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FAILING FORWARD

2008 - 2018

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We invite you to join us as we examine lessons from our failures and continue to make progress toward our founder's vision of a thriving and prosperous Arkansas that benefits all Arkansans.



The Benefits of Failure



CORY ANDERSON
Executive Vice President

Moving the Needle, a 10-year strategic plan that the Winthrop Rockefeller Foundation (WRF) launched under the guidance of new President and CEO Dr. Sherece West-Scantlebury in fall 2008, was the catalyst for a decade of difference in Arkansas.

Not everything we tried over the last 10 years has worked. In fact, it is safe to say that almost nothing has worked exactly as we thought it would. Still, we can quantify significant positive changes resulting from many of the Foundation's investments. Some of our strategies and grants have resulted in what can only be called failures, while others yielded unexpected positive outcomes when failure forced us to take a different path. In both cases, we learned something and continued to refine, expand, and extend our ideas every year. And along the way, we have learned to embrace failure with the same vigor that we have embraced success.

The case studies that follow were developed by our staff as part of the Foundation's Reflection, Analysis, and Planning process.

- **Diversion Ahead: Statewide Coalition to Decrease Poverty Falters.** With a coalition created to lead poverty reduction in Arkansas and some initial success, the Arkansas Legislative Task Force on Reducing Poverty and Increasing Economic Opportunity faltered in its path to long-term sustainability.
- **Increasing Educational Attainment: Stumbles on the Path Toward a Statewide Plan for Education.** With a vision for a resident-created strategic plan for K-12 education in Arkansas, WRF initially failed more than it succeeded when the Foundation tried to support such a process.
- **Charting a New Direction: Collateral Impact Creates Community Change.** With local partners committed to connecting young families with secure jobs, WRF saw an opportunity to catalyze resident-led community change in Mississippi County, Arkansas. Although the Foundation's investment did not yield the intended outcome, the journey

resulted in long-lasting change for local partners and families.

- **Engagement Builds Innovative Model: Failed Asset Development Pilot Creates New Opportunities.** With a strong plan in place, WRF and its partners piloted a new model to build wealth for youth in Northwest Arkansas through educational savings accounts. But without local relationships and connections, the demonstration failed to take off.

As you'll see in *Looking Back, Failing Forward*, we have stumbled as much as we have sprinted on our path toward making the Moving the Needle goals a reality.

Each section in this report examines our stumbles, failures, and unexpected outcomes in a key area of the Moving the Needle strategic plan. Our greatest lesson is that we need to **DIVE** into failure because it is:

DESIRABLE. To succeed at something the first time you try it probably means you have not set the bar high enough.

INEVITABLE. If you try something more than once and are pushing to improve, you will inevitably fail and begin to doubt yourself. The Foundation accepted the inevitabilities of failure as the partial price for success.

VALUABLE. The return on investment for failure is valuable in both tangible and intangible ways.

EXCITING. Too often, philanthropy tends to be a series of "safe" investments. If you are serious about realizing your vision without fearing failure, you will generate new excitement that comes from criticism and questions as you push forward.

Moving the Needle also has taught us that to unflinchingly embrace failure, we need:

1. **Courage** to accept unanticipated outcomes.
2. **Commitment** to apply what we learn to the next idea.
3. **Collaboration** to share the risk and reap the rewards of new learning with the right partners.

On the following pages, we invite you to **DIVE** into our failures and see how we have learned and grown from those setbacks.

DIVERSION AHEAD

Statewide Coalition To Decrease Poverty Falter

In 2007, the Winthrop Rockefeller Foundation (WRF) Board asked its new president and CEO, Dr. Sherece West-Scantlebury, to oversee the creation of a strategic plan that was relevant to the unique characteristics of Arkansas and addressed the most significant challenges in communities statewide.

Over several months, Dr. West-Scantlebury traveled to every corner of the state, met with nearly 100 community leaders, and explored the state's most pressing issues. Her conversations, site visits, and research confirmed that high poverty and low educational attainment were significant barriers to building a thriving and prosperous Arkansas that benefitted all Arkansans. The Foundation used this feedback to develop *Moving the Needle*, a strategic plan to increase prosperity, increase educational attainment, strengthen communities, and build the nonprofit infrastructure in Arkansas.

The plan's goals resonated with the community leaders and policymakers Dr. West-Scantlebury had engaged.

In 2008, Senator Joyce Elliott approached Dr. West-Scantlebury and other state leaders to create a legislative task force that would address poverty in Arkansas. This coincided with the aftermath of the Great Recession and the launch of the *Moving the Needle* strategic plan. Senator Elliott later introduced Act 722 to form the Arkansas Legislative Task Force on Reducing Poverty and Increasing Economic Opportunity. The task force consisted of more than 20 community leaders from government, philanthropy, nonprofit, and business. Its goals were to:

- Aggregate data on the causes, risk factors, and impact of poverty on individuals and families
- Identify the negative consequences of long-term poverty and the associated costs

- Assess existing programs and policies to increase prosperity
- Develop public policy recommendations to increase prosperity on a statewide and regional scale
- Establish measurable benchmarks for the elimination of poverty

What was our role?

WRF saw the task force as an opportunity to inform public policy decision-making to prioritize increasing prosperity. In 2010, the Foundation funded Arkansas Advocates for Children and Families to collect data, conduct research, and write the task force's published recommendations. In addition to funding the process, the Foundation also deployed members of its staff to actively participate in the task force.

To gather statewide input, the task force convened regional town hall meetings and focus groups at a two-year college, a community development agency, a home for families seeking to gain employment and economic stability, and other sites across the state.

With data from communities, focus groups, and state and national resources, the task force published the *Arkansas Legislative Task Force on Reducing Poverty and Promoting Economic Opportunity: Final Report 2010*. The report described poverty in Arkansas and identified five areas for improvement: economic and community development, education and workforce development, health, individual income support, and tax policy. The task force established short- and long-term benchmarks in each of these areas. If Arkansas met these benchmarks, the state would make major strides in its ability to compete in the global economy and equip residents with the tools to create a brighter future for themselves and their families.

In the following year, the Foundation and its partners set out to adopt, promulgate, and advocate for the policy agenda outlined in the final report's benchmarks and recommendations. In response, Arkansas legislators passed 13 new laws in the 2011 legislative session to support the task force's recommendations.

How did we fail?

The task force accomplished its initial purpose to make legislative recommendations and set benchmarks for progress. Ultimately, however, the task force was unable to sustain the attention, energy, and partnerships for continued progress. The task force's final report suggested forming a permanent advisory council to monitor accomplishments, make adjustments, assess and respond to new situations, and evaluate research for new solutions. The task force needed to reach beyond the written recommendations and build a coalition—the basis for sustainable progress.

After the early legislative victories, momentum waned. The Foundation hosted a celebration after the 2011 session. WRF planned an ongoing series of conversations for the original task force members and planned a retreat to craft a 10-year strategic plan. However, excitement for the long-term plan dissipated as the organizations at the table were pulled to other short-term priorities. The Foundation reconvened the group in 2012, but little happened after subsequent conversations.

Though the task force stopped meeting, many new and deeper relationships formed through the process. This early stumble informed WRF's future thinking and process around initiatives like *ForwARd Arkansas*.

WHAT WE LEARNED

INFRASTRUCTURE MUST BE BUILT.

The task force needed to reach beyond the institutional representatives that were part of the original task force to cultivate diverse leaders from across the state to serve as ambassadors, advocates, and activists to increase prosperity in Arkansas.

PROGRESS MATTERS. Although incremental progress happened, champions for change lost steam without opportunities to celebrate shared accomplishments.

OPPORTUNITIES TO ADDRESS GAPS AND RE-ENGAGE STAKEHOLDERS SHOULD

BE TAKEN. When the task force reconvened, its members had an opportunity to reassess what they still needed to accomplish and why; without that clarity, they missed opportunities to adjust course and build new energy.

INCREASING EDUCATIONAL ATTAINMENT

Stumbles On The Path Toward A Statewide Plan For Education

In meetings with school leaders and state policymakers, Dr. West-Scantlebury, then a recent transplant to the state, could not believe what she heard. “Our schools are doing just fine,” she was told. “Arkansas is ranked fifth in the country in education according to *Education Week*. The state’s investments in public education have paid off—it’s time to refocus elsewhere.”

How could state leaders declare “mission accomplished” in a state with entrenched generational poverty, alarming illiteracy rates, a growing number of academically distressed schools, and an achievement gap that left far too many students and communities of color behind? Clearly, there was no plan, no guiding star. The public education system in Arkansas was failing its students, parents, and communities. It was time to form a plan and act to unlock Arkansas’ educational and economic potential.

After yet another frustrating meeting in spring 2007, Dr. West-Scantlebury demanded more for public education in Arkansas, where nearly 50 cents of every public dollar had been invested in the state’s K-12 education system. With an annual education budget of \$2.75 billion, the state invested significant resources in its future workforce—resources far greater than the Winthrop Rockefeller Foundation’s (WRF) \$150 million endowment.

With nearly 40 years of leadership in the state, the Foundation was committed to Governor Winthrop Rockefeller’s charge to ensure that Arkansas would

become a thriving and prosperous state that would benefit all Arkansans.

What was our role?

As a systems-change funder, the Foundation knew that forging change in Arkansas’s public education system would require vision and transformational goals. WRF set out to leverage the state’s multi-billion dollar education budget to create and implement strategies to prepare students for the 21st century global economy.

A priority of the Moving the Needle strategic plan was to create a vision and goals for K-12 education in the state. The Foundation began working closely with the Arkansas Department of Education (ADE) to build relationships with its leadership to increase educational attainment for all Arkansans. The Foundation also established statewide education initiatives such as the *Arkansas Campaign for Grade-Level Reading*, part of a national campaign to ensure all children read on grade level by the end of the third grade; invested in policy change and advocacy; and collaborated to promote high-quality learning opportunities through the *Arkansas Opportunity to Learn Campaign*. WRF supported several programs to assist children, youth, and families outside of the education system with the understanding that many social issues and forces outside schools affected what happened inside them. The Foundation used grantmaking to build the partnerships, case, and evidence for transformation of the state’s education system.

How did we fail?

After years of cultivating partnerships, the state's commissioner of education approved a visioning process in 2013. WRF provided more than \$100,000 to support ADE's process to engage stakeholders, analyze data, and create a plan to transform the state's education system.

Although a K-12 strategic plan was ultimately created for the state, no public will existed beyond the planning process to drive change and implementation. The process also lacked the local relationships and connections to authentically engage students, parents, and business leaders. ADE's plan was excellent, but it was destined to sit on a shelf to collect dust.

Some foundations might have given up, sulking about lost dollars, social and political capital, and staff time. Instead, the Foundation strategically pushed onward to make failure an important part of the process and journey. The Foundation and its Board were prepared to make a major investment by taking a leading role to build public will, transform public policy, and create innovative models in Arkansas communities.

In June 2014, Dr. West-Scantlebury called long-time colleague Kathy Smith at the Walton Family Foundation to discuss WRF's commitment to change public education. Both foundations had previously collaborated to support the state's transition to high-quality, rigorous state standards for public education and co-invested to improve the state's teacher pipeline.

Both leaders knew they needed to act boldly to radically transform the system. No statewide initiative had yet taken advantage of the financial resources and public leadership of two of the state's largest foundations in support of a statewide coalition of students, families, educators, community leaders, business leaders, and policymakers.

"We knew Arkansas well enough to know that there was more common ground here in terms of public education than not," said Dr. West-Scantlebury. "We also realized that as funders, we were probably the best and most likely entities to get everyone around a common table to create a long-term vision and roadmap for realizing that vision. It was an opportunity to play a leadership role that no one else could play."

Past failures and lessons learned generated something entirely new and more powerful. In July 2014, ADE, the Arkansas State Board of Education, the Walton Family Foundation, and WRF publicly launched *ForwARd Arkansas*, a public-private partnership to dramatically transform Arkansas's public education system.

Within a year, the Foundation and its partners engaged more than 8,500 Arkansans and, based on their feedback, released *ForwARd: A New Vision for Arkansas Education*, a comprehensive vision for Arkansas's education system accompanied by 95 concrete recommendations to improve students' educational outcomes. This new vision was based on what Arkansans wanted for themselves and their students as well as baseline data on education in Arkansas. In short, the vision and recommendations were bold, ambitious, and attainable. Even more important, a statewide movement now was underway to transform education in Arkansas.

WHAT WE LEARNED

LEADERSHIP MATTERS. Philanthropy should embrace its leadership role in transforming complex systems and policies.

CHANGE REQUIRES LONG-TERM INVESTMENT. Creating the conditions for structural change took time. WRF had to be patient for the right moment to accelerate progress.

RELATIONSHIPS MATTER. Authentic relationships were critical for a complex transformation process.

SHARED VALUES GUIDE THE PROCESS. The Foundation firmly held onto core values to remain transparent and authentically engage residents.

THE STORY DOESN'T END HERE.
Read *ForwARd: How We Built A Statewide Movement in Public Education* to continue exploring lessons learned and the challenging process to get here.

CHARTING A NEW DIRECTION

Collateral Impact Creates Community Change

When the Winthrop Rockefeller Foundation (WRF) launched Moving the Needle in 2008, it embraced community change as a bold goal and place-based grantmaking as a core strategy. The Foundation dedicated its 2010 Annual Report, *A Change of Place*, to this approach, posing questions that would remain relevant:

What if..

- *The need for change was met with opportunity?*
- *There were lessons to be learned, what would they be?*
- *There were voices to be heard, whose would they be?*
- *There were actions to be taken, where would they begin?*
- *Change was influenced by the places where it is most needed?*

What was our role?

To answer these questions, WRF invested in technical assistance and committed staff time to support community change in select Arkansas communities. For example, the Foundation learned residents in Mississippi County were interested in creating a workforce development center to match unemployed residents to local employment opportunities. To create long-term change, the Foundation envisioned a resident-driven strategy that addressed residents' concerns, aspirations, and vision to share in building community-wide prosperity.

To gather data on employment and community needs, the Foundation suggested beginning with local conversations and data analysis to learn more about local challenges and opportunities. With WRF funding, a local nonprofit

conducted research showing that more than 6,000 of the county's 46,000 residents were unemployed, not in school, or both—a surprising statistic given the availability of quality job training provided by Arkansas Northeastern College and employment prospects in a county known as a national leader in steel production, light manufacturing, and agriculture.

The Foundation provided funding for partners to listen to resident voices through “story circles” across the county. These listening opportunities helped partners learn from residents' wisdom and direct experiences with housing, education, and employment in Mississippi County. As a result, 400 residents were encouraged to share their stories, dreams, and barriers to realizing their aspirations. In response to the data collected from the story circles, community organizations also did their part to increase employment and education rates. The Mississippi County, Arkansas, Economic Opportunity Commission (MCAEOC), Arkansas Northeastern College, and the Great River Economic Development Foundation collectively launched the youth and adult Poverty Reduction Impacts Destiny Empowerment (PRIDE) and Workforce Orientation and Retraining Keys (WORK) programs. These programs convened local social service providers and offered structured job training and mentoring support for young adults seeking employment.

How did we fail?

While the Foundation invested in local partners who had reason to celebrate progress, we failed to achieve our goal of authentic resident-led change for two reasons:

- The Foundation deployed consultants and provided staff support without building a local infrastructure for

organizing and sustaining community change—in other words, we neglected to build residents’ capacity to follow through.

- Foundation staff and consultants did not successfully balance the need for short-term, tangible outcomes with long-term systems change and vision. Consequently, in crafting solutions, community participants gravitated toward programs with easily measured results.

While the Foundation’s direct investment in community change in Mississippi County may not have yielded the intended outcomes, the process itself produced unanticipated positive results that created far-reaching collateral impact due to the commitment of local partners and programs. The relationship that the Foundation forged with the community was just as beneficial in some ways. Through engagement with the community, WRF was able to:

- Recommend Mississippi County for the White House Rural Council’s Rural Impact initiative to pilot innovative two-generation strategies.
- Assist MCAEOC in becoming a Volunteer Income Tax Assistance (VITA) site during the grant period, which increased the number of residents who benefitted from the Earned Income Tax Credit (EITC) and Child Tax Credit, to return needed tax dollars to the community.

The Foundation’s investment in resident engagement also transformed MCAEOC operations, which led to the development and implementation of a two-generation strategy to ensure children and parents would have access to comprehensive services to reach their full potential. Voices from the story circles influenced the program design in significant, meaningful ways. With a commitment to resident engagement but limited staff capacity and organizing infrastructure, the Foundation recognized that it needed to shift its strategy. Moving forward, it made a commitment to build the capacity of statewide intermediary organizations to engage and organize communities.

WHAT WE LEARNED

CHANGE REQUIRES LONG-TERM

INVESTMENT. Place-based community change is a complex process that requires commitment over time.

INFRASTRUCTURE AND

LEADERSHIP ARE CRITICAL. The general lack of community organizing experience and infrastructure made it difficult to sustainably empower Mississippi County residents to lead to long-term, system-wide change.

UNANTICIPATED POSITIVE

RESULTS SHOULD BE CELEBRATED.

While the community change process may not have yielded the intended outcomes, the process resulted in meaningful community change.

ENGAGEMENT BUILDS INNOVATIVE MODEL

Failed Asset Development Pilot Creates New Opportunities

The Winthrop Rockefeller Foundation (WRF) believes that strong nonprofit partners are critical to Arkansas's success. Investing in the capacity of people, organizations, and nonprofit infrastructure is as important as programs and policies to increase prosperity, increase educational attainment, and strengthen communities.

A critical way to transform families' lives and communities has been to increase access to individual savings. The Foundation began investing in education savings in 1999, when the Foundation supported Southern Bancorp as the lead advocate to create a state-sponsored Individual Development Account (IDA) program. IDAs were designed as matched saving accounts to help families with modest means save for a major asset, in this case, college tuition.

What was our role?

Recognizing the importance of saving for education, the Foundation provided grants for research and development of Youth IDAs and Children's Savings Accounts as vehicles for Arkansans to build long-term assets for college completion. Going into the grant, WRF believed it would yield positive results for college-bound students and strengthen the field through data showing efficacy.

To identify an effective model for increased use of education savings, WRF provided \$100,000 to support a demonstration project conducted by the Economic Opportunity Agency (EOA) of Washington County and the University of Arkansas (U of A) School of Social Work. This 2012 project was intended to increase postsecondary

educational opportunities for racially and ethnically diverse high school students in Northwest Arkansas through IDAs. An incentive was created through available matching dollars for savers. The partners were strategic and well-resourced. But midway through the project, it became clear the project wasn't working.

How did we fail?

Over two years, the EOA demonstration project served 17 people, and the U of A School of Social Work helped eight students open savings accounts. But only four saved enough to receive matching dollars. WRF split the project between these two organizations, but neither directly served students. Though both partners were respected, they did not have strong relationships with high schools and, therefore, struggled to build trust and networks with teachers, administrators, and students. The problem was not necessarily related to the program or the partners but with the capacity of the organizations carrying it out. "We thought of it like a 'Field of Dreams' situation—if we built it, people would come," explained Cory Anderson, WRF executive vice president.

The U of A School of Social Work thought critically about why the project failed and documented lessons learned. At a cost of \$4,000 per savings account, the program was unsustainable without significant change. Researchers found that the initiative did not reach students early enough to give them adequate time to save, did not do enough to build community trust, and did not effectively engage parents or inform them about the need for higher education and training for their children.

WRF took a risk and embraced the resulting failure as an opportunity to learn. The U of A School of Social Work was a great partner for expertise and analysis, but the Foundation realized that the project could have had a very different outcome with additional internal capacity and partnership with an organization that could effectively engage the community. When a new opportunity arose, the Foundation was ready and equipped with a new strategy.

In 2015, WRF awarded a \$13,000 Capacity for Change (CFC) grant to the U of A School of Social Work to build capacity for community-based partnerships and to develop a new Children's Saving Account program for immigrants in Northwest Arkansas. Simultaneously, the Arkansas Coalition of Marshallese (ACOM), the first nonprofit led by and serving the Marshallese community in Arkansas, approached the Foundation for support. With a \$30,000 CFC grant, WRF built ACOM's capacity to engage the Marshallese community with the addition of a strategic plan and a formalized stakeholder network. ACOM and the U of A School of Social Work were able to build on each other's strengths and served as ideal partners.

According to a 2010 survey by the U.S. Census Bureau, the Marshall Islands represented the fourth-largest country of origin for Arkansas foreign-born residents. Marshallese individuals were drawn to Springdale for educational and employment opportunities. The unique background of the Marshallese population, their concentration in the Springdale area, their contributions to the local workforce and economy, and barriers to integration made them an ideal community for investment.

The U of A School of Social Work was able to lean on ACOM to connect people to the new savings program and provided the reputational capital to engage the community. ACOM worked with the U of A School of Social Work to design a savings program that fit the need, and the Foundation served as a broker for the relationship, a catalytic funder, and advocate to let the community partnership blossom.

Yvette Murphy-Erby, U of A vice-provost for diversity and inclusion, said, "The Foundation's process and commitment to using lessons learned from previous

efforts set the stage for success." This new partnership had greater capacity and energy that helped partners leverage a \$250,000 grant from the United Way of Northwest Arkansas.

Later that summer, on the first day ACOM and the U of A School of Social Work launched the new Children's Savings Account program, Marshallese families signed up for all 200 available slots. The U of A School of Social Work presented a report and preliminary research on the project at the Gathering for Pacific Islander Health in Hawaii that October. As of March 2018, 195 of the families who signed up for accounts completed all required paperwork and began saving.

WHAT WE LEARNED

EMBRACING RISK IS NECESSARY.

Investment in a new idea combined with openness to keep trying made it possible to bring in new partners able to engage the right community.

PATIENCE IS IMPORTANT. It took time to explore a possible opportunity to make it the right one for children and families.

PARTNERS NEED THE RIGHT SKILLS.

Partners needed to develop the right skills, and it took a new organization joining the partnership to drive change.

TRUST MAKES CHANGE POSSIBLE.

A community-based organization with local relationships was necessary to build a grassroots movement.

Where Do from Here?

To achieve their missions, funders must be unafraid to fail. Failure becomes lessons learned through:



COURAGE

What is the risk tolerance of your board, leadership, and partners in pursuit of your mission?



COMMITMENT

Are you willing to invest your organization's financial, social, and reputational capital for the long-haul in high-risk and potentially high-reward strategies that accelerate change?



COLLABORATION

How can you engage diverse communities and leaders from the outset so they have an opportunity to shape solutions and strategies?

We Go

Our strategy over the last 10 years has made one thing abundantly clear: A broad approach to improving our economic and education systems is essential to create the conditions to expand prosperity statewide. Further, systems change must be informed by the experiences and ideas of diverse communities from across the state.

However, we now are convinced that broad systems change is not sufficient to quickly close the educational and economic gaps based on place, race and ethnicity, and economic status.

With that in mind, the next phase of our work will center on strategies to dismantle ineffective systems and build new ones that promote

equitable outcomes across the most important indicators of success. This vision makes room for an exciting cadre of new leaders willing to be at the forefront of a movement for equity in our state.

We will not do this alone. Many of our long-term partners will be critical to creating fundamental change in our state. We will also need new partners, new organizations yet to be created, and new ideas yet to be articulated—all of which will form the core of our future leadership. As we look back, we see how both success and failure shaped our learning and helped us shift, adjust, and improve. As we move forward, we anticipate even more positive results and impact.



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