

The Integration Initiative

**SYSTEMS CHANGE FOR ECONOMIC MOBILITY & EQUITY:
LESSONS FROM THE FIELD**



LIVING CITIES
INNOVATE • INVEST • LEAD

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Final Report



About Living Cities

Living Cities is an organization that is working to ensure that all people in US cities are economically secure and building wealth. Towards that vision, our strategies focus on closing the racial income and wealth gaps. Through grant-making, impact investing, and network-weaving, we support ambitious data-driven, results-oriented efforts in cities around the country. Additional information can be found at www.livingcities.org.

Prepared for

Living Cities

Demetric Duckett | JaNay Queen Nazaire
1730 M Street NW, Suite 400
Washington, DC 20036
1040 Avenue of the Americas, Floor 17
New York, NY 10018

Prepared by

RTI International

Jay Feldman | Sara VanLear
Meaghan McGrath | Siri Warkentien | Sara Lawrence
3040 E. Cornwallis Road
Research Triangle Park, NC 27709



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Points of Reckoning:

Lessons Learned for the Future of Living Cities

by JaNay Queen Nazaire
with additional insights from RTI International

In 2014, Living Cities launched phase two of The Integration initiative (TII), a systems change effort to improve the lives of low-income people in areas such as workforce development, economic development, equitable transit-oriented development, education, and health. To implement TII, Living Cities' staff worked with a cross section of leaders in select cities to intentionally apply collective impact, public-sector innovation, capital innovation, and real-time sharing of learning. At the launch of this second phase, TII's focus on systems change was race neutral and did not take into consideration the deeply rooted inequities driven by racism. However, as Living Cities evolved over the past five years to become a racial economic justice organization, so did its focus and relationship with participating Integration Initiative (TII) cities and their leaders. In concert, both Living Cities and the Integration Initiative Directors led their respective teams to focus on closing racial gaps in income and wealth. While both the evolution and relationship were not without its challenges, moving into alignment around a process of authentic co-creation and identifying results that centered communities of color was an outcome worth the struggle.

TII supported cross-sector leaders in cities that were implementing bold, promising approaches that have the potential to transform the lives of people and the communities in which they live. Putting into practice lessons learned about what it takes to remove barriers and achieve large-scale change, leaders from five cities prioritized outcomes and strategies that are in the service of creating thriving, inclusive, and resilient economies so that people are economically secure and able to build wealth. Living Cities has deployed more than \$3 million in direct grants, up to \$4 million in program-related investments, and more than \$15

million in commercial debt. Partners have committed to long-term action and behavior change and share accountability through an effective centralized structure. Together, they focus on changing systems not creating programs.

Living Cities investments are intended to catalyze current initiatives. In all of the cities, collective action work was already happening and Living Cities saw their role to spur, fill gaps, nudge, be critical friends, and provide a peer learning community. Living Cities provided some funding (relatively small compared to the scope of the problem) to backbone organizations that have other funding and implementation partners. Their expectation is that these collective impact teams have a role in resourcing and sustaining the work beyond what Living Cities invests and that it is necessary that each partner brings their resources to bear on the problem.

This study examined what Living Cities has learned about working with leaders in cities to change systems, and the implementation of its “collective action ” theory of change to achieve results in cities. The findings from this study were particularly important to Living Cities’ strategic planning for its next 10 years. Living Cities has sought to better understand their assets (e.g. relationships with public sector, communications platform, capital products), areas where they needed to improve (grant-making model, managing turnover, clarity about approach), and the best ways to play to their strengths (focus on racial equity, learning lab, model accountability). With a focus on closing racial gaps in income and wealth, Living Cities’ had to get clear about its unique role, its influence, and the contributions it could make to move the needle on economic security and wealth building, especially for people of color who have been systematically excluded for centuries.

To understand the challenges, best practices, and emerging trends of supporting and developing the TII model and to provide relevant, practical recommendations for reform, RTI International’s research team conducted interviews and focus groups with Living Cities staff, interviews with Initiative Directors and critical friends of the programs, and analyzed Living Cities documents and grantee reports. The findings detail the effectiveness of the collective action strategy and offers recommendations aimed at alleviating the most significant barriers to implementing and developing Living Cities’ collective action model. The report was commissioned to wrap up the 10-year Integration Initiative and provide key insights for Living Cities’ strategic planning process. However, given Living Cities’ learning and sharing orientation, after processing the information and reckoning with the feedback, there are a few lessons and recommendations worth sharing.

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1. Living Cities working definition of systems change is “Systems change can be defined as a change in the policies, processes, relationships, knowledge, power structures, values, or norms of participants within a system that affects a social issue.”
 2. RFP for TII Evaluation, 2015.
 3. Living Cities is currently using the term Collective Action as a way to differentiate its unique approach to collective impact from the fields’ traditional understanding of collective impact.

Lessons Learned

We highlight three key findings



Lessons Learned

Elements of the Collective Action Model Resonated with the Sites and Helped Sites Create Positive Impact in Their Communities

By the end of phase two, Initiative Directors and Living Cities staff highlighted three key elements of the Living Cities model that led to improved systems in their communities:

- **Public-sector innovation:**
Sites worked to change public systems to leverage change for people in cities and regions at scale.
- **Capital innovation:**
Sites used capital and financial resources smartly as a key lever for scalable change.
- **Specific elements of collective action, including:**
 - implementing the 5 conditions of traditional collective impact
 - using data as a facilitation tool to organize their work and for continuous improvement,
 - a focus on changing systems and not solely implementing programs kept their focus on their shared vision,
 - the need for a cross-sector leadership table, and
 - the shift to using a racial equity lens that provided validation for sites' on-the-ground work .

Constantly Changing Implementation Strategies and Tools, Lack of Clear Communication, and Staffing Turnover Led to Increased Site Uncertainty and Disrupted Implementation, Hindering Sites' Effectiveness

Implementation of the TII model was characterized as constantly changing. Initiative Directors and Living Cities staff identified four factors that led to this feeling of constant change. These factors led to uncertainty and lack of stability of how to implement the model; promoted a reputation for inconsistency in Living Cities' commitment; led to decreased commitment and lower levels of trust between Initiative Directors and Living Cities; and required significant time commitments of Initiative Directors to manage poor change processes from Living Cities, which took time away from Initiative Directors doing their work in their communities.

- The **prioritization of “testing” over partnership** within Living Cities fostered a cycle of programmatic changes within TII that emphasized Living Cities learning and not closing a feedback loop to support the sites. Cities did not understand why certain aspects of how to implement the model changed because Living Cities made the course adjustments in isolation.
- **Implementation of the collective action model as it evolved** was inefficient and, at times, ineffective, particularly since (1) TII was developing an implementation strategy to guide practice while the sites were implementing the model, limiting the translation of collective action from theoretical concepts to action, and (2) two of the three collective action principles—public-sector innovation and capital innovation—were siloed programmatically and structurally within Living Cities at the beginning of the initiative.
- Frequent **organizational restructuring and staff turnover** within Living Cities contributed to inconsistency about TII's goals and funder requirements and unclear communication from Living Cities on their expectations.
- **Lack of clarity in communication** in working with the sites was a key problem in managing the multiple changes that occurred during TII. When Living Cities made decisions about the model and its implementation, sites were not included in the decision-making process. Any changes made and the reasons behind those changes were not clear to the sites.



Reframing the relationship and working together differently made a difference.

Sites that have had the most successful or fastest-realized results adapted TII to be part of their larger local economic development work, some which had been in place before TII. Sites reported that the Living Cities team successfully acted as a catalyst to spur work forward. Initiative Directors and Living Cities staff highlighted four factors of the Living Cities model that led to improved systems in their communities:

- **Role as a convener and connector and emphasis on peer learning:** The TII program dedicated substantial time and resources to connecting partners and grantees within a wider national peer network. Similarly, the TII program has evolved to prioritize the development of peer cohorts across grantees that has resulted in substantial cross-city learning and collaboration.
- **Dedicated technical assistance (TA):** The TII program paired critical collective action elements with capacity building and ongoing access to experts. As examples of TA, Initiative Directors cited two key activities. First, Living Cities TA on the results-based accountability (RBA) framework for using data to map their shared results framework and engage cross-sector partners. Second, Living Cities provided decision-making and ongoing support and dedicated time to strategize about mayoral transitions within grantee cities in an effort to sustain the change so that the initiative did not disappear when leadership changed. Initiative Directors found TA to be most effective when it aligned with the needs of the site and helped sites with activities that were difficult for them to do on their own.
- **Commitment to co-creation:** Initiative Directors noted a positive change in the relationship with TII staff, from a pedagogical program where Living Cities and external consultants trained grantees on implementation practices identified by Living Cities to one of co-creation in which Living Cities and TII staff mutually determined learning needs. This relationship shift also enabled more peer-to-peer learning among sites.
- **Decisive stance on racial equity and inclusion:** The TII program, and Living Cities organizationally, embraced direct feedback from grantees and other external partners on the importance of explicit racial equity and inclusion outcomes within their programmatic goals. As a result, the organization not only prioritized racial equity and inclusion within their grant-making accountability structure to highlight closing racial outcome gaps, but also supported the development of staff members' racial equity and inclusion competency.

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Recommendations for Future Work

We provide six recommendations to Living Cities

Hold Firm to the Model

The constant changing that characterized Living Cities' implementation of its collective action model increased the challenge of determining the effectiveness of the model and decreased the chances that the model would be effective.

- **Living Cities needs to hold themselves and the sites accountable to the model.** For example, if the inclusion of the public sector is a pillar of the model, it should be seen as non-negotiable. Sites need to include a plan for working with the public sector. Living Cities may then need to provide targeted TA to support sites in understanding how best to use that particular element to effect change. While the work is in partnership with sites and dependent on local context, sites should be working to integrate all non-negotiable aspects of collective action into their local work.
- **Change in the model or the implementation strategies is inevitable** but needs to happen at a reasonable pace, using a continuous improvement process that includes not just Living Cities staff, but also the Initiative Directors who are most affected by the change. This continuous improvement process should be viewed as a key feature of supporting implementation.

Engage in Strategic and Transparent Communication

Lack of clarity in communication in working with the sites was a key problem in managing the multiple changes that occurred during TII. As one staff member noted, "The sites take what Living Cities says more seriously than Living Cities sometimes." Living Cities should clarify expectations for sites and staff in the following ways:

- Document expectations and opportunities to create consistent clarity and give the Initiative Directors a way to communicate to their own multiple stakeholders.
- Clarify if the change is a requirement or a suggestion.
- Share the reasoning behind the changes.
- Solicit feedback from the sites.
- Close the feedback loop with the sites.

Play to Living Cities' Strengths

Sites and Living Cities staff identified two key practices that Living Cities should continue:

- Spread and adopt: Living Cities is a strong learning organization with a powerful dissemination network. This report identified five areas where Living Cities can continue to share best practices from the field:
 - Identify successful strategies for economic inclusion: Provide examples/case studies of successful practices and strategies and identify the supporting capacities necessary for change.
 - Systems focus: Supporting systems-level change and capacity building and not programmatic change is seen as a significant contribution to the field.
 - Racial equity and inclusion: Living Cities' embrace of a racial equity and inclusion focus validated the sites' work and kept a focus on providing support for those who need it most.
 - Data use: Many collective impact efforts struggle with using a data lens to guide their work, and TII has multiple examples of sites that have been able to do so, using data both as an organizing framework and for continuous improvement.
 - Capital innovation: Unique to TII, capital innovation has high potential to scale collective action efforts, although more examples must be identified to help guide future work.
- Role as a convener and connector: Connect partners and grantees within a wider national network and develop peer cohorts for cross-city learning and collaboration.

Continue Organizational Stance on Racial Equity and Inclusion

Initiative Directors and staff believed that the organization needs to continue to focus on racial equity. Initiative Directors called for Living Cities to continue to publicly make a case for racial equity. Using a racial equity lens means paying attention to race and ethnicity while analyzing problems, looking for solutions, and defining success. It focuses on how race and ethnicity impact experiences with access to opportunities, outcomes and power. It provides a mindset that grantmakers can use to eliminate inequities and close gaps.

Disrupt inequity by sharing power with communities of focus by efforts such as placing residents on the organizational board or an advisory board.

Balance Being a Learning Lab and a Listening Device

Living Cities needs to balance learning for themselves, learning for other programs, and/or learning with their sites. Living Cities is positioned in a difficult but essential role: a funder and a learning partner. Tensions and trade-offs exist as Living Cities fluctuates its priorities in learning. For example, undercurrents of philanthropic privilege that emphasize a focus on organizational learning over people's lives whom they want to benefit can surface, causing unintended negative perceptions. Further, extensive reports, financials, and deadlines can get in the way of a true learning relationship.

Living Cities needs to:

- close the feedback loop with the grantees to ensure that they are learning hand-in-hand with Living Cities and
- involve sites in decision-making and co-creation of their learning experiences.

Community-Centered Grant-Making Model

Living Cities is also poised at the forefront of thinking about new ways that philanthropy needs to engage to effect transformative change. Transformative change in communities requires transformative change in philanthropic grant-making processes as well.

We encourage Living Cities to take four actions:

- Adopt a more social justice-minded goal of meeting the needs that people and communities define for themselves rather than prioritizing an organizational learning and theory development.
- Seek feedback, hear it, and respond to it, because creating such a feedback loop can also be a transformative act with the potential to shift power dynamics and advance inclusion and equity.
- Disrupt inequity by sharing power with communities of focus by efforts such as placing residents on the organizational board or an advisory board.
- Ask: "What are the justices our community needs from us, and how can we be in a just relationship with each other?" Acknowledge that both the giver and receiver need to have a more balanced role with each other.





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