

Foundation Dynamics: Exploring the Leverage Points for Successfully Funding Sustainability

Sustainability Institute
With Foundation Partners

29 January, 2001

The Problem

In January, 2001, approximately 20 foundation officers and 4 systems analysts sat down together in the offices of the Barr Foundation on a Boston wharf for two days to explore several vexing questions: When it comes to making significant changes in our society towards sustainability, how can funders help break the pattern of winning small battles but losing the overall war? Where are leverage points for the skillful and timely insertion of money to help the industrial system evolve toward sustainability?

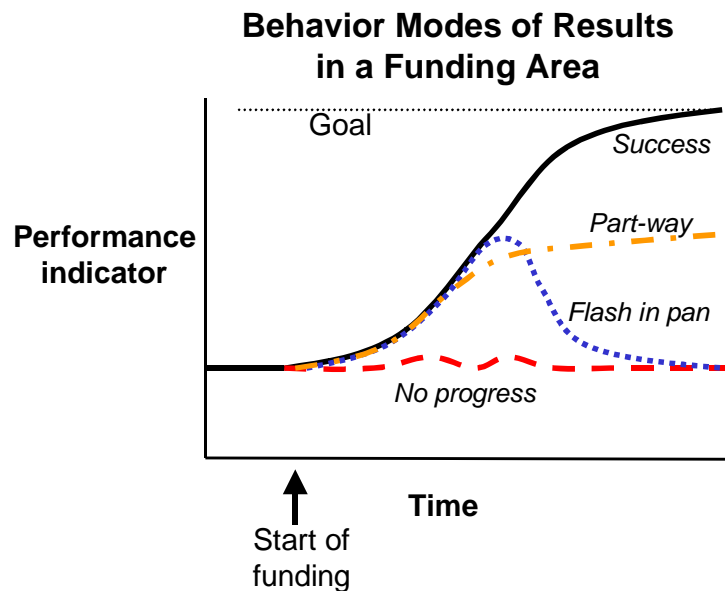
The vision of the organizers was that the mixing of the process people (systems analysts) with content people (foundation officers) might spark some new insights.

The purpose of this white paper is to re-frame the above questions in a dynamic context and then to explore some of the group's answers. This paper will further propose next steps that might help us continue to build a shared understanding of the leverage points that can lead to success or failure in funding for sustainability.

Behavior Over Time

We have summarized some of the stories we heard in Boston into a behavior-over-time graph that outlines the transition of a performance indicator from a current level towards a goal, over time. People spoke of four behavior modes – one of success and three of varying degrees of failure:

1. *Success*. Over time, the indicator moves to the goal.
2. *Part-way*. Moderate results but insufficient.
3. *Flash in the pan*. Burst of results and then backsliding.
4. *No progress*. Minimal results ever achieved.



How do the complex economic, organizational, social, and political systems in which foundations work drive the results into the three failure modes versus the success mode? What interactions with other parts of the system, what difficult delayed dynamics, or what unforeseeable non-linearity in this system could lead the action to be tripped up? Can tricky systems lead a great project to fall flat on its face? Most importantly, where are the leverage points that would launch the effort towards enduring success?

Causal Stories

The group offered multiple theories to explain the four behavior modes in funding, listed here as different stories about the life-cycle of a funded project. We will need our foundation partners to add the interesting details to bring the stories to life; we only know the stories in rough form.

Herd Mentality

A crisis, media attention, and word-of-mouth brings a problem into broad visibility. Several foundations respond by funding new initiatives to solve the problem. As interest, action, and positive results build, others want to join the herd. The influx of money, attention, and efforts leads to exponential growth in action and, thus, results. Recent example – sprawl. Does the herd tend to go lurching off to the next trendy problem before results can be fully realized? Behavior mode: *success* or *flash in the pan*?

Perceived Turf

The opposite of the herd mentality. One or two foundations invest in a relatively narrow program area, hoping to spark broadly supported action. These funders achieve moderate success and public awareness of their efforts. Other foundations considering supporting the effort, however, decide to fund elsewhere, possibly noting, as Hooper Brooks of Surdna said, “Oh, that’s Hooper’s thing – he’s got it covered.” Behavior mode: *flash in the pan* or *part-way*?

Shifting the Burden From Public to Private

A government agency attends to the improvement of a social or environmental problem. Foundations and non-profits believe the problem needs further work and invest time and resources. As the government notices the actions and results, they reduce their efforts in that area because the foundations are making the problem diminish or at least not get worse. In time, the system is dependent on the private groups to attend to the problem. If the foundation were to step out of the area, the system would suffer for a long time before the government returned to its original role. The foundation is stuck. Behavior mode: *part-way* or *no progress*.

Topic Burnout

A foundation works in a single program area for several years. Progress is slow and there are so many other areas that deserve attention. In time, commitment to the area wanes, attention shifts elsewhere, and action stops. Behavior mode: *flash in the pan* or *no progress*.

Staff Turnover and Area Shift

A foundation works in a single program area for several years. As staff and trustees turnover, however, new leaders want to start anew and be responsible for new initiatives as opposed to finish up the work of their predecessors. So the program area shifts and action in the old area ends. Behavior mode: *flash in the pan* or *no progress*.

Self-sufficiency Goal

As business principles increasingly enter into funding practices, more foundations are encouraging non-profits to generate their own revenue within relatively short time frames. Non-profits respond by focusing their work on revenue generation and short-term results as opposed to significant results over the long term. Behavior mode: *part-way*.

Visibility Leads to Opposition, Not Diffusion

Foundations support a demonstration project but end support once the results become visible (“once it shows its head above water” as one person put it), believing that further projects will spring up widely, propelled by the merits of the new idea. What they don’t anticipate, however, is that visibility also attracts the strong response of those who feel threatened by the project. The time when support ends is the time when the project is most vulnerable. Behavior mode: *flash in the pan*.

Thrown a Bone

A foundation supports organizations to pressure a powerful government body, corporation, or other organization to make a significant change. The organization responds with a change that is needed, but falls far short of the goals of the foundation. There is a perception of some success, which takes away momentum from pressing for the full victory. Examples from the meeting – Clinton's action on roadless areas as opposed to climate change. Or McCain-Feingold as opposed to thorough campaign reform.

Behavior mode: *part-way*.

Addressing Structures but not Mindset

A foundation supports work in an area and successfully changes policies, physical infrastructure, individual leadership, and information flows. But the mindset or paradigm that created the original structures (policies, infrastructure, etc.) remain unchanged, so over time the system slides back into the original patterns as before. Behavior mode: *flash in the pan*.

Undisciplined Lofty Liberals

Left-leaning foundations go their own way and think their own thoughts, rather than aligning, as the right has done, to sustain over the long haul media-savvy and politics-savvy institutions with the mandate to "change hearts and minds." We think right-wing tactics are dirty, so we refuse to fight that way. Behavior mode: *losing the war*.

Too Small a Game

With expectations thoroughly and understandably eroded because of past frustrations, foundations aim at "achievable" targets (protecting particular land parcels, empowering particular communities), rather than take on the larger problems that could overwhelm smaller efforts (climate change, the systematic ways that the rich become richer and the poor become poorer). Behavior mode: *part-way*.

Elephant in the Living Room

Fully enmeshed itself in the same mindset that creates the problem it is fighting (industrialism, endless growth, faulty market signals, fractionation of whole systems into separate program areas, preservation of large pools of capital in few hands, high consumption), a foundation does not dare present to its own board projects or even language that might really "rock the boat". Behavior mode: endless sequence of battles, no end to war.

Success Stories

We would love to include a story about a project achieving its goals, but did not remember any.

Questions Remaining

Several questions remain about the group's theories.

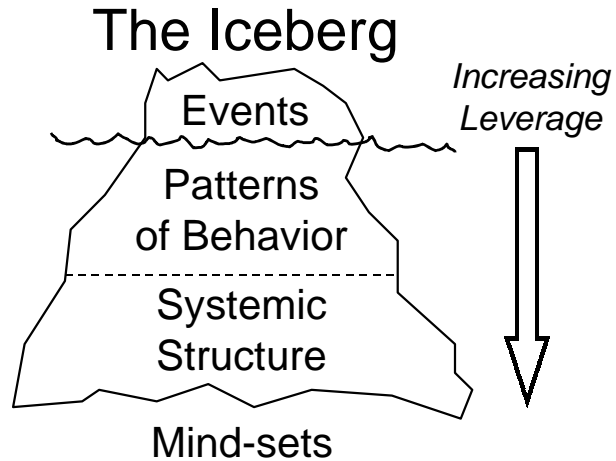
1. Which of the causal stories can best explain the different behavior modes for success in funding for sustainability? What would build our confidence in the strength of that explanation?
2. If we believe the theory for the failure mode to be valid, what changes should be made in funding for sustainability in order to lead to success as opposed to failure? Where are the leverage points?

Systemic Structure and Mindsets

In order to answer these questions, the next step in the systems thinking process would be to explore the systemic structure and mindsets described in the causal stories – these would be our theories for the forces in the world that drive the patterns of behavior and events that we see and that trouble us. Our first reaction was to find time for the four systems analysts to sit down together, sketch some systems maps, and then send the diagrams to the group for review and comment. But, on second thought, we concluded that the value of such mapping comes from the creation and shared analysis of the maps, not the reading someone else's, even if the reader provided the content.

The next questions that we would want to explore include:

1. What are the systemic structures that lead to the various causal stories? What physical flows, information flows, decision rules, policies, and feedback loops drive the behavior modes we have seen?
2. Where can one intervene in that structure to create the “success” behavior mode?
3. What are the important mindsets that would need to change concurrently?



What Next?

We can imagine possible two next steps.

General

Continue this exploration looking at funding for sustainability in general, without getting specific about a program area. We could address the three questions outlined in the last section through facilitated causal mapping. While the general framing is quite inclusive, it would be difficult to proceed to much analytical depth (particularly modeling) at such a general level.

Specific

Choose a specific issue to explore as a group (e.g., funding for global climate change policy or poverty action) and see which of the causal stories are likely to show up there. While not as inclusive, one could dig deeply into the issue with analytical tools such as modeling.

Sustainability Institute
P.O. Box 174
Hartland Four Corners, VT 05049
(603) 646-1233
d.meadows@dartmouth.edu
sustainer.org