



# Summer Executive Workshop: Black Economic Forum 2020

August 13, 2020



THE EXECUTIVE LEADERSHIP COUNCIL  
*The Power of Inclusive Leadership*

McKinsey  
& Company

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# **Evolving to a Community of Action to accelerate Black Socioeconomic Development**

Pre-Read Material

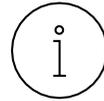
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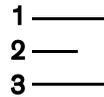
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# Contents



Background on the landscape of stakeholders' efforts to accelerate Black socioeconomic development and close the racial wealth gap



Success factors for developing an effective Community of Action



Key design choices to consider for a Community of Action to accelerate Black socioeconomic development

# Last year, we shared a framework to articulate the context and factors that drive and perpetuate the U.S. racial wealth gap

Racial wealth gap framework<sup>1</sup>

## Community Context

**Public assets & institutional arrangements that are embedded within place**, that underly & influence the wealth building journey, **particularly intergenerational mobility** (e.g. educational systems, public services quality)

## Family Savings

Consumption behaviors, resource management tools, & resource transfer systems that lower **economic volatility**, **smooth consumption & increase community resiliency & self-empowerment**



## Family Wealth

**Private assets & institutions for innovation & business development** that drive human capital, entrepreneurship, and business **investment & capital formation** (e.g. homebuying, capital markets)

## Family Income

**Processes that determine human development & employability** – where a poor mix of human capital, skill acquisition, and access to labor markets opportunities can drive higher **income inequality** (e.g. educational attainment, professional advancement)

1. Access our full report here: <https://www.mckinsey.com/industries/public-and-social-sector/our-insights/the-economic-impact-of-closing-the-racial-wealth-gap>

# This year, we built on the wealth stage framework to identify the Black wealth creation “journeys” that stakeholders support within each stage (1/2)

<b>Wealth stage</b>	<b>Journey</b>	<b>Definition</b>	<b>Example</b>
<b>Community context</b>	Policy making and reform	Evaluation, formulation, and implementation of equitable policies	Supporting grassroots racial justice advocacy movements
	Social infrastructure and institutions	Access to resource-rich social institutions and supportive community networks	Funding a network of community centers, parks, etc. in communities of color
	Health and well-being	Access to high-quality health care and attainability of positive health outcomes	Increasing access to affordable healthy/nutritious foods; access to health care providers
	Early childhood, primary, and secondary education	Access to high-quality education for children from birth until high school graduation	Funding expanded affordable childcare options in communities of color
	Civic engagement and participation	Ability to participate in decision-making and civic engagement processes (e.g., community organizing and councils) and feel represented and heard within civic institutions	Funding or organizing voter registration drives
	Good governance	Responsible conduct and management of public affairs and resources that supports protection of civil rights	Supporting organizations working to preserve individuals' rights and liberties
	Public service delivery	Access to strong, high-quality public services and community investments	Investing in affordable transportation options
<b>Family wealth</b>	Entrepreneurship and small business support	Support and tools for entrepreneurs to establish and grow businesses	Providing funding, networking, or capacity building for entrepreneurs of color
	Homeownership and housing	Ability to affordably access and own a home	Investing in first-time homebuyer programs

# This year, we built on the wealth stage framework to identify the Black wealth creation “journeys” that stakeholders support within each stage (2/2)

<b>Wealth stage</b>	<b>Journey</b>	<b>Definition</b>	<b>Example</b>
<b>Family income</b>	Higher education	Access to high-quality post-secondary education	Funding college scholarship programs targeting students of color
	Job access	Access to empowering employment, including support in navigating barriers (e.g., criminal record, racial bias)	Supporting job matching programs for unemployed workers
	Professional development	Opportunities for workers to advance in existing employment networks	Designing professional development programs for employees of color (e.g., leadership rotational programs)
	Job training and re-skilling	Opportunities for workers to gain skills that match the needs of the current and future labor force, and enter higher-growth job markets	Investing in worker re-skilling programs targeting workers of color
	Family supports	Ability for families and parents to thrive and support their households	Funding programs to support single parents, formerly incarcerated parents, etc.
<b>Family savings</b>	Access to financial institutions and services	Access to financial institutions as well as financial products and services that affordably meet the needs of communities	Investing in a solution for un/underbanked communities of color
	Financial education	Educational tools and information that support better understanding and management of finances	Supporting culturally competent financial education programming
	Quality employee benefits	Access to benefits (e.g., health insurance, life insurance, parental leave) through employment	Extending benefits for part-time employees; offering educational reimbursement programs to workers
	Supports for social welfare	Social safety net that helps address economic disparities (e.g., Social Security and healthcare benefits)	Increasing enrollment in public benefit programs (e.g., SNAP)

# A legacy exists of stakeholders that have been working across the landscape to close the Racial Wealth Gap over the past ~200 years

NOT EXHAUSTIVE

## 1837-1908<sup>1</sup>

**Majority of Historically Black Colleges & Universities** were founded, institutionalizing Black intellectual and political life<sup>1</sup>



## 1911-29

**Growing racial and economic consciousness proliferated:**

- Universal Negro Improvement Association
- Brotherhood of Sleeping Car Porters
- National Bankers Association



## 1969-93

**Explosion of Black trade organizations:**

- National Association of Black Accountants
- National Black MBA Association
- National Minority Supplier Development Council
- National Society of Black Engineers

**Later attempts to consolidate centers of power**

- Executive Leadership Council
- National Black Chambers of Commerce

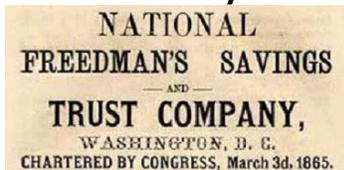


1830

2020

## 1865-1874

**The Freedman's Savings and Trust Company** was established in 1865 to **incorporate former slaves and their descendants into the mainstream economic fabric of the country.**



## 1909-1910

**Two still active major legacy organizations were born:**

- The National Association for the Advancement of Colored People (NAACP)
- The National Urban League (NUL)



## 1942-1968

**The civil rights era** saw the birth of several key organizations fighting for racial social, political, and economic equity:

- Congress of Racial Equality (CORE)
- Southern Christian Leadership Conference
- The Student Nonviolent Coordinating Committee (SNCC)
- The Black Panthers



## 1994 to Present

**A diversified landscape has taken stage,** embracing stakeholders from across sectors.

**New players** serving specific needs,



**Legacy players** like the NAACP, and **others** taking a more active role, e.g., JP Morgan Chase's *Advancing Black Pathways* initiative

<sup>1</sup> HBCUs were founded from 1837-1962

Source: American Association of Retired Persons, "10 black groups that fought for justice and equality"; Black Past "National Afro-American League (1887-1893)", 2009; Diversity Best Practices "African American Organizations to Know", Feb 2020; Job Stars "Black Professional Associations & Organizations", 2018; PBS "Groups During the American Civil Rights Movement", National Archives "The Freedman's Savings and Trust Company and African American Genealogical Research"

# We have found compelling examples of success by social, public, and private sector stakeholder targeting specific journeys and wealth stages



Wealth segment	Community Context	Family Income	Family Income	Family Income	Family Wealth	Family Savings
Core measure	Leading states index	Median total family income	Median total family income	Median total family income	Median family net worth	Stock market investments
Journey: KPI	<p><b>Health and well-being:</b> Emergency department visits per capita</p> <p><b>Cityblock Health</b> provides tech-enabled healthcare solutions in largely underserved, urban, areas; demonstrates that medically-tailored food alone can <b>decrease medical costs by 40%</b> and <b>ED visits by 66%</b> among dual eligible patients (those covered by Medicare and/or Medicaid)</p>	<p><b>Early childhood, primary, and secondary:</b> High school graduation rate</p> <p><b>Higher education:</b> College acceptance rate</p> <p><b>Uncommon Schools propels low-income and students of color to college enrollment, with 99% applicant acceptance. 54% of graduates earned a bachelor's degree</b> within six years of finishing high school; this is closely aligned with the 58% college graduation rate for students from U.S. families in the highest-income quartile</p>	<p><b>Early childhood, primary, and secondary:</b> Baby college® graduation, high school graduation rate, college acceptance rate</p> <p><b>Higher education:</b> College graduation</p> <p><b>HCZ starts at birth</b> and provides education, social services, family support, health, and community-building programs every step of the way until college graduations. It tracks 600 goals each year, has helped ~6000 children since 2000, and achieved a <b>97% college acceptance rate</b></p>	<p><b>Job access:</b> Employment rate</p> <p><b>Professional development:</b> Promotion rate</p> <p><b>INROADS</b> provides <b>students from underserved backgrounds with long-term sponsorship and assistance</b> as they progress throughout their educational journeys and through the workforce; <b>help 1,300 alumni find jobs per year; 30% of alumni</b> have received at least 4 promotions</p>	<p><b>Homeownership and housing:</b> Homeownership rate</p> <p><b>Minnesota Housing Finance Agency</b> gathers stakeholders across the geography to <b>increase the share of new mortgages to Black residents by 5%</b></p>	<p><b>Access to financial institutions and services:</b> Median savings account balance</p> <p><b>Self-Help Credit Union serves women, underbanked, low income, and minority individuals</b> with goal of <b>improving their financial management and access to non-predatory financial resources</b>—credit union members average <b>~\$11K in savings (Median savings account balance for Black individuals ~\$1.5K)</b></p>

1. The following pages detail each case study



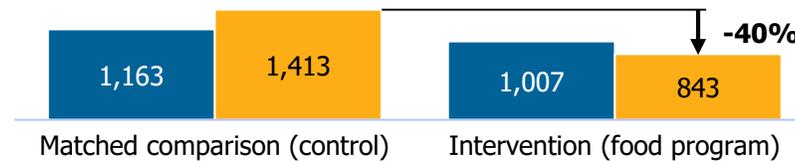
## Cityblock Health has improved community health outcomes and reduced medical expenses in underserved urban areas

Cityblock Health is a **tech-enabled** organization that partners with insurance companies; by utilizing communication, social-support, education, and **holistic treatment** methods, Cityblock **reduces overall medical expenses** of low-income, largely Black and urban clientele

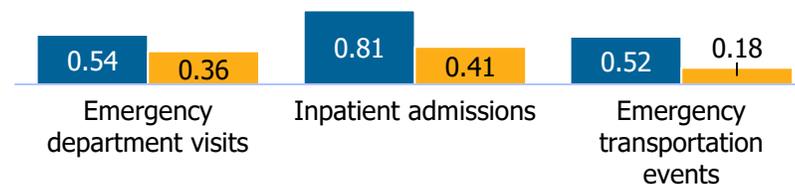
- **Situation**  
Individuals on Medicaid and 'double coverage' (Medicaid + Medicare) represent a small, but disproportionately pricey population of the health insurance market
- **Hypothesis**  
Proper social support and holistic treatment can enhance health outcomes at lower costs
- **Experiment**  
Cityblock's Chief Health Officer conducted a longitudinal study investigating the impact of 'food-as-medicine' on medical costs and ED visits

■ Non-tailored food ■ Medically tailored meal

### Average monthly medical costs, Dollars per month



### Medical events, Incidence ratio to control group



The longitudinal study found that using food-as-medicine resulted in

**40%**

... decrease in medical costs

**64%**

... decrease in emergency department visits

# Uncommon Schools

## Uncommon Schools has utilized its public charter schools to deliver first-in-class educational attainment

Uncommon Schools is a public charter school system that has been operating for over 20 years in the American Northeast. They identify themselves as the **nation's highest performing large charter network**

### Context

Black students across the country attend public schools that have lower funding than their white peers

Throughout the US, Black students are less likely to graduate high school and college

The resulting decrease in human capital systemically drives down Black family income

### Uncommon Schools Results

- **76% of Uncommon's alumni** have either earned or are on track to complete a **bachelor's degree**
- Uncommon standardized test scores frequently **outperform predominantly wealthy and white schools**
- 82% of the students Uncommon serves are **economically disadvantaged students**
- Compared to the average rate among Black students, Uncommon Schools has **decreased high school drop rates by over 1/3**

Students at Uncommon Schools are

**>2x**

more likely to graduate from college than the average Black student



Mimicking this level of educational attainment across the country could generate

**45%**

... increase in Black family income



## HCZ has helped thousands of children and families disrupt the cycle of generational poverty in Central Harlem through innovative and effective programs

HCZ provides education, social services, family support, health, and community-building programs every step of the way until college graduation, tracking 600 goals each year

### ● Approach

HCZ takes a holistic approach across **education, family & community** and **healthcare** to help children get to and through college and become productive, self-sustaining adults

In **Education**, HCZ has programs from birth to college, in pursuit of its eventual goal to increase college graduation rates

- Its **early childhood programs** seek to build a **strong foundation for educational success**, e.g., Harlem Gems®, a year-round, full-day pre-K
- Elementary, Middle and High school programs span **after-school programs** for public schools (e.g., Peacemakers, A Cut Above,) and **its own charter schools**, Promise Academy. In addition, it offers **vocational and financial literacy programs** for high school (e.g., Truce® Media and Arts, its Employment and Technology Center, and Learn to Earn)
- It also offers **College** preparatory programs and a Center for Higher Education & Support

In **Family & Community**, HCZ provides children, and adults, with a safe place to learn, play, and grow through Community Centers and programs

In **Health**, HCZ aims to combat obesity and help children become healthy, productive adults through Healthy Harlem, Harlem Armory and HCZ Food Services

# 97%

College acceptance rates

# ~28,000

Youths and adults served<sup>1</sup>

# 1.2 M

Meals provided<sup>1</sup>

# 9000

Youth participating in Healthy Harlem fitness and nutrition program<sup>1</sup>



## INROADS aids minorities through their career to help them obtain and thrive in high income careers

INROADS is a non-profit working to provide pathways to opportunity for racial minorities. INROADS offers long-term support to its candidates, from high school through to the C Suite. It views itself as the nation's largest non-profit model of salaried corporate internships and corporate and community leadership development for ethnically diverse talent at the pipeline and mid-career levels

1. Analysis is performed by multiplying the difference in rates between INROADS alumni and the Black population by the number of Black American households and again by the price of the average Black American's first home purchase; 2 Survey of randomly selected alumni (N = ~1,000; average age = 44.5 years old)

### Results

Among graduating INROADS college students in 2015 **82% accepted a job offer at their sponsoring company**

Increased professional development drives wealth growth in INROADS alumni—resulting in over three quarters of them owning a home

**>\$1.5 million** raised in 2017 with **over 2/3rds coming from corporations**

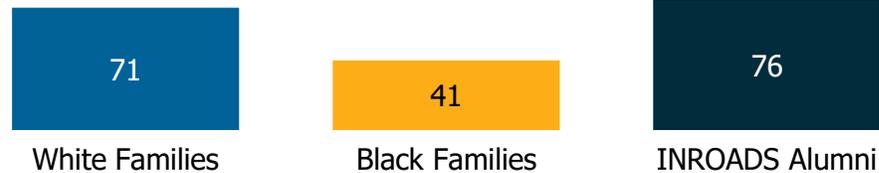
INROADS places **more than 1,000 students** each year into **paid corporate internships**

Partner of over **200 corporations**

### Experiment

#### American Homeownership rates

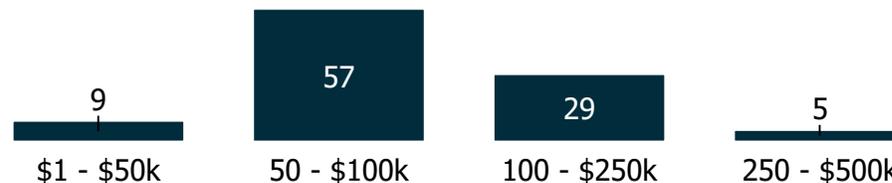
Percentage



Above average of Black Americans

#### Spread of INROADS alumni<sup>2</sup> salary

Percentage



Scaling this across the country could

# \$755B

Of Black wealth if the whole Black community owned homes at the rate of INROADS alumni<sup>1</sup>



## Minnesota Housing Finance Agency developed a strategy to drive Black homeownership and narrowed the gap in homeownership rates

In 2011 Minnesota held the highest discrepancy between White and Black homeownership (over **50% difference**); Minnesota Housing is the state's housing finance agency which invested across our framework to bring in a broad range of community stakeholders and develop specialized products and services

Source: Minnesota Housing 2018 disparities report, Minnesota Housing 2018 homeownership capacity evaluation, expert interview

### Minnesota Housing

Represents ~7% of the state's mortgage market

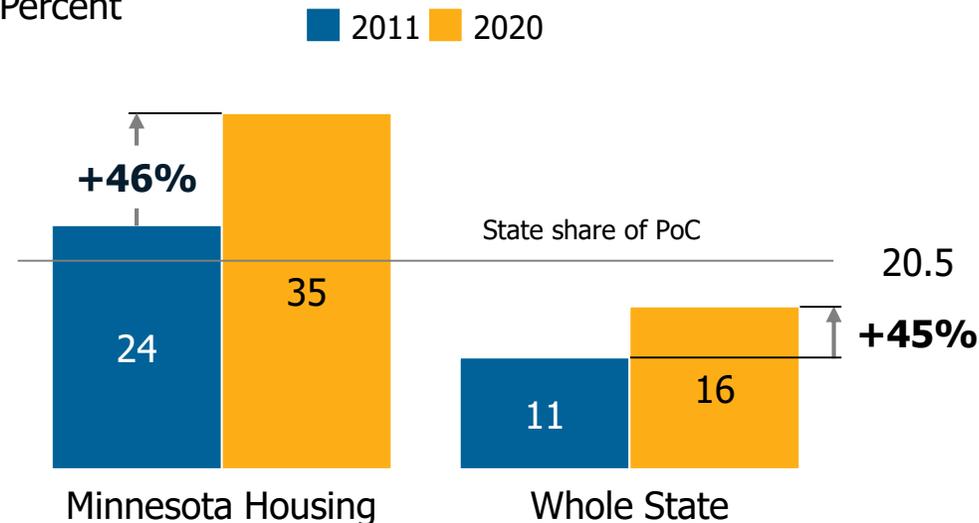
- For over a decade, Minnesota Housing has lent mortgages to PoC families at a rate above their share of the population

Their Homeownership Capacity Valuation program helps prepare people for homeownership; of program completers with reported outcome

- **81% increased their credit**
- 79% say they gained an **increased understanding of the banking system**
- **60% purchased a home** within a year after program completion

### Minnesota share of new mortgages issued to PoC

Percent



# 45%

Share by which new PoC homeownership has increased in 9 years

# 71%

Share by which MHFA's mortgages issued to PoC exceeds the state's



## Self-Help credit union helps low income and minority families manage their finances and fund their futures

Self-Help is a credit union focusing on serving women, minorities, and low income residents which first began in North Carolina. Overtime, through community partnerships, Self-Help has begun operating in 48 cities across the country—combating payday loans, increasing financial access, and promoting wise financial and savings management

Source: Self-Help 2018 annual report, expert interview

### Results (2018)

Every **100 members** generate enough loans to spur **1 new job per year**

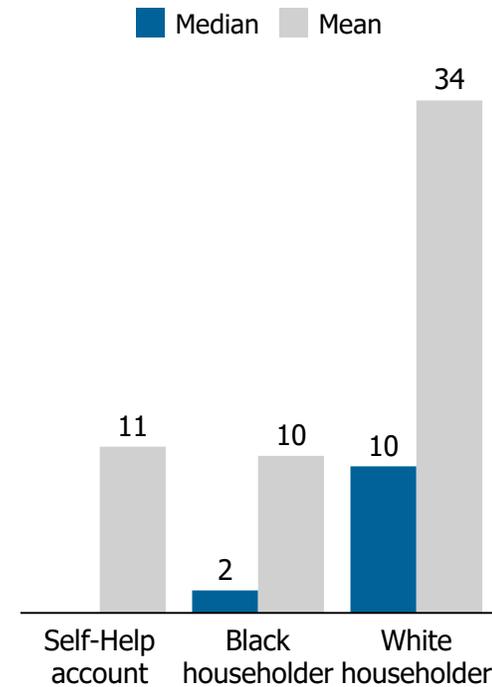
The mean member holds **>\$11K** within their **savings account** and was **lent >\$3K**

The credit union is in collaboration with 500 organizations to **combat payday lending**

**2,100** families have received their **home loans** from Self-Help

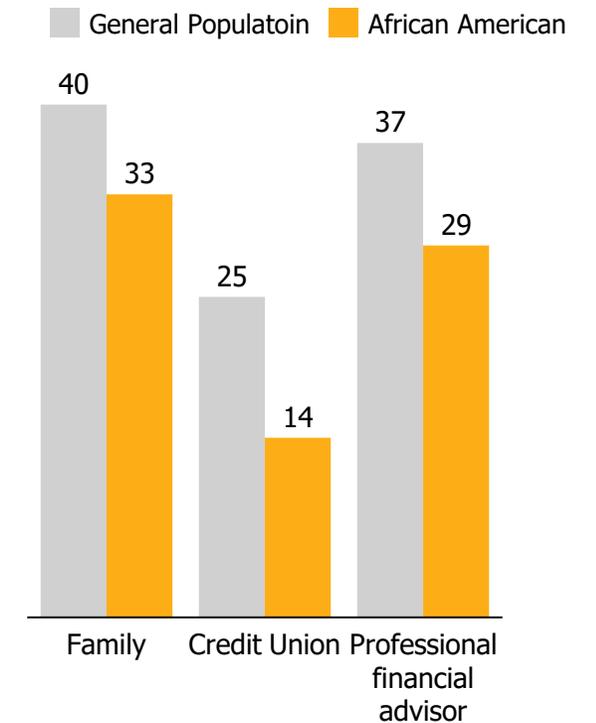
### Average savings account holdings

Thousands of dollars



### Sources of American population's financial information

Percentage

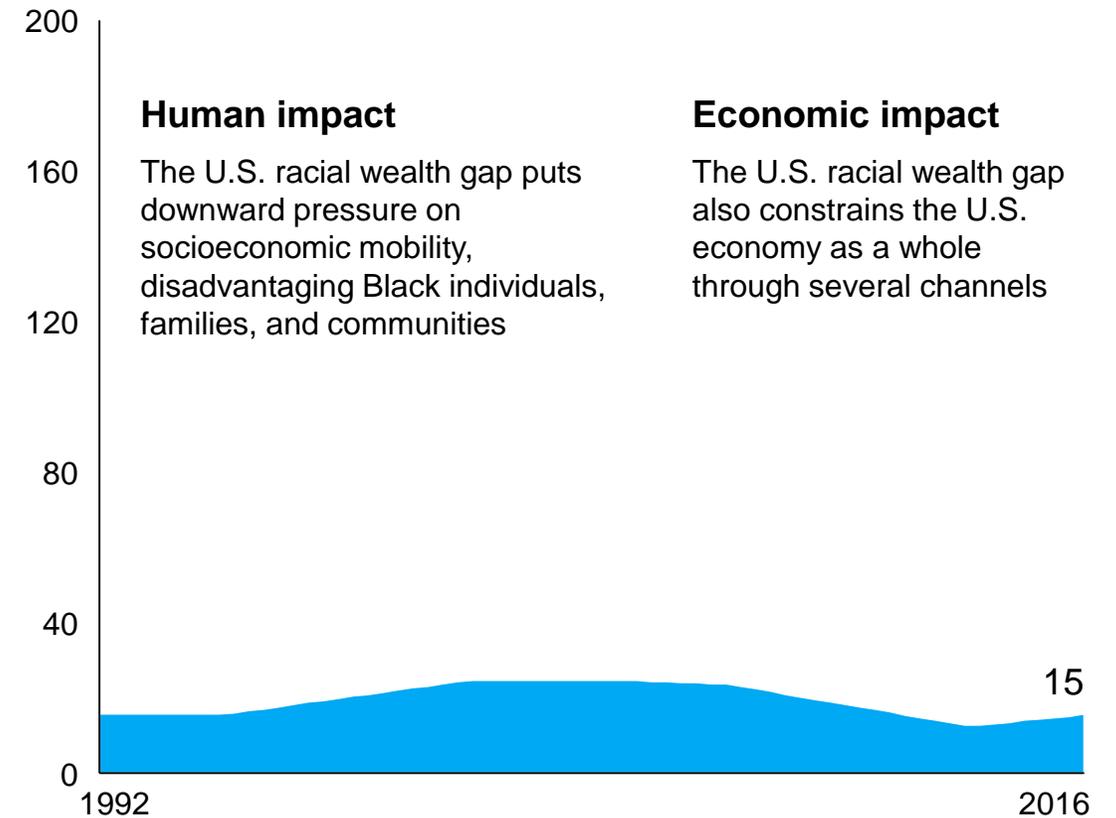


# Despite efforts and investments across all three sectors, the RWG has persisted and grown over the past 30 years

**Median White family wealth<sup>1</sup> 1992-2016,**  
\$ thousand



**Median Black family wealth<sup>1</sup> 1992-2016,**  
\$ thousand



1. 2016 dollars

Source: "2016 survey of consumer finances." Federal reserve Board, September 2017, [federalreserve.gov](http://federalreserve.gov)

# While there are many pockets of success, our stakeholder interviews indicate a number of critical pain points persist which impede scaling impact

Pain-point	Description	Quote
<b>1</b> Lack of clear, unifying agenda	<b>Lack of explicit shared goals</b> , despite overall aligned focus. Consequently, <b>lack of definitive clarity</b> on what levers will result in most impact and how to allocate resources accordingly	“Our landscape is <b>lacking a master plan</b> . We need big bold plans comparable to the UN Sustainability Plan, that detail the key issues to address” – Founder and CEO, AEO
<b>2</b> Lack of central coordination	<b>Siloed approaches and lack of knowledge sharing</b> between networks, with low coordination of activities, and no central organization able to credibly speak on behalf of the Black community	“Solutions from NY could be very effective but that learning doesn't go anywhere; <b>our networks are too weak</b> . We lack a central organization that can <b>credibly speak on behalf of the Black community</b> , limiting our ability to negotiate” – CEO and President, Prosperity Now
<b>3</b> High fragmentation, insufficient collaboration	<b>A heavily fragmented landscape with no central coordination limit effective cross-sector and cross-functional stakeholder engagement</b> . Competing incentives are structured into the landscape and limit collaboration	“ <b>The landscape is fragmented</b> , this is probably the biggest pain-point, and it always <b>slows things down</b> ” – Founder and CEO, AEO “When it comes to collaboration, I view a <b>huge loss of opportunity</b> as it relates to Black- or brown-led solutions” – Founder and CEO, MLT
<b>4</b> Inaccessible funding	<b>Inaccessible funding</b> given need to compete for resources and disproportionately under-funded Black-led or -focused organizations, leading to a mismatch between organizations with capital and those doing the work on the ground	“ <b>The biggest pain-point is scarcity</b> , leading to people having to protect their turfs because they don't know how they're going to get resources. This really <b>affects people's behavior and ability to partner with others</b> ” – President Emeritus, Prosperity Now
<b>5</b> Lack of data and accountability standards	Majority of stakeholders <b>not positioned to link KPIs at the organization level to broader economic indicators</b> at scale <b>Lack of data and accountability standards</b> (e.g., only 3% of Fortune 500 companies share their full D&I data) across stakeholders, leading to difficulty tracking collective impact	“We would like to do a lot more tracking of impact at the local level, but it is <b>very resource intensive</b> ” – PolicyLink “Funders emphasize <b>vanity metrics</b> : How many Black people can we get into a seat. We have to get the metrics to be <b>more about impact than outputs</b> , and we need more accountability” – CEO and President, AEO
<b>6</b> Institutional barriers	Even when organizations are well-resourced and have a proven action plan, <b>institutional barriers can still limit scalability of impact</b>	“Unique to our community is that at every step of this work we battle an <b>undercurrent of institutional racism</b> , even if you could figure out everything else” – Vice Director of K-12 education, Gates Foundation

# Other communities tackling similarly complex socio-economic or policy-related issues formed coalitions in 3 major archetypes to accelerate change

Less action-oriented

More action-oriented

## Archetype

## Examples

### Interest

Group that **exchanges ideas and thoughts** on a specific issue or program in which they have **common interest** or passion



### Practice

Group of individuals that facilitates socially interactive learning by sharing ideas, **finding solutions and building innovations** over extended length of time



### Action

Group of organizations that share ideas with each other and commit to deliver change based **on common goals** that direct **collective action**. **CoAs** regularly **evaluate progress** against shared agenda



Potential starting point for RWG coalition

# By studying these other communities, we gleaned insights about 6 key success factors for coalitions seeking to accelerate change



## Align around a unifying mission



UN Climate Change Conference **convenes cross-sector participants around common goal** to reduce greenhouse emissions

National Rifle Association **focused efforts on winning primary elections for pro-gun candidates**



## Collaborate along complementary capabilities



Koch Network **coordinated funding among secretive but informal network** of wealthy megadonors, through semi-annual meetings

World Economic Forum **ensures influence by exclusively inviting power brokers** to their community and publishing research



THE WORLD BANK



## Collaborate along complementary capabilities

World Bank **convenes multiple banks for deals** raising more money than individually

U.S. Pan Asian American Chamber of Commerce partners with academic researchers and experts to **train immigrant small business owners** on how to win contracts



## Ensure adequate funding to execute mission



Jewish Federations of North America **streamlined fundraising operations as central raiser and distributor of funds** for their cause

Freedom to Marry **built a national fundraising machine to support localized state campaigns** run with each partner organizations



## Maintain rigorous accountability mechanisms



Generation

Lean In partners with McKinsey to **produce distinctive research tracking gender parity**

U.S. Partnership on Mobility on Poverty **established new framework for solving poverty** through 2-year research by top thinkers

Generation.org **aimed to reach 1 million youths in 5 years and publishes tracking** of progress to date every two weeks



## Develop broader support

Focusing Capital on the Long Term **requires each participating organization to send delegates for day-to-day in addition to senior leaders** who are personally committed to the cause

# Our insights from other Communities of Action frame 6 key decisions and trade-offs to consider within our cohort

 Starting recommendation for Black Wealth Creation CoA, **for discussion**

## Design question

## Trade-off options / design decisions

## Rationale<sup>1</sup>

**1** How specific do we want our mission to be?



The racial wealth gap is a long-standing, complex problem with many **structural systematic contributory drivers**

**2** How centralized do we want decision-making to be?



Initial coordination should build on efforts of individuals organizations **without disruption from top down intervention**

**3** How actively will members need to collaborate?



Efforts on RWG are led by a **diverse set of players** who are able to reinforce one another's strengths and fill the gap for one another's weaknesses

**4** How will we access financial resources?



CoA should require **'pay-to-play' buy-in<sup>1</sup>** from member orgs and **contributions from outside donors**

**5** How measurable will our accountability mechanisms be?



Multifaceted goal requires **clear tracking against quantitative metrics, as well as qualitative metrics**

**6** How will we prioritize external support?



Support from both impacted and **external institutions and individuals will be critical to drive success**

1. Some members could subsidize costs of others if we charge membership fees

# 1. While the CoA will have the same agenda, we will need a multi-faceted movement to respond to the breadth & depth of the RWG

Design question on unifying mission: How specific do we want our mission to be?

## Focused campaign

## Multifaceted movement

**Pros** **Clarity of purpose** around measurable visible goal facilitates tracking of progress and **lower cost of failure** given short-term investment

**Cons** **Less suited** for more ambitious, ambiguous and challenging issues **requiring long term commitment**

**Examples** Freedom to Marry focused on same-sex marriage **without addressing other elements of broader agenda** of LGBTQ+ movement **and disbanded after its achieved its goal**, allowing diverse perspectives to continue ongoing work

**Enables initial effort** towards long-term work around complex problem, enabling coalition to **explore various possible solutions**

Progress can seem **slow and difficult to track**, discouraging coalition members; **ambiguity can lead to frustration** around goals

World Economic Forum has **broad, overarching goal** and impartially convenes players to discuss how to gradually achieve it **over multiple decades through different partnerships**

Potential starting point for our CoA

## 2. Coordination must allow flexibility for continuing efforts and autonomy of member organizations

Design question on central coordination: How centralized do we want decision-making to be?

	Highly centralized	Hybrid approach	Highly decentralized
<b>Pros</b>	<b>More consistent message</b> , easier communication <b>and aligned strategy</b> with hub; can <b>access proprietary data</b> from member organizations	Pragmatically <b>combines best of different approaches</b>	Enables organizations to <b>adapt to local context and needs</b> ; <b>reduces initial disruption</b> from any top-down intervention by external new player
<b>Cons</b>	Higher <b>coordination cost</b> ; bureaucratic control can seem <b>inflexible</b> to unique needs	Requires more strategic tailoring and design depending on needs and context	Potentially <b>less aligned action</b> with center with <b>potentially counterproductive results</b>
<b>Examples</b>	World Bank sets <b>strict compliance guidelines</b> and requirements for financial institutions in all deals	World Economic Forum sets agenda for different communities but <b>gives free rein to partner with each other</b> without direct monitoring	Jewish Federation <b>does not exert decision-making control</b> over member organizations' spending and activities despite giving them funding

Potential starting point for our CoA

### 3. We will need cross-functional members with diverse skills to foster collaboration

Design question on active collaboration: How complementary should members' capabilities be?

#### Similar skillsets

#### Cross-functional

**Pros** More **cohesive perspective** to external players given overlapping interests and similar needs

**Cons** Tend to have **stronger sense of competition** with each other, so are less willing to share knowledge

**Examples** Lean In's partners are **mostly established corporations in the private sector** but do not coordinate with each other in most effort, **reducing tension of competing interests**, thus can easily share comparable data for research

Enables **higher efficiency and performance** for overall movement through specialization in different necessary skills

More **difficult to gain alignment** on the issue and to speak with the same voice; requires more time to **coordinate different views**

World Economic Forum convenes public, private and civil society organizations across languages, industries and geographies, providing **varied perspectives on the same issue**

Potential starting point for our CoA

# 4. Financing must come from members and external funders to reinforce commitment while also ensuring adequate funding

Design question on adequate funding: How will we access financial resources?

	External Via centralized fundraising for member orgs	Hybrid Via combination of fundraising & membership fees <sup>1</sup>	Internal Via membership fees to central org
<b>Pros</b>	Enables <b>streamlining and coordination</b> of efforts; capacitates other orgs	Simplifies engagement between center and partners; incentivizes <b>limited additional costs</b>	Encourages <b>compelling value proposition</b> from members; incentives center to focus on <b>accountability to members</b>
<b>Cons</b>	Creates <b>controversy and tension</b> on allocation decisions	<b>Discourages more engaged partnership</b> approach where required funding required	<b>Exclusive</b> to well-funded organizations and <b>requires administration</b> to collect funding
<b>Examples</b>	Jewish Federation of North America centralizes fundraising for member organizations of local federations so they <b>can focus on providing social services to their communities</b>	Lean In <b>maintains low overhead for central operations</b> and focuses on Circles activities with minimal marginal operating cost for partner organizations and chapter leaders	World Economic Forum <b>selects well-resourced organizations</b> in pay to play model that <b>increases commitment by members</b>
		Potential starting point for our CoA	

1. Some members subsidize costs of others if the CoA charges membership fees

# 5. Our coalition will need measurable milestones to incentivize members, while also ensuring transparency of progress against goal

Design question on accountability mechanisms: How specific will success metrics be?

	Quantitative (e.g., clear KPIs)	Both intangible & measurable goals	Qualitative (e.g., subjective evaluation by leaders)
<b>Pros</b>	Impact can be <b>measured clearly</b> and objectively for evaluation against milestones	<b>Combines best of both:</b> discipline of data with attention to intangible important values	Less focused on reaching <b>short-term narrow incentives and process</b> than long term objective
<b>Cons</b>	<b>Neglects qualitative measures</b> of success often important in long-run	<b>Underperformance can be hidden</b> by looking at intangible goals	<b>Difficult to measure</b> effectiveness objectively; can <b>seem haphazard</b>
<b>Examples</b>	Generation.org <b>announces annual goals and publishes bi-weekly progress data</b> on 5 key metrics indicating impact related to larger objectives	Freedom to Marry regularly tracked percentage of U.S. population supporting same-sex marriage but <b>approved campaign efforts in states where they would lose</b> court case	Lean In acknowledges <b>increased conversations</b> around gender parity in broad social or online discourse despite being unable to measure it
		Potential starting point for our CoA	

## 6. Our coalition must seek broad-based support as external institutions and individuals will be critical to drive success

Design question on broader support: How will we prioritize external support?

### Niche, target group

### Broader group of allies

**Pros** Focuses on target audience, **developing deeper relationships and building credibility for long term**

**Cons** **Not suitable for movements that require allies** for successful execution

**Examples** Jewish Federation of North America **primarily targets Jewish donors** to contribute based on the idea of **responsibility to their community** or paying a “Jewish tax”

**Mobilizes additional financial, political and social resources** towards implementation

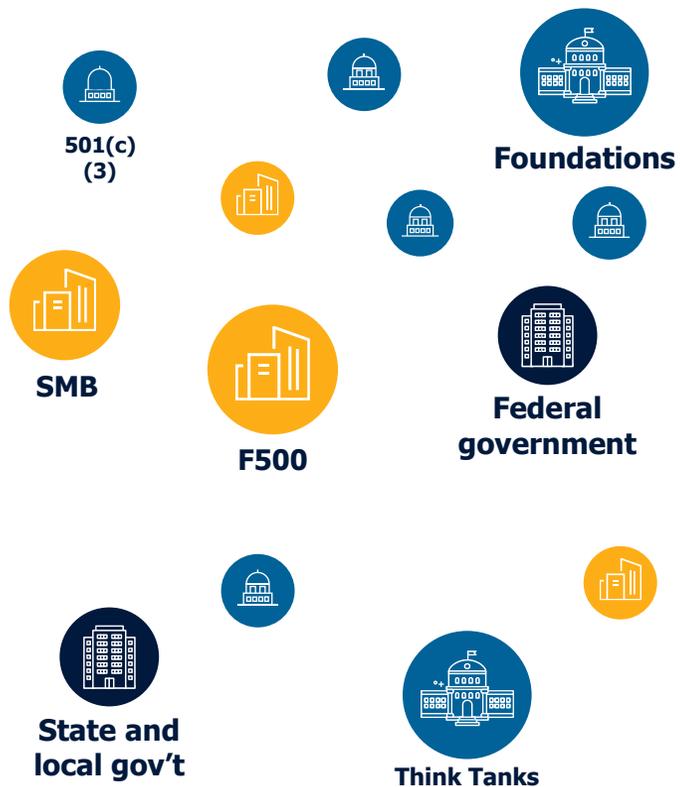
**Difficult to measure** effectiveness objectively; can **seem haphazard**

UN Climate Change Conference requires the **broader support of government departments and agencies in local countries** to implement the agreements and push through bureaucracy

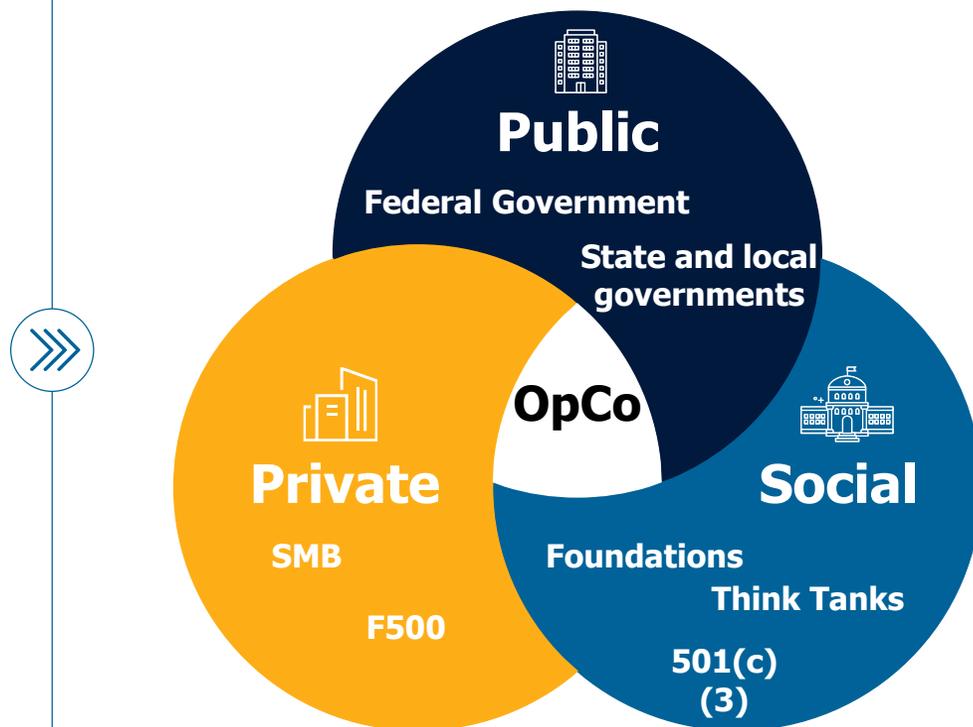
Potential starting point for our CoA

# Evolving to a CoA can help us amplify the individual impact that is already being created by stakeholders

The current landscape is made up of an uncoordinated cohort of siloed individuals across and within sectors



Evolving into a Community of Action would have a multiplier effect on individual stakeholders through these key features



An operating committee coordinates stakeholders across sectors to align on plan of action and commitments



A clear and unifying agenda, built with a "cradle to grave" perspective on how to accelerate Black socioeconomic development



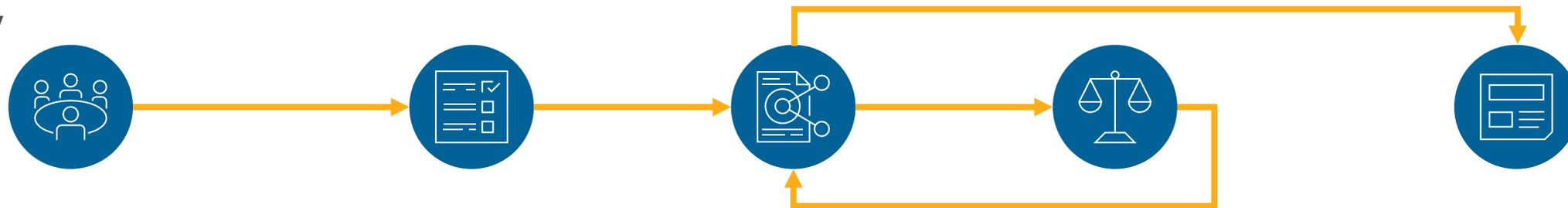
Mechanisms to drive accountability and transparency through data collect, analysis, and reporting



Evidenced based approach to elevate proven approaches, programs, and initiatives to accelerate Black socioeconomic development

# The convening body of the CoA uses transparency to propel the agenda forward while giving stakeholders autonomy in its execution

Preliminary



## Operating Committee convenes stakeholders

The Operating Committee<sup>1</sup> convenes stakeholders for deep problem solving and alignment on

- An **agenda** (i.e., priorities for a defined period that serve the unifying mission) that enables the community to tackle the RWG from cradle to grave
- **Commitments** from stakeholders to execute against that agenda
- **KPIs** for tracking progress on closing the RWG

1. Operating Committee is comprised of the stakeholders that are willing and able to take on the additional responsibilities of convening the broader group, and collecting and reporting on metrics

## Stakeholders execute their agenda

The Operating Committee orchestrates among stakeholders to help facilitate **effective collaboration as stakeholders action on their commitments** to advancing the agenda

Stakeholders collect **data on their outcomes, track KPIs** to ensure impact, and share data with the Operating Committee

**Operating Committee** takes an **evidence-based approach to identify and promote proven programs** and strategies that stakeholders develop and encouraging pilots in a range of contexts to demonstrate replicability

**Operating Committee acts as a center of expertise** and provides counsel to organizations in their efforts to tackle the agenda based on insights from successful pilots to ensure approaches with the highest impact are executed on a national scale

## Stakeholders collect and report on KPIs

## Operating Committee identifies programs to scale

## Operating Committee collects data and publishes results

The Operating Committee **heralds the progress of the CoA** by

- Tracking performance against core KPIs of the agenda
- Disseminating innovative thought leadership collected throughout the process
- Publishing consolidated reports to all stakeholders

**We look forward to a discussion of how we can  
evolve into a Community of Action to  
accelerate Black socioeconomic development**

See you at the Forum!