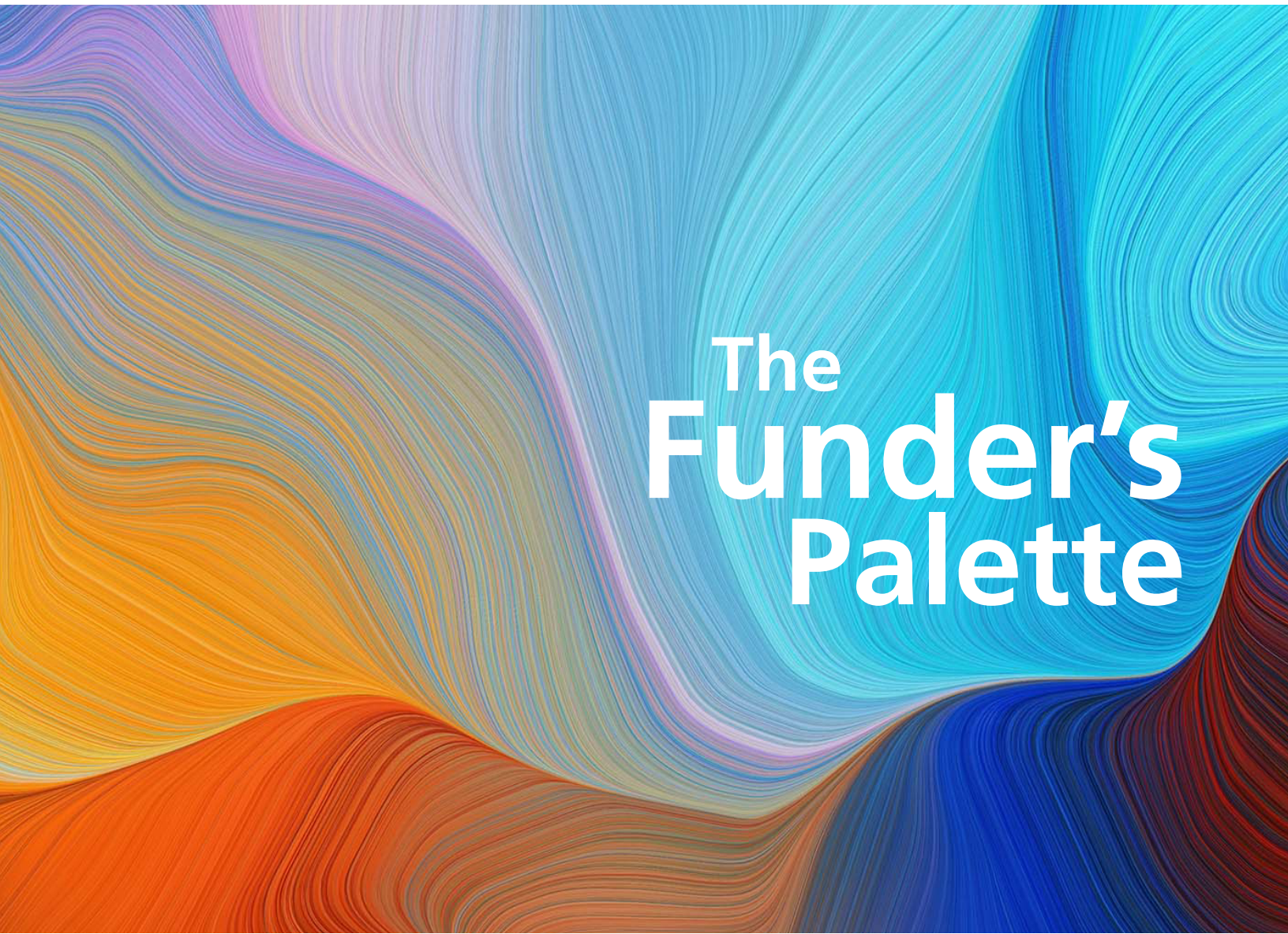




The Funder's Palette

A Spectrum of Approaches for Systems Change

August 2026

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About FSG

FSG is a mission-driven consulting firm supporting leaders in creating large-scale, lasting social change. Through strategy, evaluation, and research we help many types of actors—individually and collectively—advance equity and make progress against the world's toughest problems.

Our teams work across all sectors by partnering with leading foundations, businesses, nonprofits, and governments in every region of the globe. We seek to reimagine social change by identifying ways to maximize the impact of existing resources, amplifying the work of others to help advance knowledge and practice, and inspiring change agents around the world to achieve greater impact.

As part of our nonprofit mission, FSG also directly supports learning communities, such as the Collective Impact Forum, to provide the tools and relationships that change agents need to be successful.

Learn more about FSG at www.fsg.org.

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Introduction

Over the last several years, foundations have entered a new era defined by experimentation, adaptation, and a broader vision of what it means to create change.

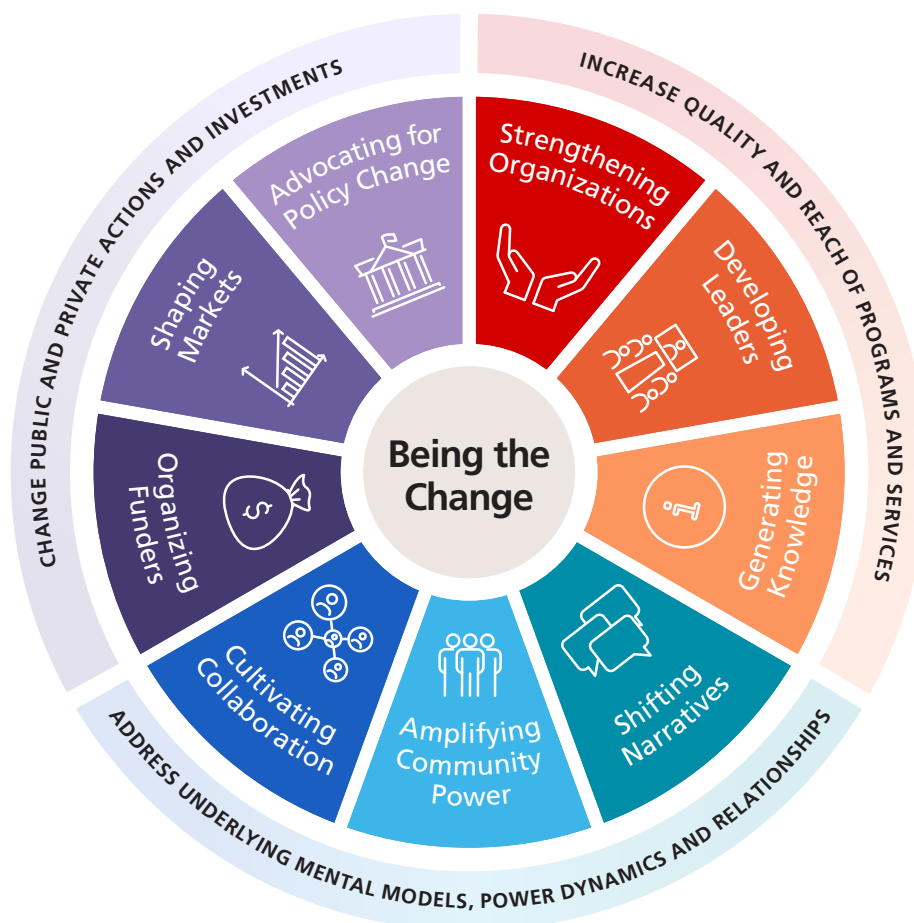
Philanthropy is evolving, and with it, the role foundations play. Increasingly, foundations are stepping beyond the work of funding nonprofit programs to explore how they can influence the systems that shape communities. It is a moment full of possibility, and it calls for new thinking, new tools, and new ways of working together.

This moment has been shaped by a convergence of pressures. Political polarization, growing inequality, racial reckoning, rising authoritarianism, and significant shifts in domestic and international policy have created a deepening sense of urgency. The global COVID-19 pandemic demonstrated that rapid, coordinated innovation was possible when the stakes were high enough. The concentration and intergenerational transfer of wealth have brought new philanthropists with new expectations. And a growing reckoning with the ways philanthropy has caused harm in the past has strengthened the field's commitment to building trust, sharing power, and centering community voice. Together, these forces have pushed foundations to rethink not just what they fund, but how they work.

Foundations are responding. They are seeing problems differently and expanding their sense of what is possible. They are funding programs, yes, but they are also building relationships between stakeholders, elevating stories that shift public understanding, investing in leadership, creating space for community ownership, and sharing what they learn along the way.

In this paper, we examine ten approaches that foundations are using right now to create meaningful, long-term change. Practitioners may choose to think of the ten approaches as colors on a palette. Each has its own character and strength, but the most compelling results come from combining them with intention—mixing and layering based on your community's context, your goals, and where the moment calls you to act. These approaches reflect lessons from a field in motion, one being pushed to innovate and rising to meet that challenge in ways worth understanding and sharing.

FIGURE 1: THE BEING THE CHANGE WHEEL



APPROACH	DEFINITION
Strengthening Organizations	Increasing nonprofit capacity to deliver stronger community impact
Developing Leaders	Nurturing the growth of leaders who can navigate complexity, work in concert with others, and identify ways to influence systems
Generating Knowledge	Generating and disseminating research and evidence that equips changemakers to make better decisions and take more effective action
Shifting Narratives	Changing how society understands problems to unlock new solutions
Amplifying Community Power	Fueling grassroots organizing and civic engagement so communities can shape the decisions that affect them most
Cultivating Collaboration	Building and sustaining cross-sector partnerships to solve problems no sector can tackle alone
Organizing Funders	Multiplying impact by aligning funders around shared priorities
Shaping Markets	Strategically shifting market dynamics to achieve more equitable access to products, services, and capital
Advocating for Policy Change	Influencing policies, rules, and regulations that impact key issues
Being the Change	Operating with intention and humility, using power responsibly, and listening deeply.

This report is intended to help people working in philanthropy—staff, leadership, boards—better understand the full range of tools available to them. It builds on research we originally conducted in 2017, when we spoke with over 100 practitioners who shared how they were adapting their approaches. Since that time, systems change work has gained more traction and the state of practice has become more advanced. Thanks to the efforts of many philanthropic professionals, we now have a more informed view of how foundations can use these approaches to create positive change.

Here's what you'll find in the pages that follow:

- Clear, updated **descriptions** of each approach
- Practical **tactics** foundations can implement through grant funding, staff efforts, and using their relationships and platform
- Real-world **examples** of foundations putting these tools into action

The final approach, being the change, was inspired by many conversations with philanthropic leaders and partners, who emphasized that it's not only what a foundation does that matters, but how those choices are made and put into practice. The idea surfaced so consistently that, while different from the others, we felt it warranted a place in the framework. This final approach—visually and conceptually at the center of the framework—speaks to the need for foundations to stay grounded in deep listening while also being intentional and values-driven in how they use their influence. It's about showing up with clarity, humility, and a commitment to act in service of the communities they support.

We're not suggesting you use all of the approaches described in this paper. We are also not asking you to pick only one. The approaches are complementary, and some of the best examples of change are found in efforts that use two or three coordinated approaches. For example, foundations working to advance policy change may very well also generate knowledge to make the case, invest in shifting narratives to broaden support, and build community power to help support that work. The goal is to help you understand the breadth of strategies available—the full palette—and then make thoughtful decisions based on your community's context and your foundation's goals, relationships, and strengths.

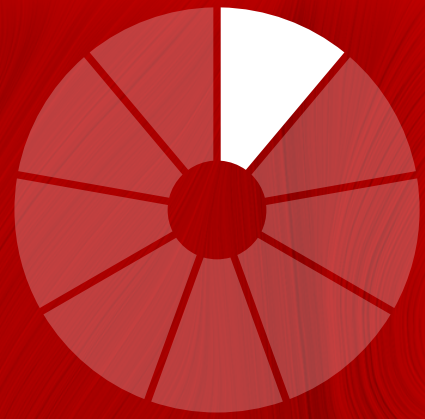
As you read, we invite you to reflect on a few key questions:

- Which of these approaches are you **currently using**? To what extent? Why?
- What is **most needed** given the work of others on this issue?
- Where might you go **deeper**, and what would it take to do that well?

Foundations are being asked to show up differently, and many already are. This paper is an invitation to keep evolving, keep learning, and keep pushing the boundaries of what's possible.

Strengthening Organizations

Increasing nonprofit capacity to deliver stronger community impact



Commentary

The dominant model in philanthropy has long been to provide grants to nonprofits to deliver specific programs or services—and for good reason. Program grants are the lifeblood of the nonprofit sector, funding the direct services that communities depend on. Increasingly, however, foundations are recognizing that strengthening the organizations behind those programs can deepen and extend impact in ways that program grants alone cannot. When nonprofits have the resources, flexibility, and stability to adapt, build expertise, and respond to unforeseen challenges, their programs become more effective and more durable. As a result, many foundations are shifting from funding programs to strengthening the organizations that deliver them.

Recent crises accelerated this shift. The pandemic, followed by rapid declines in federal funding and new threats across a range of issues and populations, made clear that more than simple project support, organizations needed the flexibility to respond in real time. The Trust-Based Philanthropy Project named multiyear, unrestricted funding as a core practice, helping drive rapid adoption across the field. During the pandemic, the Ford Foundation encouraged nearly 800 foundations to sign a pledge committing to flexible funding, loosened restrictions, and deeper listening to community needs.¹ More recently, many major foundations increased their grant payout and encouraged others to do the same.

Multiyear funding, flexible or unrestricted grants, and increased payout rates in times of crisis are all ways foundations can strengthen organizations' ability to nimbly respond to community needs. And the evidence supports this approach: A Center for Effective Philanthropy study found that nonprofit leaders overwhelmingly identified multiyear general operating support as among the most helpful forms of funding, enabling long-term planning, staff investment, and greater impact. Yet most foundation CEOs surveyed reported providing this type of support to no more than a quarter of their grantees, suggesting significant room to grow.²

¹<https://www.fordfoundation.org/news-and-stories/stories/philanthropy-makes-pledge-during-covid-19/>

²https://cep.org/wp-content/uploads/2020/10/Ford_MYGOS_FNL.pdf

Many foundations are also supporting organizations with the backend skills, resources, and knowledge necessary to strengthen their programmatic work. For example, the **Missouri Foundation for Health** funds MoCAP, which connects nonprofits and local government agencies with free grant writing and technical assistance to help them obtain federal and private national funding for prevention and health-focused programs.³ **Blandin Foundation** recently added capacity building for organizations as one of three core strategic pillars, and they provide customized support for grantees on core capabilities such as grant writing.

Because organizational support is not one-size-fits-all, ongoing communication between funders and grantees is essential. For example, a foundation might survey or interview grantees to identify the most significant barriers, and then provide resources to help remove these roadblocks. Ultimately, effective philanthropic organizational support goes hand in hand with an increasing focus on building mutual, transformative relationships and then trusting those closest to the problems to make decisions.

Implementation Tactics

- **Fund programs:** Provide funds for a program or service delivery (e.g., funding a health clinic or mobile van to provide health care services).
- **Unlock crisis funding:** Provide short-term, rapid grants to adjust to shocks in the system or short-term no-interest loans to help with unforeseen disruptions in cash flow (e.g., natural disasters).
- **Provide general operating support:** Provide funds that an organization can use however they choose, whether for programs, staff salaries, physical space, cyber and physical security, or other investments.
- **Contribute in-kind support:** Provide in-kind backend support, which could come in the form of donated workspaces, seconded staff members who work temporarily for a grantee, or technical assistance from foundation staff on core operational skills like finance, human resources, communications.
- **Support AI adoption or use:** Support grantees in understanding the influence of artificial intelligence (AI) on the problems they are working to solve, as well as navigating potential opportunities to use AI to improve efficiency or effectiveness.
- **Serve as fiscal sponsor:** Serve as an umbrella organization providing legal and tax-exempt status to smaller or newer organizations to help get them off the ground.
- **Offer training and peer learning experiences:** Fund or run training on relevant skills (e.g., purchasing memberships for grantees in nonprofit associations that offer skill development).
- **Coordinate shared services or group purchasing:** Offer access to a library of shared resources (e.g., equipment) or to shared services (e.g., grant writing, language translation, accounting, legal services) that individual grantees can't otherwise access.

“This work on capacity building makes sure our other investments in these organizations have the maximum possible impact.”

—Tuleah Palmer
CEO, Blandin Foundation

³<https://mffh.org/our-focus/change-making-tools/mocap/>

Natrona Collective Health Trust *Case Study*

As the largest private foundation in Wyoming, the **Natrona Collective Health Trust** recognized the need to go beyond grantmaking and invest in building the capacity of the nonprofit sector in their region. To meet this need, the Trust offers its grantees access to a nonprofit toolbox that includes services such as strategic planning, grant writing, advocacy support, and translation and interpretation. These resources help nonprofits access professional support they would otherwise be unable to afford.

To better understand organizational needs, the Trust provides a free needs assessment for nonprofit staff and board members. Based on the results, they work with each organization to develop an action plan and set clear goals for capacity building.

To strengthen nonprofit organizational capabilities, the Trust funds a director of learning and development within Wyoming's nonprofit association. This role delivers ongoing training, networking, and technical assistance opportunities for organizations in the region. The Trust also funds

grantees to work with a grant-writing consultant for up to one year, helping them pursue new funding opportunities. In addition, the Trust supports nonprofits in their advocacy work by providing access to nonpartisan data, policy analysis, advocacy training, and communications experts.

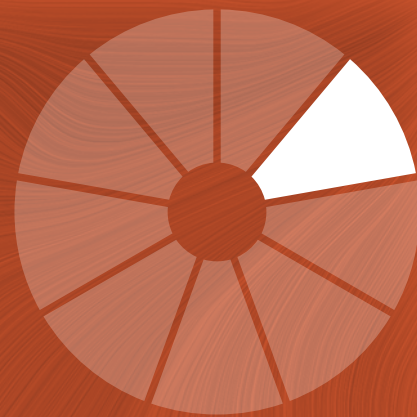
When grantees shared concerns about their inability to serve non-English-speaking community members, the Trust responded by purchasing a shared subscription to translation and interpretation services, giving all participating organizations access to language support none could afford individually. Building on this model, the Trust is exploring shared services for HR, IT, bookkeeping, and other operational needs.

Finally, the Trust created a tech library, allowing any Natrona County nonprofit to borrow equipment such as projectors, conference webcams, camera tripods, and Bluetooth speakers. This shared access helps organizations advance their missions with tools they otherwise might not be able to purchase.

“By investing in capacity-building, shared services, and strong advocacy supports, we’re working to ensure every nonprofit in Natrona County has the tools, voice, and resources to serve our whole community effectively.”

—Beth Worthen
CEO Natrona Collective Health Trust

Developing Leaders



Nurturing the growth of leaders who can navigate complexity, work in concert with others, and identify ways to influence systems

Commentary

Social change requires visionary leaders with the skills to influence, inspire, and innovate. Leaders need to see and understand challenges at the systems level, foster generative conversations, and bridge people across differences to develop a shared vision for the future. Social sector leadership also requires deep self-awareness, humility, and commitment to continuous learning and growth. This is especially critical given that many nonprofits are founded by, and often dependent on, a single visionary leader; without intentional investment in developing the broader team, organizations risk instability when that founder eventually moves on. For these reasons, people development is particularly important for the social sector, and more foundations are emphasizing leadership development in their strategies.

Despite its importance, the social sector invests relatively little in people development. According to the Robert Sterling Clark Foundation, “only 1% of philanthropic dollars are targeted to investment in people. The private sector invests 4x as much in its people than the nonprofit sector does. We believe that for the sector, and society, to be stronger, we need to invest more in people.”⁴

In recent years, more foundations have invested in leadership development for grantees. That means creating opportunities for peer learning, offering access to professional development, and, since social sector work often leads to burnout, ensuring space for renewal and rest. Peer learning experiences play a key role in building leadership capacity and can contribute to renewal in the process. When people come together in communities of practice, they gain new tools and insights; just as often, they walk away with a sense of hope. Hearing from others who are navigating similar challenges and making progress can be energizing and restorative.

⁴<https://www.rsclark.org/grants>

Implementation Tactics

- **Provide leadership training:** Provide training focused on leadership topics such as systems thinking, coaching, motivational interviewing, influence, addressing bias, active listening, conflict resolution, leading through ambiguity, storytelling, and values-based leadership.
- **Offer coaching and mentorship:** Provide or fund individualized support to help leaders navigate challenges in their day-to-day work. Invest in the pipeline of emerging leaders.
- **Create opportunities for experiential learning:** Offer hands-on learning experiences outside of routine roles—in new settings, or with different people or communities—to build empathy, shift perspectives, and see systems in new ways.
- **Enable peer communities of practice:** Convene or support ongoing facilitated peer groups where grantees build relationships, share successes and challenges, deepen their understanding of complex issues, and use shared data to identify promising practices. These may include fellowships, peer networks, or learning communities.
- **Spark renewal:** Support experiences that help leaders recharge, reflect, and reconnect with their purpose, such as retreats, sabbaticals, mindfulness programs, or somatic practices.

“You can put a lot of effort into enabling people, but they will only be changemakers if they have enough energy to push things forward... Funders need to recognize that stability, safety, and well-being are not a luxury; they are investments in sustainability and innovation.”

—**Joanna Kucharczyk-Jurgielewicz**
Regional Partnership Manager
Ashoka Innovators for the Public

Danville Regional Foundation *Case Study*

The **Danville Regional Foundation (DRF)** sees leadership capacity building as fundamental to its mission of revitalizing the Dan River region because sustainable community transformation requires empowered, capable leaders. DRF believes that by strengthening civic and nonprofit leadership, the region can foster culture shifts from within, enabling long-term revitalization across education, wellness, economic, and civic life.

One way the foundation supports leadership is through a 10-month curriculum focused on systems change, equity, and collaborative leadership for local leaders. They also organize “See the Possible” trips, where local leaders and board members visit other communities to meet changemakers, ask questions, and bring back new ideas. As the foundation puts it,

“We believe that change can be understood when it’s seen in communities that have fought similar battles.” To further spark connections and learning, the foundation also hosts speakers who bring innovative thinking to the region.

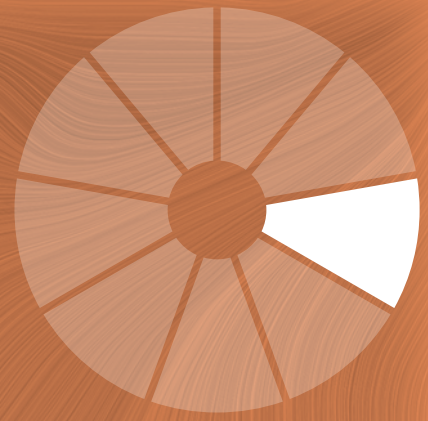
In addition, DRF runs a fellowship program for young professionals, funding their salaries for up to two years. Fellows work at the intersection of philanthropy, community engagement, regional development, and the nonprofit sector, developing their potential for cross-sector, collaborative leadership. The result of DRF’s leadership investments has been a more connected, confident, and equity-focused network of leaders across the region: people with stronger relationships, deeper self-awareness, and a renewed commitment to lasting change.

“Increasing leadership capacity has impacted our community in many ways, but most importantly, it has brought more people into decisions and conversations, allowing us to spend more time cultivating our assets and less time focusing on deficits.”

—**Joshua Hearne**

*Program Director and Senior Program Officer
Danville Regional Foundation*

Generating Knowledge



Generating and disseminating research that equips changemakers to make better decisions and take more effective action

Commentary

Foundations have a unique and powerful role to play in advancing social innovation by uncovering, testing, and validating new ways of creating change. Often on the front lines of knowledge creation, foundations use their flexible capital to pilot emerging ideas and fund evaluations that build the evidence base needed for broader public investment. Foundations help de-risk innovation for government, community, and philanthropic partners by collecting and sharing what works and what doesn't. Sharing insights from pilot programs, policy research, or community needs assessments enables other stakeholders to act more strategically and equitably. Foundations can fund research and its application together—shaping questions alongside the practitioners, policymakers, and community members who will act on the findings, and resourcing the work of putting what's learned into practice.

Foundations are also positioned to democratize access to information and to make sure that information is both rigorous and human. From funding tools like County Health Rankings & Roadmaps (used nationwide) to commissioning research that informs narrative change campaigns, foundations help equip nonprofits, policymakers, and communities with actionable qualitative and quantitative data. As Kasi Allen, Vice President of Learning and Impact, Ford Family Foundation, noted, “In systems change, having both the numbers and the narrative is key—you don't move things with just the statistics or just the stories.” The data must be disaggregated by race, income, geography, and other dimensions so the trends don't obscure the varied and distinct experiences of communities most impacted by systemic inequities. Disaggregated data makes disparities visible and points toward more targeted, equitable solutions. Moreover, as the use of generative AI increases, data will be created, interpreted, and deployed at accelerating rates. Foundations can help ensure the social sector responsibly leverages AI, expanding access to actionable insights while managing bias and ethical risks.

Underlying all of this is the question of data infrastructure. Foundations can play a critical role in supporting the research institutions, data systems, and shared platforms that make rigorous, equitable data possible in the first place. As public datasets face risks of erosion or politicization, foundations are well positioned to invest in preserving existing infrastructure and building alternatives where needed, keeping the knowledge base that nonprofits, researchers, and policymakers rely on intact and publicly accessible.

Overall, foundations can support grantees in using data as a tool for learning, storytelling, and collective action. In this way, data becomes more than just measurement; it becomes a catalyst for change.

Implementation Tactics

- **Generate research:** Support academics, community leaders, and grantees to generate data that strengthens the evidence base on key issues, including landscape assessments, participatory research, and narrative change research. Prioritize research that disaggregates data by race, geography, income, and other dimensions, ensuring findings illuminate disparities and point toward equitable solutions.
- **Fund evaluation:** Invest in evaluations of the foundation's own work and support grantees to do the same. Evaluations build a culture of learning and accountability, helping partners identify what is working, what needs to improve, and how to apply those lessons going forward.
- **Mobilize knowledge:** Translate research into actionable tools, training programs, and learning opportunities that help people embed new knowledge into their work. This includes hosting cross-sector convenings and funding accessible formats, such as podcasts, infographics, and social media campaigns, that ensure knowledge reaches practitioners and communities, not just academic audiences.
- **Democratize knowledge:** Ensure nonprofits and community partners have access to data sets, research findings, and analysis tools that are often otherwise out of reach—helping level the playing field and empowering a broader range of stakeholders to act strategically and equitably.
- **Strengthen data infrastructure:** Support the research institutions, university partnerships, and open-access platforms that produce and maintain reliable public knowledge.

Palix Foundation Case Study

The **Palix Foundation** in Alberta, Canada, has invested deeply in generating and mobilizing knowledge. They recognized a critical gap: While research clearly shows that major social challenges like addiction and mental illness can be prevented, attention and funding tend to focus on addressing these issues rather than preventing them. Palix set out to bridge the gap between the science-backed research on prevention and the policies and practices that affect children's brain development, a strategy they call knowledge mobilization.

Their core strategy was to increase understanding of sensitive periods of brain development, particularly how trauma and early experiences shape lifelong outcomes, and connect brain science with policies and practice. They funded cutting-edge brain science research in partnership with Harvard University and University of Oxford, and supported FrameWorks Institute's research on changing narratives about brain development. To mobilize this knowledge, Palix hosted public lectures and cross-sector symposia which brought together professionals across disciplines from health, education, child services, and the justice system to learn and apply brain science in their daily work. They also launched a free online [Brain Story Certification Course](#). Over 163,000 people from 100 countries have enrolled, equipping them with the knowledge necessary to reframe mental models about sensitive periods of brain development and the long-term health outcomes. Palix also developed practical tools like the Resilience Scale to help people embed knowledge at the individual, organizational, and systems levels.

The effects have been significant. Individuals reported being driven to change their behavior because of the new knowledge. They shifted not only how they thought about others but how they viewed themselves, changing their behavior in both personal and professional relationships, including interactions with children. Organizations revised strategic direction, staffing, and programs to embed the Brain Story into practice. Systems-level change followed: Across the health, children's services, justice, and education systems, professionals reported "increasingly seeing parents and children as partners and viewing them with greater compassion, empathy, and agency." Furthermore, the "widespread adoption of common Brain Story concepts (e.g., major metaphors) and language facilitated greater ability to collaborate and partner across organizations and sectors."

This investment in research, dissemination, and evaluation led to concrete policy changes. For example, the Alberta Ministry of Child Services embedded brain development concepts into the province's early learning curriculum, ensuring that all daycare providers are trained in how experiences and relationships shape brain health. Palix's work shows that investments in generating and mobilizing knowledge can shift mindsets, change systems, and create lasting impacts for people and communities.

Shifting Narratives

Changing how society understands problems to unlock new solutions



Commentary

Stories shape reality. They influence how society understands issues like poverty, immigration, and incarceration. By extension, they shape public policy and everyday behavior. Shifting narrative involves identifying existing or emerging narratives, challenging them, and promoting alternative, often more accurate or empowering stories. Through these shifts, foundations can play a role in creating the cultural and political context for lasting social change.

Some narratives have caused lasting harm. For example, the deeply racialized and false “welfare queen” trope, popularized in the 1960s by media and political rhetoric, portrayed Black women as abusing public benefits for personal gain. Though never based in fact, this narrative fueled punitive welfare reform, demonized low-income communities, and entrenched myths of dependency and fraud—none of which came from people actually living in poverty.

At their best, however, narratives can also heal, humanize, and connect. One powerful example is the marriage equality movement, which shifted hearts and minds through a simple but transformative idea: Love is love. Foundations played a critical role in supporting that shift by funding grassroots organizing, coalition building, and broad public education campaigns that centered empathy, dignity, and shared values.

Today’s polarized environment makes narrative work more urgent than ever. People are grappling with the effects of diverging societal stories about the role of government, community responsibility, and human dignity. Additionally, the landscape of narrative formation has fundamentally changed. Traditional media gatekeepers have been replaced by a fractured ecosystem of social media platforms, content creators, and influencers who can rapidly amplify or challenge existing narratives. These new channels simultaneously offer new opportunities for amplifying authentic community voices while creating vulnerabilities to misinformation and disinformation campaigns.

Foundations who understand the narratives around the topics they work on are much more likely to be effective in navigating them. Edward Burger, the president & CEO of St. David's Foundation, shared how critical he sees narratives as being to its success: "There are histories in every community—narratives—that you may or may not be aware of. That history will come up, and if you are not addressing it, it becomes an impediment to moving forward. We've seen instances where narratives from years ago are still coming up, creating huge divisions, and preventing us from moving forward."

When foundations can help play a role in ensuring that communities can tell their own stories, communities gain agency over how their realities are understood and addressed. This makes narrative change work a powerful lever for systemic transformation.

Implementation Tactics

- **Understand current narratives and limiting beliefs:** Fund or conduct focus groups, surveys, and other tools to collect and identify current narratives and limiting beliefs.
- **Test new narratives:** Support organizations to develop and test different messaging framing studies or campaigns.
- **Create new narratives:** Produce or fund stories that challenge harmful narratives and tell new stories for various audiences (e.g., community leaders, other funders, the social sector, the general public, legislators, employers).
- **Amplify unheard voices:** Provide spaces for new voices so that audiences hear perspectives not often heard.
- **Convene stakeholders and create experiences:** Create learning opportunities that will shift mindsets and mental models, which often involves exposure to new people, circumstances, or environments.

“We decided we needed to help our grantees understand how narratives shape their work—especially to help them talk about root causes, rather than placing blame on individuals.”

—**Erin Switalski**
Program Director
Headwaters Foundation

Headwaters Foundation Case Study

In Montana, public assistance programs such as Medicaid and SNAP have long faced widespread misconceptions. In particular, conversations among voters and legislators often reflect an underlying narrative that recipients of public assistance are lazy or abusing the system, taking advantage of taxpayer dollars while refusing to work.

In response, **Headwaters Foundation** set out to shift this narrative through strategic research, storytelling, and capacity building. The foundation funded an economist and several grantees to develop the report [Supporting Our Neighbors: Understanding Who Receives Public Assistance in Montana, For How Long, and Why?](#) The research revealed that most recipients are not people who refuse to work. Of those receiving public assistance, 98% are elderly (over 65 years old), have a disability, or are caring for children. Many recipients rely on assistance for only a short time—most for less than a year.

Alongside the quantitative data, the report also highlighted personal stories of individuals receiving public assistance, helping to make their experiences more relatable. As it turns out, there is no typical public assistance recipient or family. Many kinds of families rely on these programs temporarily, often due to caregiving responsibilities, employment changes, or unexpected financial challenges. As one interview participant said, recipients are “just normal people.”

During the year, Headwaters also funded a coalition of organizations to hire a polling firm to test messaging related to Medicaid expansion in the state. The concept of “supporting our neighbors” emerged as a compelling frame to shift public perception.

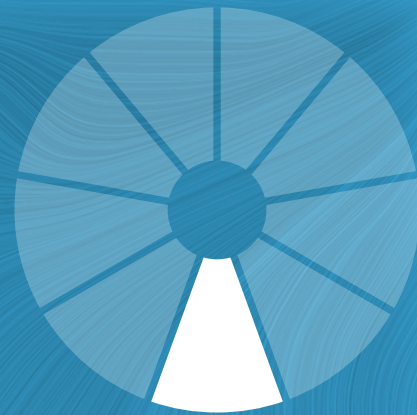
At the start of the legislative session, Headwaters Foundation placed a copy of the report’s executive summary on every legislator’s desk. In addition to producing the report, the foundation funded advocacy organizations and a coalition working to support Medicaid.

During that legislative session, state lawmakers voted to maintain Medicaid expansion rather than allowing it to expire with the end of the federal COVID public health emergency. They even lifted the previous “sunset clause” that required the legislation to be re-evaluated every legislative session.

The Supporting Our Neighbors report illustrates how foundations can generate and share new knowledge to identify and challenge harmful narratives—and, ultimately, to influence policy. By pairing data with real-life stories, Headwaters helped lawmakers see public assistance recipients in a new light, paving the way for informed and compassionate policy decisions.

This success led Headwaters to expand its narrative change efforts. The foundation has since supported grantees in launching their own narrative strategies, including offering action learning labs on [demystifying narrative change](#).

Amplifying Community Power



Fueling grassroots organizing and civic engagement so communities can shape the decisions that affect them most

Commentary

Power, the ability to influence outcomes and direct resources, lies at the heart of systems change. As foundations recognize the limits of more traditional philanthropic approaches that prioritize funding for programs, many are shifting their focus towards building, enabling, and amplifying community power. This means ensuring that people can determine what they want for themselves, their families, and communities and shape the decisions that impact their lives. It also stems from recognition that the communities most impacted by problems are best positioned to identify solutions that reflect their needs.

This shift comes at a critical moment. Globally, communities are navigating declining voter participation, widening economic inequality, political polarization, and ongoing struggles for racial justice and civil rights. Traditional pathways for civic influence, from local journalism to neighborhood organizations, are shrinking and often facing funding cuts. Meanwhile, consolidation of wealth and decision-making power has increased the distance between those affected by policies and those making them. In some places, suppression of free speech, voter roll purges, gerrymandering, and other exclusionary practices further limit participation in public life.

Building community power is about changing *who* makes decisions, not just what decisions get made. While policy advocacy might influence a specific law, power-building creates lasting capacity for communities to organize, set priorities, and influence outcomes on their own terms across multiple issues over time. Foundations that embrace this approach recognize that the people closest to the challenges are the ones with the best solutions, and they should lead the way in designing and driving systems change.

⁵<https://www.idea.int/news/credibility-elections-under-threat-worldwide>

Implementation Tactics

- **Fund community organizing:** Through general operating support, both directly to grassroots groups and through intermediaries, fund organizing that engages people in addressing the issues that impact their lives.
- **Fund voter registration, education, and protection initiatives:** Empower community voices, particularly those communities that have been historically impacted by voter suppression or low civic engagement, to participate in the electoral process and shape electoral outcomes.
- **Advise and connect local organizations:** Support networks of organizations that are engaged in power-building efforts across sectors.
- **Increase political representation:** Fund organizations that train people from underrepresented communities to run for office.
- **Participatory grant making:** Create opportunities for community members to drive funding decisions that shape their communities.
- **Invest in storytelling:** Gather and share stories from community members about challenges and aspirations for their communities. Build capacity for communities to tell their own stories.

“At its best, philanthropy provides a way for excluded people to build the organizing infrastructure to expand power. We need to be willing to confront and understand power”

—**Zeeba Khalili**

*Vice President of Grantmaking & External Affairs
Marguerite Casey Foundation*

Marguerite Casey Foundation *Case Study*

Founded in 2001, the **Marguerite Casey Foundation** operates on a clear conviction: Lasting change requires investing in the leadership and power of communities. Established with resources from Jim Casey, founder of UPS, the foundation has always invested in grassroots organizing, advocacy, and movement building in communities facing deep economic hardship. In 2020, under new leadership, the foundation further sharpened that mission. The foundation committed explicitly to making government work for working families. Today, 100% of its grantmaking goes toward building community power so that people most affected by economic and racial injustice can shape the policies and institutions that govern their lives.

To get there, the foundation provides large, multiyear general operating grants to community organizations engaged in organizing, civic engagement, and policy advocacy. The foundation front-loads these flexible grants to support grant recipient's operating budgets over five years, giving organizations the runway to invest in leadership development, sustain campaigns, and build long-term movement infrastructure.

Through its Public Dollars for Public Good initiative, the foundation funds bold experiments across the country to shift public spending toward areas such as housing, education, and health—and away from private wealth accumulation, policing, and incarceration. It also funds collaborative networks that bring working families together across regions to develop shared policy priorities and push for change at scale. Through its political education programs Common Thread, The MCF Book Club, and Summer School, the foundation is able to engage thousands of participants in imagining what government that truly serves communities could look like.

Beyond grantmaking, the foundation aligns its entire \$800 million endowment with its mission by investing in community development financial institutions and other vehicles that expand capital access for historically excluded communities.

The results are real. For example, The Kansas City Tenants Union, a foundation grantee, has organized renters across Missouri to win legal protections in eviction court, halt evictions during COVID, and coordinate rent strikes that brought landlords to the table.

Cultivating Collaboration



Building and sustaining cross-sector partnerships to solve problems no sector can tackle alone

Commentary

Collaboration has become an essential strategy for funders seeking to drive systemic change. As more foundations shift from supporting isolated programs to addressing complex social challenges like health equity, climate change, and economic justice, they recognize that no single organization can go it alone. These complex challenges demand coordinated action across nonprofits, philanthropy, government, community members, business, and academia. Moments like the COVID-19 pandemic show what's possible when unlikely allies align, offering a glimpse into the power of collective effort, especially in times of crisis. In today's landscape of tightening resources and rising community needs, collaboration helps stakeholders align strategies, avoid duplication, and amplify impact through shared goals, policy work, and systems-level solutions.

But collaboration does not happen on its own. It takes time, trust, and sustained support. It requires dedicated people or teams to guide the work, manage complexity, and keep momentum going. In an increasingly polarized world, collaboration also demands deep relationship-building and the ability to bridge divides. Foundations play a critical role in enabling this work, not just by joining collaborative tables, but by funding the infrastructure that makes them effective, such as staffing, convening, and facilitation.

Across the globe, both large national funders and smaller, regionally focused foundations are stepping up to support collaboration. Community foundations, United Ways, health conversion foundations, and other place-based foundations are taking leadership roles, helping accelerate long-term change on issues that matter most to the communities they serve. As the need for durable, systemic solutions grows, so too must philanthropy's commitment to fostering the collaborative muscle it takes to get there.

Implementation Tactics

- **Convene and catalyze collaboration:** Bring people together to explore shared priorities, define a problem, build a shared vision, and plan a path forward. Fund readiness assessments to determine whether conditions are right for collaboration.
- **Build shared understanding of the problem:** Support research, data analysis, community conversations, or needs assessments that help partners develop a common understanding of the issue. Fund system mapping to identify key players, gaps, and opportunities for alignment.
- **Invest in collaborative infrastructure:** Provide flexible support to enable collaboration, such as paying stipends to community members, funding or hosting backbone staff, serving as a fiscal agent, or offering in-kind support like communications, admin, or office space.
- **Support data and tools for collective learning and action:** Fund shared measurement systems, evaluation efforts, or dashboards to track progress. Invest in collaborative tech platforms that enable coordination, referrals, or shared services.
- **Invest in the collaborative's work:** Support programs, campaigns, and strategies that emerge from the collaborative, whether it's launching a referral system, filling a service gap, running a communications campaign, or advancing policy change.

Interact for Health and bi3 Case Study

Cincinnati-based funders **Interact for Health** and **bi3** brought together 11 other funders to address rising concern about youth mental health in the region. They pooled over \$6.5 million to support youth mental health over 10 years. Together, they worked with youth and community members to create Hopeful Empowered Youth (HEY!), a youth-driven initiative focused on improving mental health and well-being for young people across Greater Cincinnati.

HEY! began with an in-depth needs assessment engaging over 200 stakeholders — among them clinicians, educators, parents, and 60 youth. The assessment identified barriers in both clinical and community settings, including a dearth of culturally relevant care, few supportive connections with peers and adults at school, and, beyond school, limited access to trusted adults and safe spaces. To build on those findings, bi3 and Interact for Health convened over 100 organizations to explore solutions, agree on shared principles, and build momentum for collective action.

Youth leadership has been central from the start. The initiative includes a Youth Fellows Program, engaging youth to shape the initiative's strategy, implementation, and public messaging. Both youth and adults are represented on the executive committee, and youth participate in major hiring decisions, including selection of the executive director. More than merely consulted, young people were engaged as co-creators and co-decision-makers.

With a shared vision and strategy in place, funders and community members formalized the initiative structure. They formed a backbone team to manage day-to-day operations, including coordination

across working groups, communications, and implementation. Interact for Health helped house this infrastructure and continues to serve as a key convener for the initiative.

HEY! has achieved notable early results. The group released a 10-year strategic plan focused on improving youth mental health in three core areas: school environments, access to treatment, and supportive community systems. HEY! launched pilot "Schools of Wellness" in several middle and high schools across the region, using a nationally informed framework to incorporate peer support, mental health education, and family engagement. The initiative recently secured AmeriCorps funding to launch the Greater Cincinnati Youth Mental Health Corps to train and place youth peer supporters with lived experience in community and school settings, nearly doubling the number of certified peer supporters in the state of Ohio. Given the importance of data, HEY! developed a measurement strategy to track progress around social support, agency, and a sense of belonging—indicators prioritized by youth. The upcoming launch of a youth survey will make Cincinnati one of the first regions in the country to measure and track these well-being indicators on a population level. The initiative has also supported student-led events to celebrate World Teen Mental Wellness Day in more than 80 schools, to raise awareness and reduce stigma.

By combining community voice, youth leadership, and funder collaboration, HEY! is a model that is both grounded in local needs and built for long-term impact. The initiative continues to grow, with new partners joining, public awareness increasing, and youth leaders driving the work forward.

Organizing Funders



Multiplying impact by aligning peer funders around shared priorities

Commentary

Given today's complex challenges, many foundations are recognizing that their influence can extend beyond their own grantmaking. By shaping the priorities, practices, and strategies of other funders, they can amplify their impact and help accelerate change. Peer-to-peer influence is particularly powerful in philanthropy; research from the Hewlett Foundation found that 80% of foundation staff use peers outside their organization (i.e., peer funders) as a source of practice knowledge.⁶ Foundations are more likely to adopt new approaches when they see trusted peers doing so. This includes encouraging other funders to shift their focus to underfunded issues, adopt more equitable and trust-based practices, or increase their payout beyond the legal minimum. Some also play a catalytic role by encouraging others to pool resources, a funding approach that has grown significantly, with over 500 pooled funds now in operation globally.⁷

There are several reasons why influencing fellow funders is both strategic and effective. When foundations align their efforts, particularly in specific geographies or around a shared issue, they can reduce duplication, coordinate investments, and distribute resources more efficiently. It also benefits grantees, who often face fewer burdens when applying to a centralized fund or dealing with streamlined reporting processes. In many cases, collaborative funding allows foundations to unlock new capabilities through shared infrastructure, expertise, or networks. And importantly, when multiple funders act together, their collective momentum can increase commitment and make their efforts more sustainable.

Ultimately, influencing other funders isn't just about expanding reach; it's about creating alignment around long-term goals and systemic change. By encouraging their peers to think differently, invest differently, and act in coordination, foundations can help shift the broader funding landscape toward approaches that are more impactful, sustainable, and equitable.

⁶<https://hewlett.org/wp-content/uploads/2021/06/Funders-Seek-Knowledge-Report.pdf>

⁷<https://ssir.org/articles/entry/learning-from-collaborative-funding>

Implementation Tactics

- **Participate in or lead communities of practice:** Actively participate in funder roundtables, funder networks, and regional philanthropic associations.
- **Engage in field building:** Host events, webinars, or panels to share insights and spark discussion around new funding strategies or trends in the sector.
- **Provide technical support and coaching:** Provide dedicated 1:1 support or coaching to other foundations to help them strengthen their strategies, processes, and impact.
- **Offer matching and challenge grants:** Offer matching funds or challenge grants to incentivize other foundations to contribute to priority initiatives or causes.
- **Pool funding:** Collaborate with intermediaries to pool resources and strategically fund issues using shared staffing and expertise.

“As with other complex or wicked problems, there’s no single solution to the local news crisis—one foundation’s strategies aren’t enough. Addressing this systems challenge requires philanthropy to seed innovation, learn quickly, build on each other’s strategies, and speak with one voice. Press Forward itself only came about through the combination of three strategies: Democracy Fund’s long-term work on news ecosystems, Knight Foundation’s efforts to help community foundations see the need for local news support, and MacArthur Foundation’s approach to big bets.”

—**Dale Robinson Anglin**
Director of Press Forward

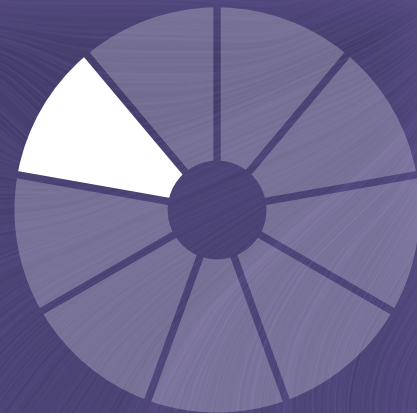
Press Forward *Case Study*

Press Forward, a national philanthropic initiative, is reimagining local journalism through one of the largest collective investments in the field—over \$500 million committed over five years. But its impact goes far beyond dollars. Launched by over 20 national funders including the Knight Foundation, MacArthur Foundation, and Robert Wood Johnson Foundation, Press Forward aims to transform how philanthropy understands and supports local news. For many foundations, journalism hasn't been seen as core to their work in topics like health or education. Press Forward is changing that mindset by making a compelling case: Access to reliable local news is foundational to all systems, from public health to civic engagement.

Through shared messaging, co-funding opportunities, and strategic framing, Press Forward is helping funders see local journalism as a cross-cutting, systems-level priority. Their materials link the decline of local news to broader societal issues that funders are already working to address, like misinformation, low voter turnout, and reduced government accountability. Press Forward also supports local chapters in 36 states that serve as collaborative hubs for regional and community foundations. These chapters help translate national investments into local impact and offer an on-ramp for funders who are new to journalism.

By working together, national funders are unlocking influence and impact they couldn't have achieved alone. They're helping local foundations secure internal buy-in, aligning funding around shared goals, and investing in shared infrastructure for the entire local media ecosystem. Most importantly, they are modeling a more collaborative, flexible, and field-building approach to philanthropy—one that expands the pool of funders supporting local journalism and strengthens the civic fabric of communities nationwide.

Shaping Markets



Strategically shifting market dynamics to achieve more equitable access to products, services, and capital

Commentary

More foundations are realizing that to create long-term, systemic change, they need to reshape markets. Markets affect nearly every part of daily life: They determine which neighborhoods have grocery stores, who can afford housing, what kinds of childcare are available, and who can access health care and other basic needs. When markets work well, they spark innovation, scale up effective solutions, and improve quality of life. But when they fail, markets can reinforce inequity, leave out entire communities, stymie effective interventions, and do real harm.

To help fix these failures, foundations are testing a variety of powerful ways to influence how markets function. For instance, some are helping set or shift industry standards by bringing companies together to adopt shared goals for cleaner supply chains or better labor practices. Others are supporting mission-driven entrepreneurs who address social and environmental issues while pursuing profits. Still others are engaging consumers to help end harmful market practices like predatory lending or the use of unsafe chemicals in consumer products. Lastly, some foundations are channeling their own and others' investments to help bring environmentally sustainable or socially beneficial products to market that might otherwise struggle to compete. These strategies show up across sectors, from redesigning the food system to expanding access to childcare, clean energy, and safe cosmetics. Foundations are demonstrating that markets can serve the public good, not just profit, and can be designed to promote equity, sustainability, and public health.

An increasingly common way foundations are aiming to shape markets is by influencing capital flows in a selected system: who gets investments and loans. Traditionally, foundations kept a strict divide between their endowments (where most of their wealth sits and is invested to generate returns) and their grantmaking (US law requires private foundations to distribute at least 5% of assets annually). But that's changing. Many foundations now view their entire endowment as a tool for social change, deploying new asset classes beyond traditional grants from their programmatic arms. They're making mission-related investments (MRIs) that aim to deliver both financial returns and positive social outcomes. They're also using environmental, social, and governance (ESG) screens to make more responsible investment decisions. Some are offering catalytic capital—flexible, below-market, or risk-tolerant funding that helps get transformative projects off the ground.

For example, a foundation might guarantee a loan to make affordable housing less risky for lenders or provide early capital to launch a community-owned solar project. The Gates Foundation famously helped reshape drug and vaccine markets by guaranteeing demand, de-risking development and attracting private investment. These early, strategic investments can unlock much larger pools of funding capital from banks, investors, and public agencies that would otherwise stay on the sidelines.

By using all the tools at their disposal—multiple capital levers and asset classes, consumer influence, support for entrepreneurs, and creating public goods like industry standards—foundations can shape markets to work better for everyone. This approach can expand access to essential goods and services, shift entire industries, and move money toward community-led solutions. When foundations influence markets and capital flows, they don't just respond to problems; they help redesign the systems that create them.

Implementation Tactics

- **Align endowment:** Align endowments with socially responsible investing principles (i.e., disinvest from companies and investments that run counter to the foundation's social and environmental goals).
- **Conduct market system mapping** to identify gaps and barriers to address.
- **Make program-related investments:** Make investments aligned with programmatic areas, including loans, equity investments, and venture capital, to ensure capital reaches those bringing forward innovative solutions to current and future inequities (e.g., lending to historically excluded small business owners or investing in early-stage climate ventures).
- **Operate incubators and/or accelerators** to support social entrepreneurs.
- **Engage consumers:** Lift up perspectives from consumers on perceived gaps in existing markets and opportunities for new markets to inform investment opportunities.
- **Convene companies, consumers, and policymakers:** Convene stakeholders to jointly align on, set, shape, and shift industry goals, standards, or policies to address barriers and create more inclusive and equitable outcomes.

Passport Foundation *Case Study*

Passport Foundation is transforming how we confront toxic chemical pollution by shifting market demand, strengthening regulations, and accelerating industry innovation. With a strategic focus on environmental health, the foundation backs advocacy, research, and grassroots efforts that expose chemical threats (like PFAS and endocrine disruptors) and drive change from multiple angles.

In a global system where more than 350,000 chemicals are produced and used with little oversight, Passport is flipping the script. Its grantees work to change consumer demand, building public awareness of how toxic exposures affect daily life and mobilizing people to push for safer products. At the same time, Passport invests in science-based policy advocacy and litigation strategies that target regulatory gaps, increase accountability, and strengthen health protections.

The foundation also supports efforts to raise industry standards by working directly with manufacturers and retailers to eliminate harmful substances from supply chains. These strategies not only reduce exposure but also demonstrate what a healthier, circular economy could look like, one where plastics and chemicals no longer come at the expense of human health.

Since its launch, Passport has backed influential partners like Earthjustice, the Natural Resources Defense Council, and Safer States. Their work has contributed to federal and state-level policy wins, corporate reform, and increased investment in non-toxic alternatives. By coordinating efforts across science, advocacy, and consumer power, Passport is proving that a cleaner, safer future isn't just possible—it's already in progress.

Children's Investment Fund Foundation *Case Study*

In India, women's participation in the labor market remains one of the most persistent barriers to inclusive economic growth. In 2019, only 27% of women were part of the workforce, even though one in three non-working women expressed an interest in employment. Recognizing both the challenge and opportunity this gap represented, the **Children's Investment Fund Foundation (CIFF)** launched the Growing Livelihood Opportunities for Women (GLOW) initiative in 2020 to increase employment of women from low-income households and drive more inclusive hiring practices among companies.

With support from FSG's Inclusive Markets India team, CIFF began by listening. The team interviewed more than 2,300 women across 14 states to understand their beliefs, aspirations, and experiences, as well as the barriers they faced in entering or remaining in the workforce. Insights from these conversations revealed structural and cultural barriers, from safety concerns to employer biases and male-oriented recruitment channels.

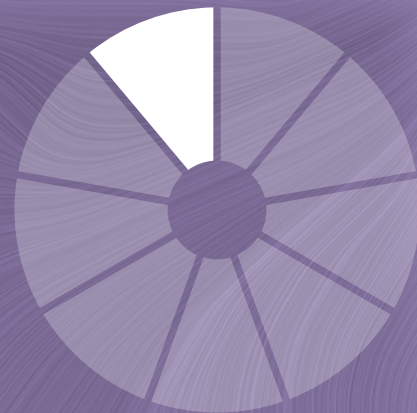
Using these insights, CIFF and FSG partnered with more than 20 companies to co-design solutions that make workplaces more accessible and equitable for women. Together, they identified barriers to hiring, brainstormed practical ways to address them, and tested new approaches through pilots. Successful pilots were then scaled across companies, locations, and job roles. Proven practices were documented and shared broadly to encourage adoption by other employers, helping to shift industry norms beyond the initial group of partners.

Early results have been promising. Participating companies have seen a measurable increase in women's employment, contributing to a 6% rise in overall labor force participation (from 27% to 33%) and enabling approximately 150,000 additional women to secure jobs.

By combining deep worker insights with company partnerships and a focus on learning and scale, CIFF's GLOW initiative is helping to create a more gender-diverse and inclusive labor market in India, demonstrating how philanthropy can catalyze systemic change in employment practices.

Advocating for Policy Change

Influencing policies, rules, and regulations that impact key issues

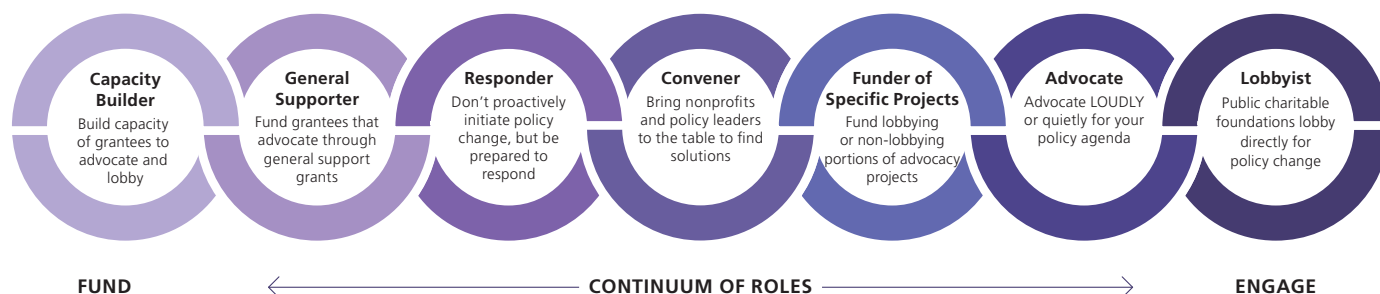


Commentary

As funders seek to address problems sustainably and at scale, many have recognized the need to shift local, state, and national policies, laws, rules, and regulations. Despite common misconceptions, foundations have a wide range of tools at their disposal when it comes to policy advocacy. While private foundations cannot legally engage in lobbying, fund lobbying, or make campaign contributions, all foundations can engage in activities such as supporting public awareness, funding policy research, convening nonprofits and policy leaders, and amplifying the voices and leadership of those closest to the challenges. They can also support 501(c)(4) organizations or policy-focused initiatives. Public foundations, such as community foundations, have even more flexibility to lobby directly for policy change.

The Alliance for Justice's *Philanthropy Advocacy Playbook* outlines the full spectrum of ways foundations can advance equity by advocating for policy change. Whether it's raising awareness about specific issues, amplifying stories, or using a foundation's convening power to bring relevant stakeholders to the table, the policy toolkit is rich—and largely accessible to any foundation willing to use it.

FIGURE 2: THE FULL SPECTRUM OF WAYS FOUNDATIONS CAN ADVANCE POLICY⁸



⁸Source: Bolder Advocacy, a program of Alliance for Justice (available at <https://bi3.org/engaging-in-policy-advocacy>).

Implementation Tactics

- **Raise awareness:** Fund creation or dissemination of research on the implications of a particular policy or on options to address a challenge, sharing information with decision makers and community members.
- **Identify policy barriers:** Analyze systemic barriers across grantees to pinpoint where policy change could drive the greatest impact.
- **Support advocacy organizations:** Directly fund advocacy organizations through general operating grants.
- **Forge public-private partnerships:** Partner with public sector organizations to create funding opportunities that drive shared goals and amplify impact or provide the matching funds some government grants require before payout.
- **Convene stakeholders:** Host convenings with key stakeholders, including legislators, community members, nonprofits, and advocates, to facilitate discussion about challenges and practical solutions.
- **Leverage communication platform:** Use the foundation's voice to advocate for or respond to policies that impact communities through writing, outreach, communications campaigns, and events.
- **Build capacity for service delivery organizations:** Support the development of advocacy capacity so service delivery organizations can leverage their experience providing resources for communities to influence policy or systems change (e.g., a food bank can share stories and data with policymakers to impact SNAP or other food access-related policies).
- **Serve as a subject-matter expert:** Develop relationships with local and state officials to educate and influence them on specific issues.
- **Create 501(c)(4) structures:** Form an advocacy arm that can advocate for or against specific legislation or ballot measures.

“I think the most powerful tool that philanthropy overlooks is advocacy, which has been underutilized for decades. Philanthropy needs to elevate its voice in this political environment that we’re in, and ensure that the communities they’re working in do not lose their voice. My challenge to other funders is to step up and use your voice to drive real change”

—Jill Miller

President and CEO

bi3 Fund and author of Infant Mortality and Other Wicked Problems

bi3 Fund Case Study

The **bi3 Fund (bi3)** is a health-focused philanthropic initiative that serves Greater Cincinnati and drives systems change in maternal and young child health, mental health, and well-being. To help inform policy, the organization supports its grantees not only with funding, but with advocacy tools, communications support, evaluation partners, and connections to state and local policymakers. These resources help partners move beyond direct service to address the root causes of health inequities.

bi3 has adopted a trust-based approach to grantmaking that includes listening to grantees and asking about the barriers they face. For example, after fueling a regional coalition to reduce infant mortality, bi3 learned from TriHealth ob-gyns that expecting mothers with Ohio Medicaid coverage were losing this coverage just 60 days after birth, long before many serious complications like depression, hypertension, and heart conditions arise. This sudden loss of care created dangerous gaps that put both mothers and babies at risk—especially Black women, who already face higher rates of maternal mortality. In response, bi3 partnered with Groundwork Ohio to provide seed funding to establish Groundwork Ohio’s Center for Maternal and Young Child Health, with a portion of the budget allocated to advocate for expanding Medicaid coverage for moms. The resulting 18-month campaign played a key role in successfully extending Medicaid postpartum coverage from 60 days to 12 months, a change expected to benefit 21,000 mothers annually.⁹

bi3 understands policy is local and that those with lived experience have the solutions to the problems being addressed. Black women who face the most significant birth disparities said they needed a community of support to relax, repower, and take care of themselves and each other, so bi3 funded the creation of Queens Village, today one thousand women strong. Queens Village participants shared what they felt was needed to improve birth outcomes, including more information about how hospitals were working to improve care before, during, and after birth, so women can choose the birthing hospital right for them and their babies. With grant funding from bi3, the women of Queens Village created Mama Certified to improve hospital practice and policies that lead to better maternal and infant care. Mama Certified is an equity certification for Cincinnati birthing hospitals that brings transparency to racial inequities in maternal care. Hospitals now report disaggregated birth outcomes and are rated based on how equitably they serve Black women. These tools help community leaders advocate for change and hold systems accountable.

As part of its trust-based approach, bi3 listens closely to its partners and uses what it learns to create its statewide policy agendas. In doing so, bi3 ensures its advocacy is shaped by those most affected and grounded in lived experience.

⁹Miller, Jill Haubner, and Meredith C. Smith. *Infant Mortality and Other Wicked Problems: A Community-Driven Approach to Creating Change*. bi3 Publishing, 2025.

The Anne and Henry Zarrow Foundation *Case Study*

The Anne and Henry Zarrow Foundation is a philanthropic organization in Oklahoma that supports initiatives to alleviate hunger and homelessness, expand access to housing, and improve health care and mental health care access in the community. In 2018, a study revealed that Tulsans living with mental illness and substance use disorders died on average 27 years earlier than other Oklahomans. The study also demonstrated that Oklahoma lacked the data infrastructure needed to drive meaningful mental health policy improvement. In response, the foundation provided initial funding in 2019 to launch the Healthy Minds Policy Initiative, whose mission is to help policymakers and community leaders advance data-driven strategies to address Oklahoma's substance-use challenges and mental health needs.

Healthy Minds supports its partners with a range of tools including original research, policy analysis, legislative consultation, and data modeling. These resources enable nonprofit leaders, state agencies, and legislators to craft and advocate for evidence-based, pragmatic policies tailored to Oklahoma's unique context.

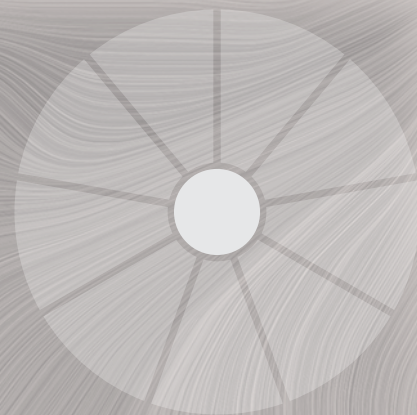
For example, Healthy Minds has helped pass 12 pieces of legislation improving mental health insurance coverage, reducing criminalization of mental illness, expanding access to care, and strengthening workforce development. Since its launch, Healthy Minds has published over 60 research reports and helped unlock \$77.5 million in new public funding. The initiative estimates it has directly impacted more than 860,000 Oklahomans and delivered an 8:1 return on philanthropic investment by catalyzing public resources.

Healthy Minds also fosters collaboration by providing nonprofits and government agencies with tools they could not otherwise afford, such as cost-benefit modeling, policy tracking, and communications support. Through these efforts, The Anne and Henry Zarrow Foundation and Healthy Minds continue to advance policies that improve mental health outcomes and create a more equitable and sustainable system.¹⁰

¹⁰<https://www.healthymindspolicy.org/about>

Being the Change

Operating with intention and humility, using power responsibly, and listening deeply



Commentary

The final approach to systems change is less about *what* foundations do and more about how they do it. Nearly every conversation we had surfaced the importance of internal culture and practices in determining a foundation's ability to be successful with the other approaches. As Brenda Solórzano, CEO of The California Endowment, put it, "Funders can fund all these things, but the bigger question is: how do we *be*?" This reflection points to the deeper work of aligning values, behaviors, and decision-making structures with a foundation's mission and with the communities it seeks to serve. In times of increasing pressure and uncertainty for nonprofits, how foundations operate—how they show up, make decisions, and engage in relationships—matters more than ever. Doing this well involves two key responsibilities.

First, foundations must make sure that grantees and community members are heard and that decisions are informed by those most directly impacted by the issues. Proximity and humility are essential. Practical frameworks for reimagining relationships between funders and grantees—moving from transactional to relational, from gatekeeping to shared power—are increasingly available to foundations seeking to do this work well.¹¹

Second, foundations must not relinquish their unique responsibility to use their voice and influence. They have a distinct ability to take risks, access decision-makers, and serve as connectors between grassroots communities and systems leaders. As Kendra Witt Doyle of the Blue Cross Blue Shield of Idaho Foundation for Health explained, "Funders need to straddle the line between building relationships with those in power and shifting power to those most impacted. You need to start with listening and understanding community needs and then focus on connecting those most impacted to system leaders. This is the funder's role, and many donors don't understand this."

¹¹Organizations including the Trust-Based Philanthropy Project, the Fund for Shared Insight, and Grantmakers for Effective Organizations (GEO) offer resources and frameworks for community-driven and trust-based philanthropic practice.

Foundations must be mindful and intentional in how they use power, knowing when to lead and when to step back. As Carly Hare, CEO of Headwaters Foundation, reminds us, “Foundations can make two mistakes: being overly controlling or too hands-off and abdicating the responsibility that comes with their resources and positioning.” Like inhaling and exhaling, balancing deep listening (inhaling) with influence (exhaling) is essential to advancing real and lasting systems change.

Implementation Tactics

- **Bridge communities and power structures:** Connect community members directly with policymakers, funders, and system leaders. Host joint convenings, support community advisory boards, and amplify people with lived experiences in decision-making spaces.
- **Connect decision-making and lived experience:** Adopt trust-based practices that allow those closest to the problems to inform solutions. Hire staff and board members with lived experience and deep familiarity with community challenges.
- **Amplify partner voices:** Use the foundation’s voice and platform to showcase grantee partners’ work.
- **Increase access to grants:** Create open calls for grants, factor organization size into selection, and make larger and longer general operating support grants.
- **Use the foundation’s bully pulpit:** Look for opportunities to use the foundation’s voice to weigh in on key issues, particularly to show support for grantees’ positions.
- **Respect grantees’ time:** Reduce unhelpful application burdens and reporting requirements.

Ford Family Foundation *Case Study*

The **Ford Family Foundation** demonstrates how a foundation's internal practices can advance meaningful systems change by balancing two essential responsibilities: deep listening and strategic influence.

Through its field coordinator strategy, launched in 2016, the foundation hires staff who live and work directly within rural communities across Oregon and Northern California. These coordinators are not grantmakers but trusted listeners and relationship builders. Their role is to surface local insights, understand lived experience, help communities articulate their priorities, and catalyze local action. As one field coordinator explained, "The farther you are geographically from the place you're trying to shift or build the system, you are going to struggle. You have to have a mechanism to be on the ground."

This proximity-centered approach is built so that community wisdom guides strategy. At the same time, the foundation exercises judgment about how to use its voice and influence. The foundation weighs what coordinators bring forward against its mission of supporting rural people and places. Listening does not mean relinquishing responsibility.

The value of this dual role became especially clear during Oregon's catastrophic 2020 wildfires, which destroyed more than 4,000 homes and burned over 1.2 million acres. Field coordinators rapidly identified emerging community needs and shared them with the foundation. Guided by those insights, the foundation mobilized its voice and influence to coordinate resources. It helped create the Oregon Disaster Funders Network, bringing together more than 35 philanthropic organizations to provide a single entry point for communities to share needs and align funder support across immediate relief and long-term recovery. The Network is now the statewide infrastructure for coordinating public and private disaster resources. Recognizing the foundation's deep understanding of community needs, the state invited it to serve as the sole philanthropic representative on the Governor's Wildfire Economic Recovery Council.

The 2020 wildfire response demonstrates how foundations play a uniquely impactful role when they are deeply rooted in understanding community needs and use their voice to ensure those needs shape decisions. The Ford Family Foundation leveraged its platform not to dictate direction but to amplify local realities and better serve rural communities during crisis.

Putting It All Together

Most foundations use a combination of approaches to create systems change. But when a foundation invests deeply in one issue, it can bring all 10 strategies together to transform a system. The **Conrad N. Hilton Foundation's** investment in Fair Futures, a cross-sector coalition and philanthropic collaborative focused on foster youth in New York City, shows what it looks like to use the full funder's palette to create lasting change.

In 2018, a report revealed a deep systemic challenge: only **20%** of NYC foster youth graduated from high school by age 21, compared with about **65%** nationally and **80%–90%** of non-foster youth. Even more concerning, **1 in 5** became homeless within three years of aging out. The Hilton Foundation played a pivotal role in catalyzing a coordinated response to change these outcomes.

Strengthening Organizations: The Foundation has long funded foster care agencies developing promising programs to improve education outcomes. Some achieved graduation rates near 90%, but results varied across the system. The key insight: individualized coaching improved youth outcomes, especially when extended to age 26 instead of stopping at 21. The challenge became how to scale this across the system. Hilton funded the research and development of the Fair Futures model, which provides 1:1 coaching, tutoring, and robust academic, career, housing, and life-skills support for youth from 6th grade through age 26.

Organizing Funders: The Hilton Foundation convened six philanthropic partners to form the Foster Care Excellence Fund, pooling resources and aligning strategies to improve outcomes for foster youth. This collaborative model not only increased funding capacity but also established shared accountability for systems-level goals.

Cultivating Collaboration: Together, these funders helped launch a coalition of 100+ organizations—youth, foster care agencies, government, and experts—forming the largest foster care collaboration in the country. The Hilton Foundation and peer funders joined the steering committee and helped fund a backbone team to sustain coordination.

Amplifying Community Power: The Hilton Foundation and its partners centered youth voice by funding a full-time youth leader with lived experience in foster care to build a youth advisory board. The board members received advocacy training, policy consulting, and communications support to shape the campaign and join the steering committee. Youth leaders began meeting with elected officials and agency leaders, presenting data, and leading advocacy, shifting decision-making power to those most familiar with the challenges.

Shifting Narratives: To change public perception, the funders supported communications specialists to reframe how foster youth were portrayed, highlighting resilience and leadership rather than deficits. Working with the youth advisory board, they generated dozens of stories across media platforms. Over time, this helped build public and policymaker support for the Fair Futures model.

Advocating for Policy Change: As a result of these collective efforts, New York City began to fund Fair Futures, making it the first city in the nation to fund supports for youth exiting foster care up to age 26. (Sustained public funding grew to \$53 million per year in 2026.) In 2022, the city's child welfare agency expanded the model to include young people involved in the juvenile justice system, reaching over 4,700 youth ages 11 through 26 each year.

Developing Leaders: The Hilton Foundation and its funding partners invested in leadership development across all 25 foster care agencies, which supported hundreds of Fair Futures coaches and staff with trainings, workshops, coaching, and peer learning communities. They also funded a community-wide strategic planning process, which led to the launch of a nonprofit with 20+ full-time staff to sustain the model's implementation and professional development supports.

Generating Knowledge: To strengthen the case for public investment, the Hilton Foundation and partners commissioned Chapin Hall at the University of Chicago to evaluate the Fair Futures model. The rigorous study confirmed that individualized coaching had a statistically significant impact on high school persistence and graduation.

Shaping Markets: Building on Fair Futures' success, the Hilton Foundation tackled the next youth-identified barrier: housing. The Foundation helped create an investment fund to attract private capital for developing affordable, quality housing for youth leaving foster care. Working with public and private partners, the Foundation supported a youth-led plan to reserve 800 housing units over five years, strategically shifting market dynamics to ensure equitable access to stable housing in desirable neighborhoods.

Being the Change: Throughout the initiative, the Hilton Foundation showed up as a thought partner, consistently balancing its influence with deep listening and humility. It centered young people's visions and stayed engaged over time, using their influence to elevate community priorities and push for accountability.

In just seven years, NYC has seen measurable systems change:

- High school graduation rates for foster youth doubled (25%–50%).
- Postsecondary engagement quadrupled.
- Homelessness among foster youth declined.

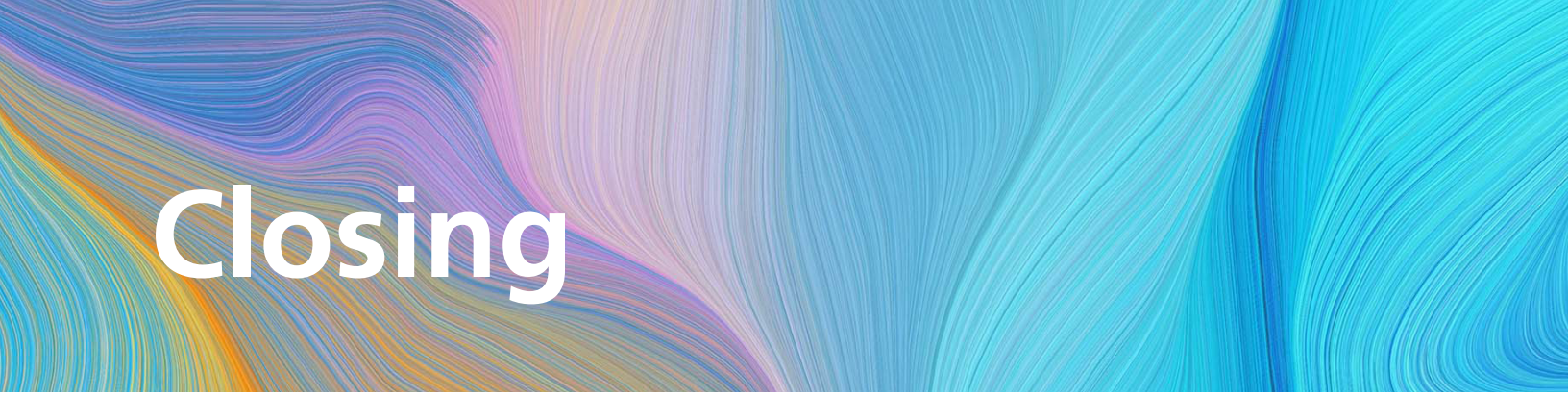
The funder collaborative's \$5 million initial investment helped leverage over \$100 million in public funding during that period and secured \$53 million annually in sustained support.

The Hilton Foundation didn't just fund programs; it helped build a movement rooted in the belief that every young person in foster care deserves individualized support on their journey to adulthood and a voice in shaping the systems around them.

“True systems change isn't linear. The Hilton Foundation and its partners led early, centered youth voices, adapted continuously, and used every philanthropic tool in partnership with the community—transforming outcomes for thousands of NYC youth.”

—Katie Napolitano

Co-founder and former Backbone Leader of Fair Futures



Closing

This is a moment of possibility for philanthropy. Foundations are testing new roles, building new muscles, and expanding what it means to create change. The ten approaches outlined in this paper are already being used by peers across the field—not as a checklist, but a palette of tools to be adapted, combined, and tailored to the needs of specific communities and contexts.

If you're wondering what comes next, we invite you to start with a simple self-assessment. Which of these approaches are you already using? Where might you go deeper? What capabilities would you need to build? Who could you partner with or learn from?

We hope this framework helps you think differently about what's possible—and more importantly, about how your foundation can show up in ways that are strategic, responsive, and grounded in the realities of those most impacted. Philanthropy's role is evolving. Let's evolve with it.

Methodology & Acknowledgements

This paper was informed by FSG's 25 years of work in the philanthropic field. In writing this report, we asked our colleagues and partners about the most inspiring recent examples of advancing systems change, and what most enabled those changes. We conducted interviews with more than 20 foundation leaders who are tackling systems change about the tools they used to create impact. We would like to thank our colleagues and the following individuals who graciously offered time and contributed expertise, examples, and insight to help shape this report:

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About the Authors



Abigail (Abi) Ridgway, MBA, MPH is a Managing Director at FSG and leader of the firm's US Health Practice, bringing over 15 years of experience helping foundations develop strategy, conduct evaluations, and build the cross-sector coalitions needed to drive lasting change. She has partnered with national and place-based foundations alike, including the Robert Wood Johnson Foundation, Commonwealth Fund, California Health Care Foundation, Missouri Foundation for Health, Interact for Health, and Kaiser Permanente on some of the most complex health challenges facing communities today, from youth mental health and childhood asthma to diabetes prevention and health equity. Among her signature accomplishments, she developed a statewide ACEs framework that led to the creation of a first-of-its-kind Office of Resilience, launched a childhood asthma coalition in Dallas

that reduced emergency room visits by 50%, developed a shared measurement system and peer learning cohort to advance mental health in high risk communities in the mountain west, and facilitated the development of a 10-year behavioral health strategy co-funded by 14 foundations in Cincinnati.

Before joining FSG, Abi held consulting and analytical roles across the health sector, including strategy work at McKinsey & Company, health policy research at Harvard's T.H. Chan School of Public Health, and operations improvement at Kaiser Permanente. She also served as a Fulbright Scholar in Mexico, leading a search for innovative social entrepreneurs across seven countries. Abi holds a Master's in Business Administration and a Master's in Public Health from UC Berkeley, and a Bachelor's degree, magna cum laude, in Economics from Dartmouth College. She is a frequent speaker at national convenings and a published author, including FSG's *Being the Change*, a seminal study on how foundations are evolving their internal practices to match their ambitions.



Miya Cain, MPP is an Associate Director at FSG, a nonprofit consulting firm focused on advancing equitable systems change. She brings over a decade of experience helping foundations develop strategy and build the cross-sector coalitions needed to drive lasting change. She works at the intersection of health equity, community organizing, and field-building, partnering with national and place-based foundations including the Hogg Foundation for Mental Health, Robert Wood Johnson Foundation, Interact for Health, and BlueCross BlueShield of South Carolina Foundation.

Miya helped develop and launch HEY! Greater Cincinnati, a collective impact initiative engaging 200+ leaders from over 115 youth-serving organizations, 25 youth fellows, and 13 funders to address youth mental health across 12 counties. She partnered with UCSF and the San Francisco Department of Public Health to develop the Expecting Justice initiative, supporting Black and Pacific Islander mothers as leaders in eliminating racial disparities in birth outcomes. She also helped build the Teton Behavioral Health Alliance, a cross-sector behavioral health strategy co-funded by multiple foundations across the mountain west.

Beyond her client work, Miya trains hundreds of community leaders nationwide—from youth to educators to elected officials—through the Leading Change Network, and has taught Public Narrative at Harvard Kennedy School under Professor Marshall Ganz. She serves on the board of HEAL Trafficking and is a 2026 recipient of the Boston Congress of Public Health 40 Under 40 Public Health Catalyst Award. Her publications include FSG's *Being the Change* and *Healthy Birth Outcomes through Cross-Sector Collaboration*.

Before joining FSG, Miya served as a political appointee in the Obama Administration at the Department of Health and Human Services and the White House Office of the Vice President, and as a first-class Global Health Corps fellow with Partners in Health in rural Rwanda. She holds a BA in Psychology-Behavioral Neuroscience from Yale University and an MPP from Harvard Kennedy School.

