory is a work in progress that has not yet yielded a clear consensus, but has produced important insights about the nature of philanthropic strategies and tactics (Patton, Foote, & Radner, 2015; Berman, 2016).

This article explores how creative collaborations among citizens, foundations, nonprofits, civic institutions, and governmental actors can promote social innovations by deploying multiple foundation tools and resources to nurture change. This long-term, collaborative practice, which I call "generative philanthropy," represents an incremental, decentralized approach for developing and spreading social innovations.[1] Generative philanthropic investments test prototypes and identify new offshoots and opportunities that over time can focus direction and generate momentum for change. This article contrasts generative philanthropy with other approaches.

Strategy and Opportunity

All foundations — and especially large, national foundations — grapple with the challenge of balancing strategy and opportunity (Orosz, 2007). Simply, there are more effective nonprofits than grant dollars and more social problems than effective solutions. How should foundations decide? How should they balance narrow, focused investments while staying open to opportunity? Business strategist Henry Mintzberg (1994) argues that organizations like businesses and foundations should embrace strategic thinking rather than strategic plans if they are to find the right balance.

[1] I hesitate offering another phrase describing innovative philanthropy; the field is already swamped with catchy phrases. But I've decided a new phrase — generative philanthropy — is needed because most discussions of strategic philanthropy and its variations are foundation-centric, focus on intentionality and explicit goals, and are short or midterm approaches. As I will argue in this article, generative philanthropy is quite different.

In recent years, foundation practitioners and theorists have criticized strategic philanthropy as too rigid, linear, and static. In response, several reformulations of strategic philanthropy have focused on the need for adaptive capacity to adjust philanthropic investment strategies and tactics as the world changes and in response to learning about what works or does not work. These versions of strategic philanthropy, however, still place philanthropy at the center as primary investor, stakeholder, learner, and advocate.

Philanthropy's primary focus has evolved from charitable giving and investment in building nonprofit organizations to more goal-directed philanthropy in search of specific solutions. In other words, philanthropy has evolved from buying results to building organizations and leading with foundation-centered theories of change about how to achieve specific social impacts at scale, what has come to be called strategic philanthropy (Porter & Kramer, 1999; Brest & Harvey, 2008; Stannard-Stockton, 2011; Kania, Kramer, & Russell, 2014). This approach is not new when looking back at the game-changing investments — of the Carnegie or Rockefeller foundations in the early decades of the 20th century, for example — but today, more foundations are taking up strategic philanthropy (Zunz, 2014; Kania et al., 2014).

Strategic philanthropy requires foundations to go beyond responding to externally generated philanthropic requests to self-identifying specific results, investment strategies, and targets — what is core to their mission, whether decided by benefactors, boards, or senior executives — and what is their unique contribution (Kania et al., 2014). Foundations are the key decision-makers. Strategic philanthropy involves foundations stating more clearly their theories of change — the conceptual linkages between problem identification, levers of change, investment tactics, and results. Strategic philanthropy can focus on building nonprofit capacity in specific domains or attempt to change or reform systems affecting specific social issues, whether criminal justice, health, or job training (Walker, 2017).

In recent years, foundation practitioners and theorists have criticized strategic philanthropy as too rigid, linear, and static. Nonprofits exist in a world of dynamic complexity and messiness that defies one-dimensional theories of change. In response, several reformulations of strategic philanthropy have focused on the need for adaptive capacity to adjust philanthropic investment strategies and tactics as the world changes and in response to learning about what works or does not work (Ditkoff, 2014; Bridgespan Group, 2013). Catalytic philanthropy mobilizes foundation and nonfoundation resources to achieve specific results in campaign style (Kramer, 2009). Emergent philanthropy is the most open-ended reformulation of strategic philanthropy because it recognizes that solutions require time to take root, adapt to changing circumstances, and mature (Buchanan, 2014; Kania et al., 2014). These versions of strategic philanthropy, however, still place philanthropy at the center as primary investor, stakeholder, learner, and advocate.

Two other philanthropy approaches — system change and social movement — also emphasize key levers of change, long-term collaboration, multiple investors, and a range of philanthropic tools. But they are different than generative philanthropy in several respects. System-change philanthropy primarily involves philanthropy moving boldly to make up for a lack of big social and economic solutions (Walker, 2017). It focuses on mobilizing foundation resources to support specific solutions that involve systemic change, beyond programs and narrow policy changes. Social movement philanthropy, in contrast, recognizes that big solutions require more than philanthropy, but that philanthropy can play a critical role in building the capacity and infrastructure for effective social movements to emerge and sustain themselves to achieve specific ends (Masters & Osborn, 2010). Both types of philanthropy typically have a "north star" for change at the outset.

This article's purpose is to clarify the theory and practice of generative philanthropy and contrast it with these other philanthropic approaches. Its three objectives are to provide an in-depth discussion of the meaning of generative philanthropy, offer five examples of generative philanthropy related to economic opportunity, and draw lessons for the future practice of generative philanthropy.

Defining Generative Philanthropy

Generative philanthropy offers a framework that informs the grantmaking and nongrantmaking practices of foundations and how they can contribute to developing long-term solutions.[2] Generative philanthropy captures the collaborative and sometimes disjointed process of invention and growth seen in the evolution of many social innovations and fields of practice. It does not start with predetermined solutions or with systems ready to change. Rather, it starts with a sense of direction, multiple investors, creative competition and cooperation among key entrepreneurs and stakeholders, flexibility in tactics beyond grantmaking, and varying speeds of uptake. Generative philanthropy shares with strategic philanthropy theories of change about foundation roles and interventions, although they may be more experimental, adaptive, and emergent. At the heart of generative philanthropy is a new perspective, metaphor, or frame of reference that redefines problems and solutions and encourages new rounds of invention and adaptation (Schön, 1983).

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Rarely do foundations look back on what they have learned from past investments. Even when foundations excel in strategic thinking and ongoing learning, they tend to have short time frames — initiatives usually lasting no more than five years. Some foundation investments are longer, but operate within a framework that serves the national funders but is not responsive to reality on the ground (Joseph, 2010). Foundations pride themselves in moving to the next "big bet" or pressing civic issue and leaving behind past theories of change, partners, and results. Knowledge is relegated to grant reports and knowledge-management systems, which rarely capture the "tacit" knowledge of work on the ground.

Generative philanthropy does not focus on single grants or initiatives or single-grant periods, or even on single grantees or geographies. It doesn't focus on abstract, long-term goals, nor is it confined to a single foundation. Generative philanthropy does not buy adoption of a new approach or point of view by saturating related fields with massive amounts of grantmaking.

[2] This article derives from my reflections as a foundation program officer for more than 20 years, my management and coaching of program officers, and my overall observations about program officers. The best program officers, in my experience, uniquely combine substantive knowledge, social-investor skills, community organizing sensibilities, and entrepreneurial risk-taking.

Generative philanthropy is not for all foundations or for all innovative solutions. It requires a long-term perspective, relative continuity in foundation priorities, staff retention, flexibility in foundations' roles and resources, and a willingness to reflect on the past.

Rather, generative philanthropy follows the linkages among grants and knowledge building in specific areas of work over time — in this article, the promotion of economic opportunity — and supports and learns from the dynamic interplay of grantees, foundations, civic leaders, and policymakers in the context of a rich and evolving ecosystem. In some cases, foundations follow the recommendations of their grantee partners. In retrospect, there sometimes appears to be a road map towards larger, systemic change, but in fact the road map is highly contingent, invented one step at a time, and most visible in retrospect.

Generative philanthropy adds value especially where innovative solutions are needed; where practice, system, and policy barriers prevent scaling; and when research about what works doesn't exist or has produced mixed results. Universal solutions may in fact exist on some fronts, but figuring out their targeted adaptation for specific communities and populations requires dedicated time and resources. Some policy and program spaces, like promoting economic opportunity, combine complexity in solutions and adaptations that have created fertile ground for generative philanthropy.

Generative philanthropy is not for all foundations or for all innovative solutions. It requires a long-term perspective, relative continuity in foundation priorities, staff retention, flexibility in foundations' roles and resources, and a willingness to reflect on the past. It requires incremental nurturing of bright spots of social change so that they can influence systems, policy priorities, and broader implementation. Generative philanthropy, however, does not necessarily follow a linear path in pursuing these developmental phases; it frequently comprises a stepwise response to opportunities as they present themselves. But it is also not uncommon for generative philanthropy to stall, turn back, start over, or pursue different investment paths to achieve results or further innovation. For itself, generative philanthropy requires developmental, formative evaluations. Simply, there are almost always next steps in advancing specific solutions, but foundations often don't see them.

Simulating Generative Philanthropy

In a simplified form, generative philanthropy's approach to innovation can involve multiple foundations and other stakeholders, with different investment strategies related to a set of prototypes, exploring a specific innovative practice that progresses from the single prototypes of individual social entrepreneurs to field-based self-awareness, convening, learning, and policy advocacy infrastructure. (See Figure 1.) Nonprofit and public organizations play different roles — from evaluation to policy advocacy — in this developing innovation ecology from targeted, adaptive additions. Not surprisingly, there are some dead ends, redesigns, and restarts. There may or may not be an overall plan, strategy, or system-change vision at the outset, but it is likely — as fields of practice develop — that more shared and strategic goals are formulated and acted upon.

How might generative philanthropy unfold and develop? There is no one approach; but several possible starting points hopefully attract other investors and stakeholders and seed the startup of promising social innovations:

- A multiyear initiative spins off assets that other investors or implementers take up and grow.

FIGURE 1 Generative Philanthropy's Approach to Innovation

Innovation Solutions

Each innovation prototype requires unique investments, causing them to take multiple paths to success — and, sometimes, failure.

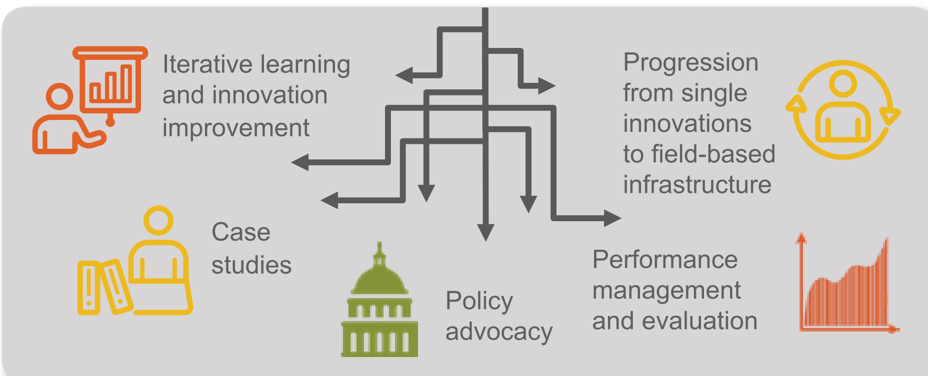
5–10 years

PROTOTYPE 1	PROTOTYPE 2	PROTOTYPE 3
Foundation Support	**Public/Private Support**	**Mix of Private and Foundation Support**

Nonprofits, government agencies, and other foundations support next steps and play specialized roles depending on expertise and priorities.

5–10 years

PATHWAYS



RESULTS

Each choice and outcome along the way leads to cumulative change:

Some prototypes evolve and some need redesign.

Clarity emerges about theory of change, critical success factors, and evidence.

Field infrastructure emerges for scaling through funding, policy, and influence.

System-change targets become clearer.

This leads to new rounds of evidence building, theory of change refinement, policy advocacy, leadership, and system change.

Learning as you go is a professional norm and requirement for activating generative philanthropy.

- A foundation seeds multiple functions, like policy and peer learning, in a common field of practice.
- Brainstorming with neighborhood residents, youth, or parents produces new insights, opportunities, and agendas for change.
- Entrepreneurial leaders change organizational roles and take up new innovations and campaigns.
- Evaluation resources for innovative pilot projects support replication and policy advocacy.
- An anchor organization opens new lines of business or partnerships that bring in fresh perspectives and investors.
- Strategic, multifoundation conversations lead to ongoing collaboration, common pilot projects, and/or complementary investments that divide up the work.
- Foundations provide capital for nonprofit intermediaries to scale innovations through government partnerships.

No matter the pathway, generative philanthropy requires foundations to support a more open, iterative, and experimental approach. This type of professional practice is more in line with thinking about "reflective practitioners" or "enterprising practitioners" in professions that confront inherently messy or thorny social problems for which there are no set answers or directions (Schön, 1983; Giloth, 2007). Learning as you go is a professional norm and requirement for activating generative philanthropy.[3]

Generative Philanthropy in Action

Generative philanthropy depends upon the willingness of foundations to look back over many years, even decades, at the life cycle and trajectory of specific activities in support of social innovations. Similar long-term, generational research from the related fields of community development finance, neighborhood planning, and workforce development informs our understanding of generative philanthropy (Ratliff & Moy, 2004; Giloth, 1996; Giloth, 2004; Giloth, 2010; Hebert, 2010; Holt & Moy, 2011). The evolution of long-term evaluation strategies also illustrates the adaptive development of measures and knowledge building (Fiester, 2010). Moreover, the notion of "creeping and leaping" from social movement theory emphasizes that the pace of innovation is not uniform and that different grantmaking strategies may be required to support different types of change, and that sometimes innovations are dormant (Duberman, 2000).

The balance of this article reviews five economic-opportunity innovations that illustrate the practice of generative philanthropy. (See Table 1). The economic-opportunity field is particularly open to generative philanthropy as it is marked by multiple strategies, fragmented systems, funding silos, and the need for improvements in practice and policy. Change strategies often focus on system building, adaptation for excluded populations, evidence gathering, and creating new types of partnerships. These examples draw from the work of program officers at the Annie E. Casey Foundation from the 1990s to the present. Casey has played an important role in these five examples, but many nonprofits, public agencies, foundations, and civic leaders have played and continue to play critical roles. As will be seen, generative philanthropy requires a long attention span, not necessarily a huge amount of money, other foundation resources, and the ongoing leadership of

[3] I am unapologetically a fan of the foundation program officer role as engaged, collaborative social investor and learner. I include in my notion of program officers those staff involved in research, policy advocacy, and social investing.

TABLE 1 Generative Philanthropy Examples

Time	1990s	2000s	2010s
Sector Partnerships	• Supported leading sector partnerships • Casey Jobs Initiative - 6–8 sector pilots	• National convenings to build the sector field • Published sector case studies & research • Supported local funder collaboratives for sector partnerships • Launched National Fund for Workforce Solutions • Construction sector studies & networks	• Matched Social Investment Fund (SIF) • Federal policy advocacy • Apprenticeship policy advocacy • Started sector initiative focused on youth & young adults • Supported rigorous evaluations • Focus on equity
SNAP E&T	SNAP outreach	• Marketed approach at community meetings • Provided technical assistance to states • Seattle pilot data/ evaluation of pilot • Statewide adoption	• National policy advocacy • USDA demonstration • Seattle Jobs Initiative named Center of Excellence
CWFs	Evaluations showed links among jobs, work supports, & asset building	• Integrated service (Center for Working Families - CWF) prototyping • Partnership with LISC	• SparkPoint Centers of United Way/Bay Area • SIF Grant LISC • LISC/SparkPoint
EITC	• National advocacy & outreach • Child Tax Credit advocacy • Documentation of Chicago EITC Campaign	• Supported city pilot partnerships • Brookings IRS data analysis • Technical assistance, conferences & quality audits • Advocacy against predatory tax prep practices/products • State EITC advocacy • Tax-time savings products • IRS investment in EITC partnership infrastructure	• Transitioned national network to new home • Affordable Care Act technical assistance • Refund to Savings demonstration • Single-parent EITC demonstration • National policy advocacy/Child Tax Credits
Financial Coaching	• Community, peer coaching for jobs	• CWF prototyping • Central New Mexico Community College coach training • CWF-LISC adoption	• Research on models & standards • Asset funders research • Evaluation studies • $tand By Me - financial coaching model

entrepreneurial organizations.[4] In these examples, Casey financial investments ranged from several hundred thousand dollars to $1 million or more per year, but grantmaking was only a part of the picture. Casey and other foundations invested in data collection and evaluation, peer learning and capacity building, policy advocacy, leadership, and communications.

All five examples of economic-opportunity innovations, described over the course of three decades, began with a diversity of prototypes or pilots with different sponsors, moved to knowledge and field building, and eventually developed policy advocacy agendas and campaigns. They display several patterns:

- Several innovations required evidence building about core results and policy advocacy for broader adoption.
- Several innovations increased the usage of existing, underutilized public resources for new or underrepresented populations.
- Several examples added new program components along the way.
- Several innovations contributed to building systems and/or durable partnerships among public, private, and nonprofit stakeholders.
- One innovation took an approach from one field of practice and adapted it for engaging low-income families.

Sector/Workforce Partnerships

Sector or workforce partnerships engage groups of similar businesses in planning and implementing job training and career pathways that benefit both business and workers. Sector partnerships develop approaches to overcome barriers to accessing "middle skill" jobs — barriers that may include a lack of skills, hard-to-access locations, and discrimination in sectors like construction and manufacturing (Waldron, 2008). In the past, sector partnerships were not a priority of the public workforce system; rather, they were created by entrepreneurial nonprofits and their business and union partners. The sector movement has emerged over the past three decades through the efforts of a loosely connected group of practitioners, foundations, technical assistance groups, and government innovators. Development did not follow a straight course and ran into many roadblocks along the way (Giloth, 2010).

Casey explored the sector approach in the 1990s, when the common wisdom was that "nothing worked." Casey made individual grants to groups like Cooperative Home Care Associates and invested in a multiyear Jobs Initiative in six cities that ultimately created 45 diverse workforce projects, including a number of sector partnerships. The purpose of the Jobs Initiative was to support the adoption of promising practices connecting low-income communities to regional economies and helping workers achieve long-run job retention and advancement. As the initiative ended in the early 2000s, Casey decided to build on the initiative's lessons about sector-focused strategies, rather than replicate the entire initiative, which included other workforce and system-change efforts (Waldron, 2008).

In 2003, Casey co-convened an American Assembly national conversation with other funders and practitioners to discuss how to better support sector partnerships, for which there were no dedicated funding streams (Giloth, 2004). Debates revolved around going deeper on sector as a workforce strategy, focusing on key capacities of entrepreneurial partnerships, or identifying such scaling platforms as community colleges. At the same time, Casey supported, with local and national funders, the invention of Boston SkillWorks, a funder collaborative that expanded career-development opportunities for low-income workers. Inspired by these discussions and emerging models, Casey and other funders started a small demonstration project, invested in a feasibility study for a venture fund, and networked with sector practitioners around the country. During this period, other

[4] By small amounts of money, I mean in the range of $20,000 to $50,000 that can pay for meetings, policy advocacy, extra interviews for an evaluation, and communications.

foundations and nonprofits invested in more rigorous evaluations of sector strategies and leadership development in the sector field.

In 2007, Casey and several other funders launched the National Fund for Workforce Solutions, which provided matched national funding with almost three dozen local funder collaboratives (Waldron, 2008). Casey also invested directly in sector partnerships and funder collaboratives in a few local communities, including its hometown of Baltimore. Scaling sector partnerships was fueled by awards from the federal Social Innovation Fund, and the inclusion of sector-oriented language in the recent Workforce Innovation and Opportunity Act signaled some success in institutionalizing the sector approach (Conway & Giloth, 2015). Likewise, there is significant state and federal interest in spreading the apprenticeship model — the original sector partnership — holding promise for expanding employer buy-in and financing. Today, Casey is investing in adapting the sector approach for youth employment and career development.

There was no road map for scaling sector strategies and partnerships. Multiple nonprofits, foundations, advocates, and government agencies played specific roles and took up different parts of movement building. Sometimes there was coordination; many times, healthy competition animated the field. Individual funders would support variations or add a new piece to the infrastructure puzzle. And there were failures and setbacks. Data and evaluation played an important role because the case for sector partnerships had to be made multiple times. The stakeholder that didn't come to the forefront as much as expected was the business community.

Center for Working Families

The Center for Working Families (CWF) approach bundles or integrates employment and training, work supports, and financial services to make it easier for households that need economic resources but have time and transportation challenges accessing disconnected services. The CWF effort was a big lift, because many of these services operated within policy and practice silos

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and rarely collaborated. They were seen as different fields of endeavor. Casey began prototyping CWFs in the early 2000s with a variety of nonprofits and discussions with service providers and families. Was there one best platform? What was the right balance between a real front door and virtual services? Could CWFs be franchised? Casey's then-president, Douglas Nelson, described his vision of CWFs as combining features of union hiring halls, settlement houses, and ethnic-based religious institutions. (Gewirtz & Waldron, 2013). Nonprofits and funders invented the practice of CWFs and helped scale them across the country.

A key feature of CWFs is engaging residents so they will come back multiple times for services. CWFs must be welcoming places, but a family-friendly atmosphere is not enough to generate return visits. Financial coaching became a central feature of engaging participants in working toward their own goals, which might take years and require multiple steps. Coaching also helped guide the integration of services and the collection of data for program improvement. Not all CWFs have been adept at long-term family engagement and, therefore, results have varied (Walker & Huff, 2012).

As interest grew, Casey decided not to control its CWF brand but instead to provide research and practice knowledge to strengthen and replicate the integrated-services approach. Casey's key research on how participants move faster toward their goals if they receive bundled services helped other funders and nonprofits get on board. By 2005, Casey had formed a partnership with the Local Initiatives Support Corp. (LISC), a national community development intermediary, which scaled CWFs as Financial Opportunity Centers first in Chicago and then nationally. The LISC took a framework and made it into a replicable model, bringing in additional funders and a federal Social Innovation Fund award that required more rigorous evaluations, and it showed modest, positive employment and credit impacts (Walker & Huff, 2012; Roder, 2016).

At the same time, Casey supported the United Way of the Bay Area's CWF model, named SparkPoint Centers, which focused attention on setting income- and asset-related targets. Casey has continued its support for CWFs through research, peer learning, and establishing with other funders the Working Families Success Network. Most recently, Casey and other funders have supported a four-state, 19-college effort to adopt CWF principles and practices, an initiative led by Achieving the Dream. Integrated services using financial coaching has now become a promising practice across many populations, organizations, and funding streams.

CWFs face challenges because they are not owned by one funding source or government agency, making it difficult to maintain core resources. Another challenge is that CWFs work best for those who remain engaged, yet many participants do not show up more than once: as with many social programs, engagement and retention is key if the intervention is to be effective. Finally, evaluations and discussions with families show that moving ahead is difficult without more intensive investment in human capital for career advancement and better jobs.

CWFs represent a commonsense, integrated-service approach. It caught on among many service provider networks, leading to many centers of gravity, funders, program variations, and performance metrics, not all with Casey involvement. Casey played an important initiation role, but supported intermediaries to rebrand CWFs and explore different ways of scaling.

SNAP Employment and Training

The federal food stamp program, now known as SNAP, supports several employment and training programs, known as SNAP E&T. One of those is aimed at food stamp-eligible populations and reimburses states half of program costs.[5] This flexible financing approach, existing since 1985, helps pay for many of the supportive services, such as case management, tutoring, and transportation, needed to promote participants' success in school and on the job. But reimbursement requires a nonfederal match from local and state funds or philanthropy, such as community colleges or United Ways. Not surprisingly, the program has been underutilized in part because federal and state policymakers don't fully understand its regulations or appreciate its opportunity, discouraging many states from taking on perceived reimbursement risk.

In the mid-2000s, as part of its Making Connections community-building initiative, Casey provided technical assistance to many of its community sites to develop SNAP E&T pilot programs. In Seattle, the lead agency was the Seattle Jobs Initiative, which worked closely with the state of Washington and local nonprofits on a demonstration project for metro Seattle. Few of the other states with pilot programs got them off the ground, but Seattle saw the scaling of effective SNAP E&T programs because of collaboration among nonprofits, community colleges, local funders, and state and federal agencies.

As the Seattle pilot program progressed, Casey provided additional financial resources to gather and analyze data about program outcomes in conjunction with the state (Kaz, 2015). The

[5] There are three types of SNAP E&T programs, two of which are formula-funded and used for food stamp recipients. The 50 percent reimbursement program is targeted to food stamp-eligible adults, is voluntary, and is funded on a reimbursement basis.

program showed positive impacts for a harder-to-employ population, while leveraging other workforce resources. It was system building. At the national level, Casey supported the National Skills Coalition, a coalition of workforce advocates, to take up advocacy for a more robust SNAP E&T program after a false start with another nonprofit advocate. Ultimately, after several years of advocacy, the U.S. Department of Agriculture created a SNAP E&T demonstration program in 10 states based in part on the experience in Seattle and Washington state. The Seattle Jobs Initiative became the technical assistance provider for this important demonstration as a federally designated Center for Excellence (Kaz, 2016).

SNAP E&T started as a pilot and technical assistance project. It grew incrementally in Washington because the state government was willing to experiment. New funding for evaluation and advocacy built the case, and then national advocates took over. At first, the thought was that scaling would occur state by state, but many states and regional offices were reluctant risk-takers. A national demonstration project emerged to galvanize adoption and led to another round of technical assistance and evaluation. While the SNAP program funding is at risk in Congress, this example of generative philanthropy has led to important advances in workforce funding and advocacy.

Earned Income Tax Credit

The federal Earned Income Tax Credit (EITC) and related tax benefits (i.e., the Child Tax Credit and state EITCs) represent one of the largest and most effective anti-poverty programs in the United States. While most eligible families obtain these benefits, the most vulnerable sometimes do not; and private tax preparation services take advantage of many families through high-cost loans and other services. Moreover, many low-income workers fail to consistently take advantage of the tax-time moment to improve their financial standing, by, for example, saving a portion of their tax refund (Holt, 2011). Nevertheless, the EITC field has evolved into a rich set of collaborations and partnerships as a result of multiple public and private investments.

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Casey supported the Center on Budget and Policy Priorities' EITC policy advocacy and outreach in the 1990s, and in the early 2000s began supporting city campaigns for volunteer, free tax preparation, first in Chicago and then in two Making Connections sites, in Camden, New Jersey, and Milwaukee, Wisconsin. Over time, Casey supported a range of field-building activities that helped the EITC and asset-building field grow to hundreds of local and state campaigns; those activities included sharing data from the IRS about EITC usage, technical assistance conferences, state policy advocacy, high-quality audits and evaluations, tax-time savings/split refund pilots with Doorways to Dreams (renamed Commonwealth), joint purchasing, and advocating against predatory tax preparers and their products (Holt & Moy, 2011; Brown & Moy, 2010). In recent years, Casey has supported the transition of field building from the National Community Tax Coalition to the Corporation for Enterprise Development (recently renamed Prosperity Now). In addition to national EITC advocacy and technical assistance, Casey remains a major supporter of the robust EITC and asset-building campaign in Baltimore.

Tax credits have bipartisan support, but a narrow focus on error rates has always garnered unfair attention from some quarters. Nonetheless, important federal innovations are being considered related to expansion and simplification of the EITC, noncustodial parent tax credits, and experiments with universal income. The EITC innovation grew up around a solid and large-scale federal policy that allowed for multiple strands of local innovation for free tax preparation, consumer advocacy, linking to asset building, and new forms of outreach. These local efforts encouraged the development of a national technical assistance and advocacy infrastructure that has helped build the field and secure new financing sources for local partnerships. Data availability, federal advocacy, and cross-community learning have been essential for building this field. But, it must be emphasized, there was no overarching plan that guided funders and other stakeholders. The movement responded to threats and opportunities in innovative ways.

Financial Coaching

Achieving financial stability is a long process for low-income families, who deal with low-wage jobs, debt, and a lack of financial knowledge. Financial coaching combines aspects of life coaching and financial-skill building as an alternative to classroom-based financial education that has not shown overall success in promoting changes in financial behavior (Collins, 2015). That is, behavioral change means families making concrete progress with financial habits related to budgets, expenditures, and savings. The key practice of coaching is to have participants develop their own goals and aspirations as opposed to relying on templates for making financial changes. Multiple funders, nonprofits, and government agencies have developed and supported financial coaching as a core feature of economic-opportunity strategies.

As discussed earlier, Casey made financial coaching the centerpiece of its Center for Working Families integrated-services approach to foster engagement, goal-setting, and accountability. Casey helped Central New Mexico Community College develop and spread financial coaching training, supported the Center for Financial Security at the University of Wisconsin to advise the financial coaching field, co-funded evaluations of financial coaching with the Consumer Finance Protection Bureau and the Baltimore CASH Campaign, and funded a variety of field-building research projects with the Asset Funders Network. Several other foundations and banks have stepped in to invest in financial coaching.

A challenge Casey and other partners have grappled with is identifying sustainable funding models to support financial coaching for low-income families, which almost always costs more than classroom-based financial education. Nevertheless, the financial-coaching field has grown dramatically — with support from a variety of additional funders — and its positive impacts relate to financial capability, family well-being, workforce development, and post-secondary attainment.

The turn to financial coaching from a primary reliance on group-based financial education opened the door for a diverse field that seeks to customize as well as scale financial capability and behavioral change. Learnings from behavioral economics and neuroscience have complemented evaluation studies of coaching used for different populations in different contexts (Babcock, 2014). Multiple funders, often using coordinated and complementary grantmaking, have built the financial-coaching field over time. Now some of these funders are banding together to agree on common standards, performance metrics, and financing sources while they better understand the reach of financial coaching across the country.

Generative Philanthropy Themes and Lessons

Generative philanthropy occurs more frequently than understood and has potential for wider application for specific strategies, foundations, and nonprofit partners. Two philanthropy challenges, however, get in the way of greater adoption: shortsightedness and an appetite for the new. Innovation is sometimes valued more than the careful support of promising organizations and practices. New approaches are certainly needed, but careful assessment of what is already in place holds great potential for developing innovations and for scaling what works.

The five examples of generative philanthropy illustrate the time it takes to shepherd innovations to reach key next steps. This process requires foundations to use multiple tactics that go beyond regular grants — convening, policy advocacy, and human capital — as well as targeted grantmaking, initiative design, and technical assistance. More specifically, several examples demonstrate the importance of timely research and data collection to advance opportunities and thwart unwarranted criticisms. Sticking with an innovation sounds easy enough, but it often requires asking uncomfortable questions, switching horses, and navigating complicated organizational and leadership transitions. Above all, relationships matter — so that as grant periods end and time goes by, foundations remain open to new directions or unanticipated opportunities.

Were there inflection points in these examples that facilitated scaling? Solid research certainly provided a powerful platform for advocacy and increased financing in many different contexts. Ceding control allowed other organizations and funders to play important roles. And picking the right organizations or intermediaries accelerated many of these innovations. In other cases,

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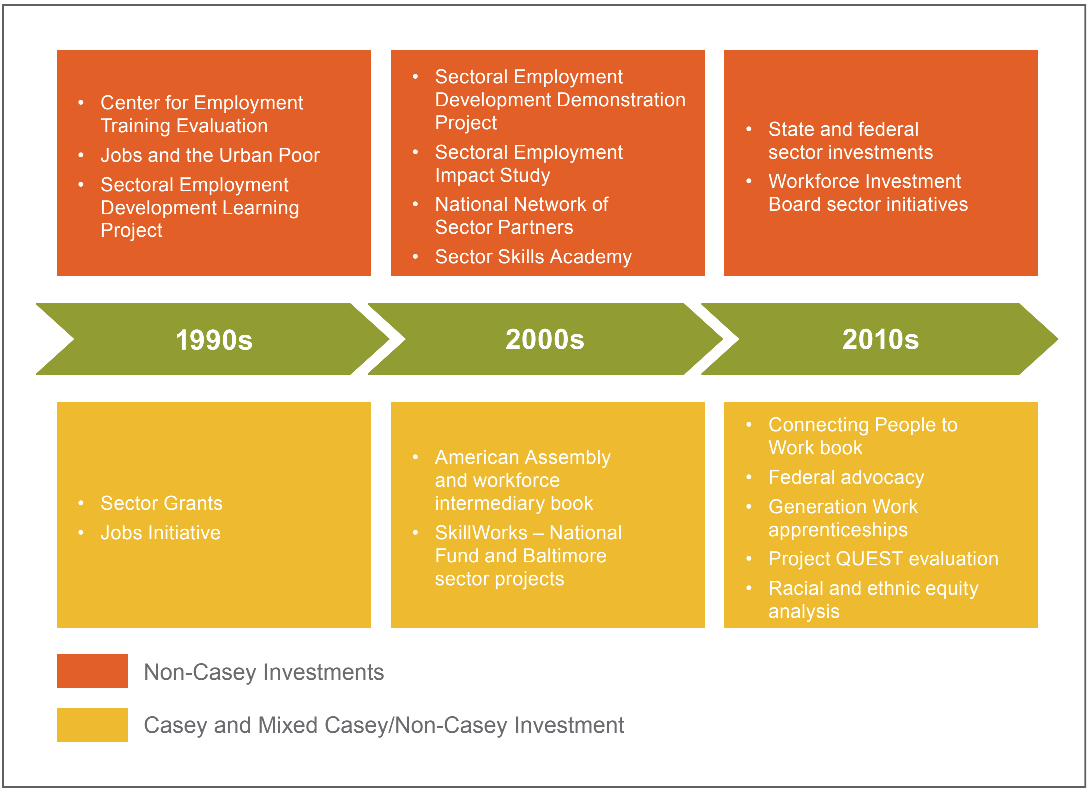
the scaling opportunity was built into the policy innovation itself or an institutional partner, such as community colleges. And, to be transparent, not all inflection points were funded by Casey, such as the pathbreaking "gold standard" research on sector strategies (Maguire, Freely, Clymer, Conway, & Schwartz, 2010) or the advent of the federal Social Innnovation Fund.

Understanding generative philanthropy would be enriched by mapping the many contributions of other nonprofits, foundations, civic leaders, and related stakeholders. There is a broader generative philanthropy story to be told about how fields of practice are built by the unique and complementary investments of time and money. Telling that story requires first that individual foundations get their own stories right. Casey has been an important player in such stories, but other foundations and nonprofits have led the way on evaluation, peer learning, leadership development, and state policy advocacy. (See Figure 2.) Telling the broader story, however, will require support for evaluations that look at fields of practice, networks, and long-term and diverse pathways for innovation.

Do social innovations ever run their course and conclude? Recognizing the end or final pivot of a social innovation is a function that generative philanthropy can play. The nonprofit sector is littered with projects and organizations that continue to chew up resources way beyond

FIGURE 2 Casey and Non-Casey Investments in Sector Strategies



their useful lives. Generative philanthropy should not be an excuse for extending the life of less-than-productive efforts. But the truism holds that in endings are beginnings, and that the best of social innovations may yield new opportunities after reflection and the passage of time.

Foundations wanting to embrace or deepen their practice of generative philanthropy should think carefully about changes that may be required in their institutional cultures and practices. Generative philanthropy works best to develop new solutions over the long term. When applied to existing consensus solutions, it may contribute to dilution of effort and unnecessary duplication. Eight suggestions point out fundamental capacities required for generative philanthropy:

1. Foundations should be outward facing and support field-based knowledge building. Deep engagement with the field is essential for seeding innovations and joining with others to grow these innovations to scale. Casey accomplished this through designing its own multiyear initiative and through collaborative grantmaking to build the National Fund for Workforce Solutions and national workforce advocacy capacity.

2. Foundations should look in the rearview mirror as well as anticipate new opportunities. Receiving final grant reports should not be the end of the story, even when things seem to have gone wrong. Are there opportunities for additional investment or changing foundation tactics? Casey is still ruminating on its multiyear Jobs Initiative that ended in 2005, recently publishing a reprise of work on racial and ethnic equity (Kingslow, 2017).

3. Foundations should build on organizational and human leadership developed in specific places and in specific fields of practice. These capacities are fundamental to generating and supporting new rounds of innovation. The Seattle Jobs Initiative, for example, started as a Casey Jobs Initiative site and subsequently has played multiple roles in promoting sector partnerships and SNAP E&T. Casey's Making Connections community-building initiative served as one platform for all five of the economic opportunity examples.

4. Foundations need staff with deep content knowledge who, at the same time, are not blinded by technical knowledge. Program officers must anticipate what is possible, be open and curious about what nonprofit partners see as future opportunities, and recognize the "how to" or tacit knowledge of practitioners. Giloth and Austin's *Mistakes to Success* contains several chapters on the successes and failures of workforce innovations, including sector partnerships and EITC strategies (Giloth & Austin, 2010).

5. Foundations benefit from long-term, reciprocal relationships with nonprofit and government partners. Foundations rightly worry, however, about fairness and favoritism and the inevitably of the "ask" that comes with familiarity. In some sense, money can get in the way of the field-building that is necessary to achieve greater impact. Only partnering relationships based on learning and common goals will position foundations to learn about next steps and how they might be helpful, not through proposals alone. The LISC and United Way became key partners for developing and scaling CWFs.

6. Foundations should support program officers working with other local and national foundations. This does not require giving up strategic focus and points of view, but it can mean giving up a narrow focus on the individual foundation brand. It also means finding complementarity and synergy among colleagues so that grants and opportunities can be linked for greater impact. Sometimes program officers find their closest colleagues among program officers from other foundations. For example, Casey staff have been deeply engaged in the National Fund for Workforce Solutions, the Baltimore Workforce Funders Collaborative, the Working Families (and Students) Success Networks, and multiple philanthropy affinity networks.

7. Foundations should learn from mistakes and successes, tolerate pauses in action, and be ready to jump on board when directions change (Giloth & Austin, 2010). Can foundations be curious and open to being led by grantees, acknowledging tacit knowledge and risk-taking without a road map that spells out exactly where they are going? The sector partnership field, for example, experienced the failure of several replications, contrary research evidence, and the misapplication of sector strategies in neighborhoods rather than regions. There are tools that can help with this emergent learning (Darling, 2014), but foundations will need to think clearly about their commitment to knowledge building.

8. Generative philanthropy is difficult to pursue without flexible pools of financial and human resources. Opportunities appear unexpectedly and tend to disappear if not embraced. Foundations need to plan for these opportunities by allocating resources for special projects or requests of different sizes and timeframes and supporting flexible grantmaking for nonprofits. But it's not just about money — foundations need to be flexible in staffing, convening, leadership, and civic advocacy. This will require candid conversations with boards about the process of long-term social innovation and the need for opportunistic resources. In many respects, for example, the SNAP E&T story grew out of incremental, discretionary resources with no big definitive plan.

Unfortunately, foundations do not always pay close enough attention to what they have helped create in the past and present, nor stand ready to support potential next steps. They can become enamored by the new, especially in the guise of strategic "big bets."

Conclusion

Promoting social innovations, however small, requires many steps, much time, and a willingness to learn and adapt as solutions emerge. Foundations play a critical role in supporting and scaling social innovations by deploying multiple tools and resources in addition to flexible money. Unfortunately, foundations do not always pay close enough attention to what they have helped create in the past and present, nor stand ready to support potential next steps. They can become enamored by the new, especially in the guise of strategic "big bets." At the same time, generative philanthropy is less useful when known solutions or social changes need scaling through systemic change or civic mobilization. Generative philanthropy offers a framework for understanding and enriching philanthropy's long-term role and collaboration with partners from a more developmental perspective. It can hopefully inspire and guide new foundation practices that pay attention to what comes next after the first or second investment of time, money, knowledge, and leadership.

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