



REIMAGINING SOCIAL CHANGE

A photograph of three children playing with a large orange hula hoop in a grassy field under a bright blue sky. A young girl with long dark hair, wearing a green and white striped dress, is in the center, smiling and holding the hoop. To her left, a boy with blonde hair in a yellow shirt is also holding the hoop. To her right, a girl with curly hair in a white shirt is looking down at the hoop. The scene is bright and sunny, with the sun visible in the upper right corner.

2021 Annual Report

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ABOUT FSG

FSG is a global, nonprofit consulting firm that partners with foundations and corporations to create equitable systems change. Through customized consulting services, innovative thought leadership, and learning communities, we're working to create a world where everyone can live up to their full potential.

We believe real change requires an expert understanding of systems. As advisors and facilitators who blend rigorous data analysis with empathy, we are comfortable working in complex environments with clients, partners, and community members. We share the insights from our work on topics that range from equity and shaping markets to strategy, learning, and evaluation.

With our partners, we develop initiatives and grant-funded programs to put some of those insights into practice. These efforts include Talent Rewire (engaging employers for equitable economic mobility), GLOW (empowering women in India), PIPE (supporting activity-based learning in India), the Shared Value Initiative, and the Collective Impact Forum.

Learn more at www.fsg.org.



Dear colleagues,

2021 was the sort of year that marks a shift in how we view the world. In light of the factors that will increase inequity—especially the continuing erosion of democracy and increasing threat of rapid climate change—it's more important than ever to accelerate our work to build a better future for everyone, not just the lucky few.

And progress is being made. For example, our Mumbai office's partnership with the Uganda Sanitation for Health Activity has increased access to basic sanitation for some 350,000 Ugandans and will continue to grow, thanks to the partnership's reliance on market forces to create social impact.

But much more needs to be done. In conversations with clients and partners, we sense a genuine alignment on the need to change our systems. The question is how.

First, we believe that equitable systems change requires reflection and reckoning.

Second, progress requires expanding the scope of your efforts, intentionally looking at issues through an equity lens.

Third, regardless of the impact you seek to make, your efforts to change a system need to be based on trust.

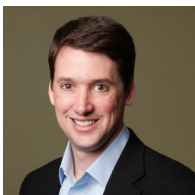
The challenges our communities face are daunting, and it will take sustained and combined efforts to create equitable systems change. As we look ahead to 2022, we'll be working with partners on topics such as:

- developing corporate racial equity standards,
- creating a biopharma cohort to embed health equity, and
- increasing socioeconomic mobility.

We know that reflection, applying an equity lens, and building trust aren't easy. We spent 2021 evolving our traditional management structure to include a global steering committee that brings a greater diversity of voices to the leadership of the firm. It's a move that was rooted in honest and often challenging internal conversations about equity, power, and trust.

In 2022, we'll continue to evolve FSG as we adapt to new work conditions, new expectations for worker experience and voice, and new ways to create social impact.

Sincerely,
Greg Hills, CEO





OUR VALUES

FSG's organizational values guide our work in many ways—helping drive decisions about whom to partner with and hire, informing the strategies and purposes of our work, and reminding us that how we act influences our individual experience and the experiences of those around us.

Our values apply to all aspects of our work, representing how we are at our best with each other, our clients, our partners, and with external stakeholders with whom our work intersects.



STAFF HIGHLIGHTS

FSG consists of 160 staff in 5 offices on 3 continents. Our team represents diverse backgrounds but holds a common spirit of optimism and sense of urgency about social change.

New to our leadership:



Chirlie Felix, Managing Director

Chirlie Felix is a social sector leader, strategist, convener, and bridge builder focused on helping philanthropic and private sector clients grow their JEDI (justice, equity, diversity, and inclusion) efforts and scale their social impact. As a managing director, Chirlie supports corporate and philanthropic clients on educational equity, corporate social responsibility, strategic planning, organizational development, and community engagement.



Jennifer Cooperman, CFO

Jennifer Cooperman has always been interested in using finance to help organizations run more effectively and achieve their strategic goals. As chief financial officer and a member of FSG's leadership, Jennifer serves as a strategic thought leader, problem-solver, planner, and facilitator for the organization. She is responsible for leading FSG's finance, accounting, IT, and facilities teams and operations.

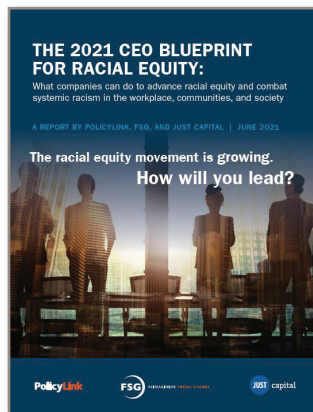


Shumeca Pickett, Managing Director

Shumeca Pickett has more than 20 years of experience advising public and private sector clients on business strategy and social impact. She brings a keen focus and commitment to racial equity in her work with corporate and nonprofit clients across a variety of industries. As a managing director, Shumeca helps clients clarify barriers to advancing racial equity goals and develop sustainable strategies to meet and move barriers.

IDEAS

FSG shares the insights from our work on topics that range from equity and shaping markets to strategy, learning, and evaluation. Here are some highlights from 2021:



The 2021 CEO Blueprint for Racial Equity

Produced in partnership with PolicyLink and JUST Capital, this report is a robust guide designed to help corporate leaders navigate the challenges of racial equity work and tackle systemic racism in all three domains of corporate influence: the workplace, communities, and society. Released in conjunction with [The Corporate Racial Equity Alliance](#).



Time to Act: How Philanthropy Must Address the Climate Crisis

As the climate crisis deepens, FSG shares this [call to action](#) for private foundations and donors, especially those that may not have focused on climate previously. Funded by the Hewlett Foundation, this report offers a set of practical recommendations to go beyond existing missions by supporting climate action through grantmaking and investments.



Illustration by Julia Schwarz

Centering Equity in Collective Impact (SSIR)

The year 2021 marked 10 years since the publication of our article “Collective Impact” in *Stanford Social Innovation Review*. A decade of applying the collective impact approach to address social problems has taught us that equity is central to the work. In this new article, we redefine collective impact to include centering equity as a prerequisite, and we provide a set of practices for putting equity at the center.

[Read the article in SSIR.](#)



Partnering for Change, Committing to Learning

Strategic learning and evaluation are important tools for cross-sector collaboration—to monitor and understand progress, to support accountability, and to help continuously adjust approaches, solutions, and strategies along the way. [Learn more.](#)



What Does It Mean to Shift? Strategic Planning with the Cleveland Foundation

What does it take to actually move a foundation to adopt a new way of planning? [This blog](#) describes how an inclusive planning process might actually hold the key to transformative change.



Philanthropy Needs to Reckon with Racism in Behavioral Health

Behavioral health issues may finally be starting to get the attention they have long deserved from the philanthropic community. For too long, substance use and mental health have comprised only a fraction of philanthropic investments. [Read more.](#)




CASE STUDIES

Much of our consulting work takes place in complex environments where we bring together clients, partners, and community members to cocreate solutions.

The Blue Cross of Idaho Foundation for Health (BCIFH) engaged FSG to understand the state of the social determinants of health—the conditions in which people are born, grow, live, work, and age—in Idaho and how they shape the health of communities.

FSG conducted research to better understand how economic stability, education, the social and community context, the neighborhood and built environment, and access to health care are either promoting or inhibiting the ability of Idahoans to thrive. The hope is that the research provides opportunities for stakeholders to improve these conditions.

Alongside secondary research, FSG conducted 20 interviews with Idaho leaders and experts in social determinants of health. We also held three community dialogues. These included conversations with members of the Latinx community in Caldwell, Idaho, working families in Nampa, Idaho, and the Coeur d'Alene Tribal community in Plummer, Idaho, to better understand the unique experiences of these communities.



Following this research, FSG facilitated a convening of 25 leaders from philanthropic, nonprofit, social service, health care, and public agencies working across Idaho to explore barriers to health and well-being and inform development of opportunities to address these barriers. FSG translated this research, client, and partner engagement into a comprehensive public-facing report.

Finally, FSG provided strategic guidance to BCIFH by helping the foundation articulate a vision for transformative change and consider how it might catalyze multisector collaboration to address the social determinants of health.

Putting Equality at the Heart of the Business Agenda for Sustainable Growth

The World Business Council for Sustainable Development (WBCSD) is the premier global, CEO-led community of over 200 of the world's leading sustainable businesses working collectively to accelerate the system transformations needed for a net-zero, nature-positive, and more equitable future. In July 2021, the WBCSD announced the creation of the Business Commission to Tackle Inequality (BCTI), a cross-sector, multi-stakeholder coalition of organizations and their leaders with the mission of mobilizing the private sector to tackle inequality and generate shared prosperity by:

- **changing mindsets**, so businesses globally recognize inequality as a systemic and urgent risk;
- **creating shared vision and direction**, so businesses have a clear “must do” action agenda they can leverage to tackle inequality; and
- **catalyzing and coordinating action**, so businesses have easy access to tools, networks, and guidelines to support their efforts, as well as a platform that can develop and deliver new assets.

FSG was hired to help frame the business action areas and develop the narrative for tackling inequality. Together with BCTI members, they created a detailed pathway for change that included:

1. **developing the business narrative** (in economic terms) for tackling inequality;
2. **framing and prioritizing action areas**, from expanding products and services for the under-served to working with supply chain partners;
3. **securing funding** for the initiative, and
4. **deepening the agenda** with working groups in the action areas focused on distributing value and risk more equitably (2022).



Developing Inclusive Strategies with Medicines for Malaria Venture (MMV)

MMV is recognized as the leading product development partnership (PDP) in the field of antimalarial drug research and development. It was established as a foundation in 1999 and is registered in Switzerland. Its mission is to reduce the burden of malaria in disease-endemic countries by discovering, developing, and facilitating delivery of new, effective, and affordable antimalarial drugs. To date, it is estimated that **almost 3 million lives have been saved** by MMV-co-developed medicines.

FSG has been a continuous strategic partner with MMV since 2003 (and FSG managing directors have been involved since its inception). Our most recent work in 2021 has been two-fold:

1. Supporting MMV's Scientific leadership team and board with the development of a malaria Research and Development portfolio strategy for 2021–2023.

A key element of the strategy involved the definition of a sustainable investment strategy that would allow MMV to support a balanced portfolio of projects and products. The FSG team conducted a needs assessment based on the latest data from the World Malaria Report and other recent expert perspectives on the evolution of malaria in low- and middle-income countries (LMICs). The assessment considered in particular underserved populations such as rural communities, children and pregnant women, control efforts, and technological developments. This involved facilitating a series of working sessions with subteams of the MMV board who wished to have a deep and meaningful role in the strategy process. They also examined changes in the operating environment affecting funding and license to operate. This led to a strategic prioritization of MMV assets and activities based on unmet health needs and impact; risk profile; and available support.

2. Partnering with a multisectoral MMV team to advance their refreshed Malaria in Mothers and Babies (MiMBa) strategy (which FSG supported from 2019–2021).

The refreshed MiMBa strategy committed to adopting a more inclusive approach to the entire research and development process to better serve the needs of pregnant and lactating women—a population underserved by the current standard of care yet systematically excluded from the research process. In 2021, FSG supported the ecosystem activation thread of the strategy, supporting the facilitation and preparation of a consultative working session with key opinion leaders from across the global ecosystem of stakeholders, including ethicists, medical practitioners, and researchers in malaria endemic countries. This is a critical step toward shifting mindsets from exclusion to inclusion and preparing the way for future inclusive clinical trial design. To further amplify the impact of the work and elevate the topic, FSG also co-authored a [comment](#) published in *Malaria Journal* in partnership with MMV (2022), proposing approaches to discovery and development of future antimalarial drugs suitable for pregnant and lactating women.



Growing Livelihood Opportunities for Women (GLOW)

In 2020, FSG launched GLOW to sustainably place more than 1 million Indian women from low-income households in jobs by 2030, by shifting the mindset and practices of companies.

Indian women's workforce participation has dropped from 45% to 27% from 2005 to 2019. To understand women's employment-related beliefs, motivations, and preferences, FSG interviewed 6,600 women from households with low income across 14 states in India. Thirty-three percent of nonworking women are keen to work despite barriers from families and society. Women are willing and capable of working in jobs in high-growth industries (e.g., Logistics), but many companies consider employing women risky and challenging due to:

- 1. perceived risks** and performance biases,
- 2. lack of awareness** of the business benefits of hiring women, and
- 3. lack of knowledge and skills** for hiring and retaining women.

However, the reality is that a gender-diverse workforce is good for business and great for the country. Hence, GLOW aims to address companies' risks and biases (desirability), demonstrate the business benefits of hiring women (viability), and develop and publish best practices to employ women (feasibility).

GLOW's approach is to work with private companies ("partners") across three high-growth industries to co-develop a common understanding of barriers, brainstorm ideas to address these barriers, and pilot interventions to place approximately 100,000 women in jobs by 2026. GLOW supports partners in piloting at a few locations. When partners see positive results, these interventions are refined and rolled out to more locations. GLOW plans to share open source best practices for nonpartners to adopt. Over time, nonpartners will see the shift in industry norms and, hopefully, more than 50 nonpartners may adopt some of GLOW's best practices, leading to 1 million women placed in jobs by 2030.

GLOW has partnered with 17 companies that employ around 350,000 people, of which only 2% are women. Pilots (e.g., developing gender-equitable hiring collateral and identifying new channels to hire women) with some of these partners have resulted in 1,400 jobs for women over the last year. GLOW is developing the report **Creating a Gender-Equitable Workforce in India—What Will It Take?** to share insights on women's employment beliefs and preferences, and to provide recommendations for individuals, the private sector, government, and philanthropies to create a more gender-equitable workforce in India.





INITIATIVES & PROGRAMS

With our partners, we develop initiatives and grant-funded programs to create equitable systems change.



30,000+ online members

From Common Goals to Uncommon Results

The Collective Impact Forum supports community-centered solutions to strengthen collaboration, advance equity, and improve lives. Cohosted with the Aspen Institute Forum for Community Solutions, the Forum provides resources, hosts learning events, and offers coaching that can help advance collective impact work. Learn more at collectiveimpactforum.org.



9,000+ women/500+ families interviewed

Growing Livelihood Opportunities for Women (GLOW)

FSG's Growing Livelihood Opportunities for Women program aims to empower women in India and promote gender parity in the home health care, last-mile delivery, and flexi-staffing industries. Learn more at fsg.org/glow.



650+ APS partners

Program to Improve Private Early Education (PIPE)

PIPE aims to develop a sustainable solution to improve the quality of affordable private education in urban India by replacing rote memorization with activity-based learning in affordable private schools (APS). Learn more at fsg.org/pipe.



Shared Value Initiative

30,000+ online members

Transforming the Way Business Is Done

The Shared Value Initiative is a global platform for leaders seeking to address societal challenges through business solutions to create a more equitable and sustainable world. Learn more at sharedvalue.org.



40+ employer partners

Engaging Employers for Equitable Economic Mobility

Talent Rewire envisions a future where every individual in the U.S. can realize their full potential through a humanity- and economy-boosting job that provides equitable economic opportunity, stability, and mobility. Simply put, we envision a world in which the hopes and dreams of frontline employees—particularly people of color and women—are seen and achieved, where they feel empowered and listened to, and where their work is fulfilling and purposeful. Learn more at talentrewire.org.



FEATURED PARTNERSHIP

The Corporate Racial Equity Alliance

FSG, PolicyLink, and JUST Capital launched the [Corporate Racial Equity Alliance](#) to support the evolution of antiracist, equitable corporations that can effectively contribute to building an equitable and healthy nation for all.

An equitable nation includes corporations taking action to improve the lives of the 100 million economically insecure people in America living in or near poverty, within one generation. To get there, we have partnered to ignite the racial equity movement more broadly and deeply in corporate America.

As part of our ongoing collaboration, the alliance released our [2021 CEO Blueprint for Racial Equity](#)—a robust guide designed to help corporate leaders navigate the challenges of racial equity work and tackle systemic racism in all three domains of corporate influence: the workplace, communities, and society.

Building on the foundation of the CEO Blueprint for Racial Equity, we are developing rigorous corporate performance standards on racial and economic equity in the US, with an eye on the global context.





FINANCIALS

Condensed Audited Financial Information

Independent Auditor: AAFCPAs | For year ended December 31, 2021

REVENUE

Consulting Fees	\$15,133,365
Grants and Contributions	12,333,004
Conferences	628,245
Speaking Engagement Fees	200,941
Other Income, Net	93,225
Total Revenue	\$28,388,780

EXPENSES

Worldwide Program Services	\$19,303,855
Management and General	3,068,467
Fundraising / Business Development	400,465
Total Expenses	\$22,772,787

Net Assets, Beginning of the Year	\$11,720,882
Change in Net Assets from Operations	5,615,993
Non-Operating Revenue	1,875,566
Net Assets, End of Year	\$19,212,441

Our financial performance in 2021 benefited from two unusual income sources: the forgiveness of a Paycheck Protection Program loan and a generous gift from MacKenzie Scott and Dan Jewett.

BOARD MEMBERS



Angela Glover Blackwell

Founder in Residence,
PolicyLink



Lance Fors

CEO,
LFI Properties



Clotilde Perez-Bode Dedecker

President and CEO,
Community Foundation for
Greater Buffalo



Lauren A. Smith, MD, MPH

Chief Health Equity and Strategy Officer,
CDC Foundation



Jane Wales, Board Chair

Vice President,
The Aspen Institute



Mark Kramer

Senior Lecturer,
Harvard Business School;
Cofounder, FSG



John Kania

Founder and Executive Director,
Collective Change Lab



FUNDERS

We are grateful to our funders who contributed major grant support to advance knowledge and practice in 2021:

- BCBS South Carolina Foundation
- Bill & Melinda Gates Foundation
- Discovery Health
- Enel Group
- H&M Foundation
- Humanity United
- The Kresge Foundation
- MacKenzie Scott and Dan Jewett
- Robert Wood Johnson Foundation
- The Rockefeller Foundation
- Walmart
- Walmart Foundation
- The William and Flora Hewlett Foundation
- W.K. Kellogg Foundation

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