Grantmaking for Systems Change: An Evaluation of Kresge's Cross-Team Strategy

Executive Summary

In order to be responsive to the fullness with which communities experience challenges and solutions, The Kresge Foundation has increasingly focused its work on the intersections of its Programs and Practices. In Foundation CEO Rip Rapson's words, "foundations may organize their activities vertically in terms of fields of interest, but people live their lives horizontally." To address the horizontal and intersecting realities of people's lives, The Kresge Foundation works intentionally across disciplines and teams.

One way Kresge fulfills this intention is by awarding cross-team grants, which involve financial and intellectual contributions from multiple Kresge Programs. While not the only strategy for supporting interdisciplinary or cross-sector work, cross-team grants have added an important tool to the Foundation's grantmaking tool box, and are now embedded in its operational practices.

To test the Foundation's hypothesis that grantees would value a cross-team grant's support more or differently than others, as well as to explore the barriers and enablers within the Foundation's proccesses, Kresge engaged Informing Change to evaluate its cross-team grantmaking approach. This executive summary shares a high-level overview of our findings from that inquiry.

The Practice of Making Cross-Team Grants

There are four primary forms of collaboration that can produce cross-team grants[1]:

1. **Standalone Cross-Team Grants**: two or more Program Officers or Managing Directors collaborate on a grant
2. **Joint Strategies:** two or more Programs share a strategy (e.g., Health and Human Services) or collaborate in setting a strategic direction
   a. **Initiatives** (one form of joint strategy implementation): two or more Programs collaborate on and share a strategy, fund a grantee cohort, provide a range of non-grant supports as well, and are time-bound.
3. **Working Groups & Funding Teams**
   a. Place-based: Specifically, placed-based working groups for New Orleans and Memphis. Within each working group, individuals collaborate on strategies related to the place. Across working groups, individuals collaborate to develop joint approaches particular to place-based grantmaking.
   b. Issue Area: Working groups or funding teams centered on a particular issue. Examples include Opportunity Fund, LIFT (Leadership and Infrastructure Funding Team), Housing, and Boys and Men of Color.

Kresge also supports cross-team, cross-sector work through participation in **multi-funder initiatives,** in which one or more Programs support a cross-sector strategy and contribute to a pool of funds comprising multiple funders (e.g., SPARCC). These initiatives are managed by an intermediary organization that re-grants funds to local implementers or nonprofit organizations.
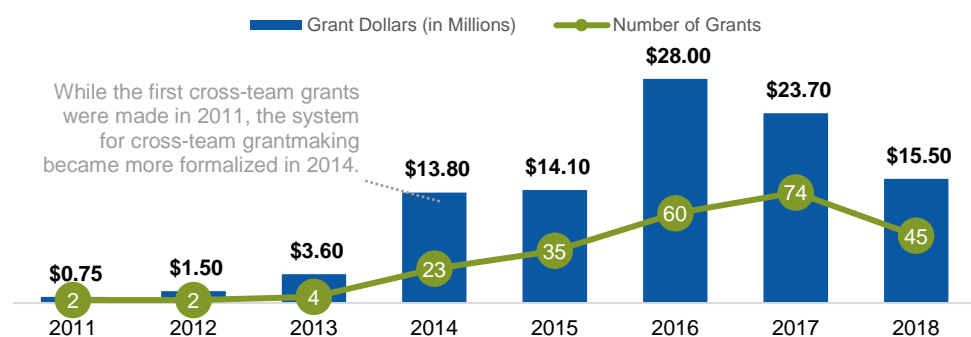
Cross-Team Grantmaking: By the Numbers

Overall, the majority of cross-team grants are "standalone cross-team grants." However, since 2016, an increasing number of cross-team grants are made as part of a cross-team initiative, and a growing percentage of Kresge grant spending is contributing to multi-funder initiatives.[2]

245

CROSS-TEAM GRANTS FROM 2011 TO 2018 TOTALING

$101,111,152

Number of new grants made per year[3]
Exhibit 1

Legend: Grant Dollars (in Millions) — Number of Grants

While the first cross-team grants were made in 2011, the system for cross-team grantmaking became more formalized in 2014.

Year	2011	2012	2013	2014	2015	2016	2017	2018
Grant Dollars	$0.75	$1.50	$3.60	$13.80	$14.10	$28.00	$23.70	$15.50
Number of Grants	2	2	4	23	35	60	74	45

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[1] Single-Program grants can also emerge through these collaborations; however, the reverse is not the case. Cross-team grants do not emerge from single Programs or Practices.

[2] From 2016–2018 Kresge contributed a total of $7.5 million in support of three multi-funder initiatives: (SPARCC, 2016, $3.5 million); the Center for Community Investment (2016, $3 million); and the Amplify Fund (2018, $1 million).

[3] Cross-team grants made in conjunction with the Social Investment Practice (SIP) team in 2017 were counted toward the number and amount of cross-team grants. Subsequent conversations with the Kresge cross-team grantmaking evaluation team prompted discussion about whether the Foundation should consider sole Program grants with SIP truly "cross-team." In 2017, there were 13 such grants, totaling ~$1.4M.

The Experience of Receiving a Cross-Team Grant

For nonprofit organizations, cross-team grants fill a critical funding need for cross-sector or cross-disciplinary work.

Nonprofit organizations value the support they receive from cross-team grants because the work of building new partnerships and collaborating in new ways is resource-intensive, and they are often challenged to secure significant funding to start or grow collaborative projects.

Cross-team grantmaking support comes in many forms: funding, Foundation-supported convenings, in-depth engagement with Program Officers, and connections to other Programs at the Foundation and elsewhere. According to nonprofit partners, these supports give them the resources and encouragement to collaborate internally within their organizations, reach out to potential partners in their communities, share information, and ultimately better advance their missions.

The Experience of Making Cross-Team Grants

A majority of Foundation staff who participated in our study (74%) say their efforts on cross-team grants are hindered by gaps in or friction created by internal structures and processes within the Foundation.

Staff members say their existing portfolios and workloads make it difficult to find space for the additional time and effort cross-team planning and coordination requires. Staff continue to feel their single-Program grants compete for time and money with cross-team grantmaking. Many see cross-team grantmaking as an "add-on" rather than an effective strategy for achieving their Program goals. Furthermore, staff note, making decisions can be difficult when staff with different working styles and different degrees of authority must work in new configurations.

Staff list the following factors as contributing to a positive cross-team grantmaking experience:

- Compatibility of Programs with one another (e.g., in team culture, strategy frameworks, day-to-day working practices)
- Creation of and adherence to team agreements
- Clearly articulated team processes for decision-making and advancing the work
- Consistent team membership, ideally with all members working together from the start
- Adequate time for all team members to contribute to and complete team tasks
- Team members' comfort with cross-disciplinary work, giving up some control, and conditions of ambiguity

Situating Cross-Team Grantmaking within Larger Kresge & Philanthropic Practice

The resources required for cross-team grants compel many Foundation staff to seek evidence of impact in the short-term, despite challenges inherent in measuring complex, emergent, and unpredictable cross-sector work.

Cross-team grantmaking is already challenging, and its unique value is unclear for some staff. When impact is challenging to demonstrate, program staff sometimes wonder whether the resources they invested could have been better spent within their own Programs. Since financial distributions and accountability are organized by Program or Practice, staff may seek quantifiable evidence of a cross-team grant's impact for their own Program in order to justify expended resources.

These challenges are not unique to The Kresge Foundation. As philanthropy recognizes the importance of working across sectors to make complex systems change, many funders are struggling to adapt the flow of dollars and requisite mechanisms of accountability away from their historical structures: by Program, connected to demonstrated impact.

Philanthropy is well-situated to re-examine these traditional models of accountability; it can take risks that government cannot and has the capacity to work across sectors. However, as philanthropy seeks to support collaboration among community partners to effect systems-level changes, its own systems may need to adapt to actualize this ideal.

Conclusion & Recommendations

Cross-team grants are providing communities with relatively rare, exciting opportunities for the cross-sectoral work needed for systems change. Based on this finding alone, we congratulate the Foundation for its evolution of an array of cross-team grantmaking practices over the past several years and its plan to continue and refine these practices in light of ongoing learning.

Complex systems change work takes time and often requires organizations to make internal cultural and organizational shifts to support adaptive and resource-intensive work. This holds true for the Foundation as well as for its nonprofit partners. Below are some suggested near-term actions for the Foundation to consider, which we believe will improve Program Officers' experiences with cross-team grantmaking:

Operational Considerations

1. Share learnings from nonprofit organizations back with Foundation colleagues, modeling collaborative behaviors internally. This can lead to an expanded or deeper network for both the Program Officer and nonprofit organizations. Carve out time dedicated specifically to cross-team collaboration.

2. Consider assigning a staff person to provide administrative support to cross-team grantmaking efforts. This person can help track cross-team grants data (e.g., grant recipient, grant amount, grant duration), but they can also support the calendaring and scheduling of cross-team collaboration meetings and related events.

3. Create and use a resource guide to help teams and individual staff working on cross-team grants. Contents could include internally written materials such as guidelines for launching a cross-team grant or tools to help vet ideas for possible cross-team grants. The resources should also include expert advice and exercises around working through cross-team tensions, developing agreements around decision-making, and identifying similar and different goals of the partnering departments.

4. Ensure that staff with cross-team grantmaking responsibilities have adjusted workloads or schedules to offer them more time and thinking space to utilize cross-team grantmaking effectively.

Measuring Outcomes of Cross-Team Grantmaking

5. Intentionally shift staff thinking about what counts as success when supporting cross-sector or cross-discipline work. Instead of looking for big outcomes that correspond to the big time and resource investment required for collaborative cross-team grantmaking (e.g., a major policy change), identify more near-term outcomes (e.g., building momentum).

6. Cross-team grantmaking is evolving. There are many opportunities for improvement—especially in internal operational structures—as well as much to celebrate. Continue monitoring the development of these processes (e.g., via a developmental evaluation) to provide ongoing opportunities for staff to pause, reflect, and give one another feedback.