

# Place-based Partnership Toolkit

From addressing homelessness to improving education outcomes, place-based partnerships – networks of people and organizations in the same geographic area who work together to change systems, improve community outcomes, and achieve shared goals – are a critical and increasingly utilized approach to addressing our most pressing social and economic issues. Backbones – structures comprised of a single or multiple organizations that fulfill several core functions (such as community engagement, impact measurement, advocacy, and funding alignment) and that facilitate accountability across the partnership – are helping to lead and implement these localized strategies. Despite increased recognition of the important role played by backbones in cross-sector efforts across the country, developing and sustaining stable backbone business models remains an elusive challenge.

Nonprofit Finance Fund (NFF), with the support of **Ballmer Group** and in collaboration with **Community Solutions** and **StriveTogether**, embarked on a two-year project to understand how backbones of place-based partnerships operate and to gain insights into the factors that impact their sustainability and success in driving community-level outcomes. This project included extensive data analysis on over 80 place-based partnerships across the country, interviews with over 85 individuals from 30 of those partnerships, and in-depth consultation with 5 backbone organizations. The tools and resources that follow comprise a “**toolkit**” intended to elevate the lessons learned from this initiative and to support the work of practitioners within existing place-based partnerships, communities contemplating starting a place-based partnership, and funders that invest in these efforts.

## Functions and Structures



- **How Place-Based Partnerships Can Improve Communities: Key Functions**, key learnings on the functions needed within place-based partnerships to advance outcomes in communities
- **Backbone Structures of Place-Based Partnerships**, five common backbone structures, including their benefits and challenges, plus tips for funders

## Funding



- **How to Fund Place-Based Partnerships, if We Want Them to Work**, how long-term, flexible support can help realize the potential of place-based partnerships to promote systemic change in communities
- **Funding Streams for Place-Based Partnerships, and Their Benefits & Challenges**, the five primary funding streams comprising place-based partnership revenue models

## People



- **The People Behind the Partnership: Staffing Place-Based Partnerships**, three key actions that place-based partnerships identified as essential to achieving and sustaining outcomes
- **Four Tips to Plan for a Successful Backbone Leadership Transition**, questions for in- and outgoing leaders of backbone organizations in transition to consider

## Tools



- **Full Cost Workbook**, a framework to identify the full cost needs of backbone organizations by naming six areas of cost
- **Scenario Projections Tool**, an excel workbook to help backbone leaders articulate and assess the financial implications of future scenarios, with a focus on revenue and staffing

# How Place-based Partnerships Can Improve Communities

## Seven Key Functions of Place-based Partnerships

Advancing community-level outcomes over the long term requires that place-based partnerships<sup>1</sup> fulfill a variety of complementary functions. While this set of core roles may be covered by a combination of the backbone<sup>2</sup> and other entities in the partnership, the backbone typically secures the resources required to build and sustain each function and ensures that each function is filled; ultimately the backbone is responsible for keeping the partnership and partners within it accountable.

While we see these functions across all place-based partnerships, the relative importance of each, and the specific entity that fills it varies by community need, context, stage in organizational lifecycle, and **backbone structure**. For example, not all functions will be necessary (or possible) to fulfill in a newly formed place-based partnership. Instead, a nascent partnership may wish to initially prioritize community engagement and network building, communications, and partnership coordination, but consider organizing and advocacy in future years. Similarly, how a backbone engages in the function of organizing and advocacy for systems change will vary if the backbone is structured to sit within government or is a standalone nonprofit organization. This role will also look different if local elected officials support or oppose the efforts of the place-based partnership.

Below is a summary of key learnings on the functions needed within place-based partnerships to advance outcomes in communities, drawing from NFF's engagement with over 85 place-based partnerships nationwide. While there is no single "recipe" for building and managing a place-based partnership; defining key functions and who fulfills them is an important step in aligning stakeholders across a partnership and identifying opportunities and gaps in the pursuit of community-wide outcomes.



### FUNCTION 1: COMMUNITY ENGAGEMENT AND NETWORK BUILDING

#### What this looks like

Harnessing the power of bringing people together. Creating connections between community members and organizations. Building networks and convening community partners from different

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sectors with intention and purpose to foster collaboration, set goals, and advance a shared agenda.

### **How to do this well**

- All levels of staff at the backbone have and continue to cultivate skills in relationship management, meeting design, and facilitation. Meaningful capacity is dedicated to network building, including developing new ties with potential stakeholders and deepening relationships with existing community partners – consistently and over time.
- Touchpoints with partner organizations and community members honor and navigate the history of oppression, trauma, and racism in the community to “set a table” where all voices are welcomed, heard, and valued. Ample time is spent on building trust between individuals and engagement is structured in multiple ways to allow for different means of collaboration (both formal and informal) and the emergence of new ideas (e.g., group meetings, one-on-one conversations, town hall style forums, surveys and written engagement, participation of backbone leadership in existing community spaces).
- Participants are financially compensated at appropriate levels for their continued involvement.

## **FUNCTION 2: VISIONING AND GOAL SETTING**

### **What this looks like**

Facilitating the creation of a shared vision for the community. Setting clear and measurable community-wide goals. Securing the buy-in of partner organizations and aligning them around common outcomes and goals.

### **How to do this well**

- Visioning centers those most impacted by the systems being improved (e.g., students in the education system, individuals currently experiencing homelessness in the homeless response system, BIPOC individuals facing systemic inequities).
- The views, input, and expertise of partner organizations and community members are gathered and prioritized in a cohesive community strategy. Methodologies outside of dominant professional norms are used to surface ideas and set priorities (e.g., looking outside of the academic literature and research approaches to define relevant outcomes).
- Community-wide goals are specific, measurable, and time-bound and center equity.

## **FUNCTION 3: PARTNERSHIP COORDINATION AND COMMUNICATIONS**

### **What this looks like**

Keeping all partners moving forward on a shared action plan to advance the collective vision. Holding the partnership accountable to community-wide goals. Facilitating the flow of information between partners. Communicating about the partnership’s work to the public.

### **How to do this well**

- Backbone develops a shared action plan for continuous advancement toward equitable outcomes, identifies associated resource needs (e.g., budgets), and coordinates participation of partners to ensure progress on this plan. This includes assessment of strengths and contributions of partners, ensuring appropriate placement of needed expertise and staff, providing ongoing

oversight of service delivery, and the strategic use of data to guide the partnership's work.

- Backbone builds a data-oriented culture within the partnership to enable partners to understand what's working and what's not, and to adjust the partnership's ongoing work.
- Backbone develops and regularly disseminates accessible messaging on the partnership's progress both internally (i.e., between partners) and externally (i.e., through website, annual report, newsletter, etc.).

## FUNCTION 4: FUND DEVELOPMENT AND RESOURCE ALIGNMENT

### What this looks like

Securing financial resources aligned with partnership goals and action plans. Managing and directing the flow of funds across the partnership toward activities tied to outcomes. Handling fundraising, resource management, and financial reporting to sustain both backbone operations and the participation of partner organizations and community members.

### How to do this well

- Responsible party within the partnership has the technical expertise and systems to secure, blend, and braid funding from various sources and with various restrictions, pass through funding to community partners, track budgets to actual spending, facilitate grant and contract reporting, and ensure funding compliance across partners.
- Backbone cultivates a portfolio of funding that includes **unrestricted/flexible resources** and those expressly available to **support backbone operations**.
- Secured funding is sufficient to ensure partners are appropriately and regularly compensated for their participation and not expected to "volunteer" their time. This is particularly important for engaging nonprofits whose restricted funding sources otherwise limit where staff can spend their time as well as individuals with limited financial means.

## FUNCTION 5: MEASURING COMMUNITY-LEVEL IMPACT

### What this looks like

Managing shared systems for collecting and analyzing community-level data. Utilizing data to help the community understand and track its progress toward shared goals over time, to engage in continuous improvement, and to make the case for funding.

### How to do this well

- Measurement of community-level impact includes data, sources, and methods that are mutually agreed upon by partners as sound and important to the community, center equity, enable understanding of system performance and progress toward achievement of goals and outcomes, and are necessary to satisfy funding requirements.
- Partnership employs staff with the necessary technical skills to enable effective utilization of data to support partnership goals. This may include facilitating data sharing across partners, conducting data collection and analysis, monitoring data quality, translating data into actionable insights, and coaching partners on using data to inform their work.
- Responsible party develops and maintains mechanisms for community-wide reporting and review

of outcomes (e.g., a public-facing dashboard or regular community review meetings). Data analysis and reports examine inequities in outcomes, including by race.

## FUNCTION 6: BUILDING PARTNER CAPACITY

### What this looks like

Collaborating with community partners to help them build and strengthen lasting practices, capabilities, and systems that support the advancement of community outcomes.

### How to do this well

- Areas for capacity building are responsive to the needs and interests identified by partner organizations and community members. Backbone uses data to spot opportunities for improvement (either at the community level or for individual partners/service providers/community members).
- Partnership leverages the expertise of individual partners as well as opportunities to access relevant funding and to build capacity available through broader, aligned efforts (e.g., via national networks of place-based partnerships and collective impact efforts, such as **Built for Zero** and **StriveTogether**).
- Partnership stays current on learnings and strong practices in the relevant fields locally and nationally.

## FUNCTION 7: ORGANIZING AND ADVOCACY FOR SYSTEMS CHANGE

### What this looks like

Coordinating a range of efforts to align policies, organizational practices, public opinion, and funding allocations with the outcomes sought by the place-based partnership.

### How to do this well

- Backbone leans into its particular strengths and is aware of relevant limitations (e.g., bans on lobbying activities for nonprofits). For instance, governmental entities might best be positioned to “advocate from within” to align public dollars with partnership goals or change bureaucratic processes to advance outcomes, whereas backbones structured as coalitions might best support get-out-the-vote efforts for candidates that are aligned with the partnership’s legislative objectives.
- Backbone develops a collective advocacy agenda for the partnership, initiating and securing funding for organizing and advocacy activities that make change and hold that change long term.
- Partnership connects to the advocacy work of broader, aligned efforts (e.g., state-wide coalitions of nonprofits, national networks of place-based partnerships).

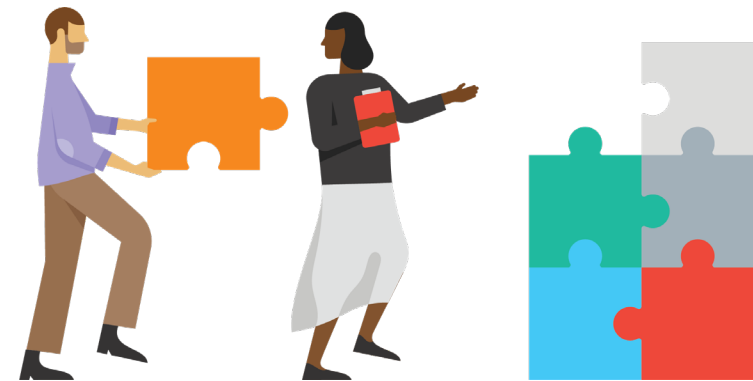
## ABOUT THE PROJECT

**Nonprofit Finance Fund** (NFF), with the support of **Ballmer Group** and in collaboration with **Community Solutions** and **StriveTogether**, embarked on a two-year project to understand how backbones of place-based partnerships operate and to gain insights into the factors that impact their sustainability and success in driving community-level outcomes. This project included analysis of data on over 80 place-based partnerships across the country, interviews with over 85 individuals from 30 of those partnerships, and in-depth consultation with 5 backbone organizations. This resource is part of a toolkit designed to support the work of practitioners within existing place-based partnerships, communities contemplating starting a place-based partnership, and funders that invest in these efforts. [Click here](#) for more information and to access the toolkit.



# Backbone Structures of Place-based Partnerships

Backbone structures<sup>1</sup> are at the core of place-based partnerships<sup>2</sup>. In addition to fulfilling key functions to advance community-wide goals, these structures are responsible for facilitating accountability across the partnership, including of partner organizations and community members. In our work with over 85 place-based partnerships, we observed five distinct backbone structures, each with its own set of benefits and drawbacks. Ultimately, the optimal backbone structure for a place-based partnership will depend on local context, community priorities, leadership, existing community networks, and available resources. It is also not uncommon for a place-based partnership to transition from having one backbone structure to another over its lifecycle. For example, a project spinning out from a structure nested in a foundation to an independent nonprofit entity to have greater independence and control of resources, or a government agency developing a partnership structure with a nonprofit to deepen community engagement. Below we've summarized five common backbone structures, including benefits and challenges associated with each, as well as tips for funders who are supporting or seeking to support a place-based partnership with this type of backbone structure.



Structure	Description	Benefits	Challenges	Tips for Funders	Examples
<b>Nonprofit entity</b>	Stand-alone 501(c)(3) organization.	Structure is well understood by funders, giving greater access to philanthropic grants and individual donations. Full control over goals and objectives. Can be perceived in the field as more independent than other structures.	Infrastructure, board, reputation often “built from scratch.” May have more limited resources than other structures, particularly at the start.	Fund for long-term viability by providing multi-year support without restrictions, allowing for surplus generation to manage cash flow and build reserves.	<b>Community Center for Education Results</b>

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Structure	Description	Benefits	Challenges	Tips for Funders	Examples
<b>Government agency or department</b>	Housed in city, county, or regional government. Dedicated in part or in full to achieving particular outcomes in the community.	Access to infrastructure within the larger government, such as HR, data, IT. May have more reliable funding and/or ability to access funding not available to other structures. Usually has strong convening power.	Lack of flexibility to hire and fire staff or engage in certain activities, like lobbying. Slow bureaucracies. Subject to leadership change and operational disruption with shifting political winds.	Expect to be the only source of innovation funding.	Homeless Impact Division (Nashville)
<b>Project of another entity</b>	Housed in an institution of higher education, a foundation, United Way, and/or fiscally sponsored.	Reputation of the parent entity can bestow credibility and access to financial resources. Can utilize existing infrastructure like office space, data collection, accounting, and HR.	Limited independence to act, or the perception of limited independence by the field. Often little ability to expand or customize infrastructure. Nested structure may limit funding available.	Fund to cover related costs of host entity (e.g., HR, accounting, etc.) in addition to project. Provide maximum flexibility to the project.	Boston Opportunity Agenda
<b>Partnership between government and nonprofit(s)</b>	Formal or informal arrangement where each partner has distinct roles and oversight responsibilities, and works in coordination to facilitate outcomes.	Each partner can leverage their unique strengths and take actions the others cannot (e.g., government partner can navigate bureaucratic processes; nonprofit partner can access flexible funding and engage in advocacy).	High level of coordination and communication required between partners. Leaders must have strong trust, mutual respect, and appreciation for what each can achieve, which is often cultivated with sustained engagement.	Take note of the role(s) each partner plays to determine where to direct funds. Consider funding all partners simultaneously to achieve shared goals.	Bakersfield-Kern Regional Homeless Collaborative
<b>Coalition</b>	Multiple entities organized to carry out the work of the backbone structure.	Many areas of expertise represented within backbone structure. Can advance strategies when resources for collective efforts are quite limited. More often seen in small or rural communities.	Coordination can be extremely difficult and time-consuming. Participants are typically not dedicated to the effort full time, sometimes leaving gaps in engagement.	Coalitions are expensive. Consider funding all participants to “stay at the table” and contribute.	Home Again West Texas



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# Funding Streams for Place-based Partnerships, and Their Benefits and Challenges

Regardless of **backbone structure**,<sup>1</sup> all place-based partnerships<sup>2</sup> require funding to pay for dedicated staff, support measurement of community-wide outcomes, engage and convene community members and local organizations, and fulfill other core functions. In our engagement with over 85 place-based partnerships nationally, we observed that most have developed revenue models that include a mix of funding streams, oftentimes each with a different purpose, geographic focus, or time horizon. Many have cultivated one dominant revenue stream and the associated capacities required to secure and manage this type of funding, diversified the specific sources within this stream, and built out additional funding streams to fill in gaps. For example, many partnerships in the homeless response space are funded primarily by a mix of federal government sources (e.g., Continuum of Care funding, Department of Veterans Affairs funding, Community Development Block Grants, and/or Emergency Solutions Grants) and rely on smaller local and private funding streams to pay for partnership activities not supported by federal funding. Typically, key roles of the backbone are to manage this mix across the partnership and direct resources in a way that advances community-wide goals and vision while satisfying funding compliance requirements.



If you are part of a place-based partnership hoping to launch a new revenue stream or significantly expand an existing one, plan accordingly. It takes organizations several years, on average, to build out a revenue stream that not only pays for itself, but also generates enough of a return to make a positive contribution to mission-aligned work. Funding streams (and the specific sources within them) come with different characteristics, meaning that securing and managing the partnership often requires a diverse set of core capacities. Partners may find tools like this **Opportunity Matrix** helpful in assessing and comparing potential revenue streams.

For funders looking to help a place-based partnership grow or scale, make sure you are willing to invest in the revenue-generating work of the partnership so it can sustain itself after your funding ends. This includes paying for things like development or grant-writing staff for three or more years. NFF has observed that a number of place-based partnerships received significant philanthropic investment to scale programs and operations, but without simultaneous investment into revenue generation. As these philanthropic investments come to a close, organizations find themselves facing a financial cliff without the revenue sources they would need to continue their program expansion over the long-term.

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Outlined in the chart below are five primary funding streams we observed most commonly comprising place-based partnership revenue models. While these came up most frequently in our research, this list is not exhaustive; some partnerships have also cultivated other streams, like individual donations or corporate sponsorships, to fill funding gaps or support continued adaptation.

Funding Stream	Description	Characteristics	Advice for Pursuing this Stream
<b>Local government</b>	Grants or contracts from city, county, or state departments or programs	<ul style="list-style-type: none"> <li>• Generally available to place-based partnerships as contract for services (e.g., consulting with a school district to improve data collection)</li> <li>• Little or no coverage of indirect costs</li> <li>• Sometimes slow to pay</li> <li>• Sometimes include heavy reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Build adequate liquidity to manage receivables</li> <li>• Have robust accounting and time-tracking systems to meet invoicing and reporting requirements</li> <li>• Can require significant capacity to secure and manage (e.g., lobbying for funding, grant writing, budget analysis, contract management)</li> </ul>
<b>Federal government</b>	Grants or contracts from federal departments or programs. Might be passed through local municipalities.	<ul style="list-style-type: none"> <li>• For place-based partnerships, generally secured as pass-through to fund direct services, with limited funding available to collective impact functions</li> <li>• Typically available to nonprofits with large operating budgets</li> <li>• May take an act of Congress to change</li> <li>• Notoriously slow to pay</li> <li>• Doesn't pay <b>full cost of services</b></li> <li>• Heavy reporting requirements</li> <li>• Can be a highly reliable source of funding</li> </ul>	<ul style="list-style-type: none"> <li>• Build adequate liquidity to manage receivables</li> <li>• Have robust accounting and time-tracking systems to meet invoicing and reporting requirements</li> <li>• Often requires significant capacity to secure and manage (e.g., lobbying for funding, grant writing, budget analysis, contract management)</li> </ul>
<b>Local philanthropy</b>	Grants from a foundation focused on a limited geographic region	<ul style="list-style-type: none"> <li>• Tend to be smaller grants</li> <li>• Levels of restriction vary greatly by foundation</li> <li>• Often renewed each year, but can be reliable over time</li> <li>• Availability may be limited in certain geographies without a robust philanthropic community</li> </ul>	<ul style="list-style-type: none"> <li>• Can require significant relationship building and ongoing management with many funders</li> <li>• Sometimes not available to fiscally sponsored projects</li> </ul>
<b>National philanthropy</b>	Grants from a foundation funding nationally or internationally	<ul style="list-style-type: none"> <li>• Tend to be larger grants</li> <li>• Frequently innovation- or growth-focused</li> <li>• Frequently used as pass-through funding for partners</li> </ul>	<ul style="list-style-type: none"> <li>• Sometimes not available to fiscally sponsored projects</li> <li>• Opportunity to think comprehensively about full cost of partnership</li> </ul>

Funding Stream	Description	Characteristics	Advice for Pursuing this Stream
<b>Earned revenue streams</b>	Selling a product or service, generally with some connection to mission in the case of place-based partnerships	<ul style="list-style-type: none"> <li>• Use of revenue is fully under the discretion of management</li> <li>• Often requires upfront investment of time and money; financially risky to launch</li> <li>• Can create challenging internal dynamics between staff directly tasked with earning revenue and staff who are not</li> </ul>	<ul style="list-style-type: none"> <li>• Important to track net income, not just gross income</li> <li>• Revenue-generating work must be fully staffed and resourced to be successful over time</li> <li>• Be clear and honest about connection to mission (or lack thereof)</li> </ul>

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## Staffing Place-Based Partnerships

In order to advance community-level outcomes, place-based partnerships<sup>1</sup> must fulfill several **key functions** – community engagement, goal-setting, strategic use of data, and coordination of funding, among others – that rely on people to move forward. Regardless of backbone structure, location, and issue area, most place-based partnerships engaged in this project reported inadequate funding for staff as the primary challenge in advancing their work. We observed this standing in the way of three key actions identified by place-based partnerships as essential to achieving and sustaining outcomes:



### Hire Sufficient, Dedicated Staff in Key Roles

A majority of place-based partnerships engaged in this project have a designated **backbone<sup>2</sup> structure** responsible for providing oversight and holding partners accountable to community-level outcomes and goals. **Partnerships highlighted how having staff who are wholly dedicated to working on behalf of the partnership itself, rather than on behalf of a single partner within the collective, is essential to driving community-level outcomes.** For example, one **Built for Zero** community that recently invested in dedicated leadership to oversee its place-based partnership described that decision as a turning point in moving its work from responding to crises to ending chronic homelessness.

Even in cases where dedicated, paid staff comprise backbone leadership, **a lack of adequate funding frequently constrains backbone organizations' ability to run and sustain important operations.** For example, several members of **StriveTogether's Cradle to Career Network** identified additional data, fundraising, and human resources capacity as necessary areas of investment. Backbones characterize additional expertise and bandwidth in these areas as highly impactful; not only do such investments alleviate existing constraints on staff's limited time, but they enable backbones to establish the expertise, systems, and processes they need to mature their operations and practices and expand their partnership's work.

### Offer Competitive Compensation

**Partnerships also elevated the need for staff in key backbone roles to be paid competitively and fairly for their partnership-related responsibilities.** Even in our engagement with Built for Zero

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partnerships with dedicated backbone leadership, we observed that some functions were fulfilled on an essentially “volunteer” basis because they were performed on top of an individual’s existing, full-time role. Communities noted several risks inherent in this approach, including staff burnout, gaps in accountability, and losses of institutional knowledge and relationships with key stakeholders when staff change positions or retire.

Several of the StriveTogether backbones we’ve worked with have found it challenging to provide competitive compensation for paid roles. This challenge is particularly acute for data-related roles, directly inhibiting their ability to consistently attract data talent, retain those employees, and effectively sustain their partnerships’ data capacity. In our research on a sample of StriveTogether backbones, we found that in 2020, **backbone pay for data and research roles was typically lower than salaries available for similar roles in the same geographic area**. Although our analysis<sup>3</sup> indicated that the median gap between market and backbone data pay was 12%, one-third of backbones surveyed offered data salaries that were at least 30% lower than those paid elsewhere for similar roles in the same metro area. As a result, backbone organizations are often limited to hiring data staff who are more junior or who have the financial resources to absorb lower pay, and turnover among these employees is high.

Backbone leaders point to **inadequate funding as the primary obstacle – specifically, a lack of sufficient flexible funding to cover the costs of core backbone functions like measuring community impact with data**. However, addressing the compensation gap is not simply a math problem. Backbone leaders also report **grappling with issues of equity and fairness related to increased data compensation**. Because backbone data staff are often paid more than colleagues in other roles (our analysis indicated an average of 19% more), several leaders raised concerns about the negative impact that unilaterally increasing data compensation could have on organizational morale and culture. Raising data salaries to market rates would widen existing compensation gaps between data and other essential backbone roles. While our analysis focused on data roles specifically, we suspect further research would reveal the need for wage adjustments more broadly across roles within backbones.

## Engage and Employ People with Lived Expertise

**People with lived expertise in the issues place-based partnerships strive to address hold deep, first-hand understanding of both the challenges of local systems and what works best to improve outcomes for communities.** This lived expertise is vital in driving outcomes that are equitable and responsive to community-wide goals. As one Program Director from a Built for Zero community shared, “Our data shows that our case managers with lived experience are our most effective in securing permanent housing for clients.” Although place-based partnerships represented in NFF’s research with Community Solutions agreed on the importance of engaging those who have recently or are currently experiencing homelessness, they universally noted gaps in their ability to do so. This is no surprise, given that most systems in our communities value “intellectualized” knowledge like classroom learning that leads to degrees and credentials over “experiential” knowledge like direct engagement with systems and services.

<sup>3</sup> All compensation data in this analysis were self-reported. StriveTogether cannot verify the validity of individual entries. StriveTogether asked for salary data by role type (i.e., Data, Communications), but not broken down by role level. Therefore, some entries may have ranged from, for instance, a manager salary to a vice president salary in that role type. StriveTogether did not specify that only full-time employees’ salaries should be considered. Therefore, some ranges may have included a salary for a part-time employee. Because partnerships were asked for “salary” data, it is unclear whether the ranges provided can be equated with total compensation. It is more likely that the numbers provided do not account for bonuses, benefits, or other forms of compensation. The data analyzed is not meant to take the place of an official compensation study conducted by a certified compensation professional.

**Meaningfully and equitably engaging individuals with lived expertise in the work of place-based partnerships requires changing the way systems and organizations operate, including leaders committed to fostering shifts in culture, and funding for the time and capacity required to initiate and sustain change.** While no partnership we engaged with believes their community is far enough along in these changes, several leaders, including those with lived expertise, shared examples of bright spots where they are making progress:

- **Employing people with lived expertise in roles across the place-based partnership.**

Opportunity lies in bringing community members' lived expertise to the forefront of the partnership by employing them in a range of roles, from front-line service delivery to administration to advocacy. To enable this shift, explicit hiring parameters (such as licensing requirements) and implicit hiring norms must be updated to eliminate barriers to individuals most impacted and prioritize lived experience as a highly valuable credential.

- **Providing adequate support and training for staff with lived expertise.** To ensure that staff with lived expertise are as effective in their positions as possible, place-based partnerships must consider the specific training and support needed to help them navigate the potential physical, mental, and emotional challenges of the work – for instance, by centering trauma-informed approaches in the workplace.

- **Offering fair compensation and supports for the work of people with lived expertise.**

Whether they're providing expertise and input when attending meetings in an advisory capacity or working in a paid position within a place-based partnership, people with lived expertise must be fairly paid for sharing their knowledge and contributing to the work of the partnership. In addition to monetary compensation, offering other forms of support such as childcare, transportation, training, and technology is essential to fostering sustained engagement.

Progress on social issues depends on the right people doing the work. Changing the way we staff place-based partnerships requires asking questions like: How can we connect the people striving to realize great futures in the places they live and work? What would be required to secure and sustain the participation of the right people to deliver the ambitious goals we've set? How can we demonstrate a long-term, significant investment in the community where we aim to galvanize change?

The idea that people who contribute their time and expertise to tackle our most important issues should accept less money or other benefits than those in other sectors undermines the effectiveness of place-based partnership and impedes equity. Any serious commitment to place-based approaches must include an employment strategy that aligns with the partnership's community-wide vision.

*"People are the most important asset that place-based partnerships have as they work to realize community ambitions. Investing in people with the expertise, lived experience, and relationships to create lasting change is critical. Compensating them fairly should be non-negotiable."*

This article was written as part of the Place-based Project, a two-year collaboration between **Nonprofit Finance Fund** (NFF), **Community Solutions**, and **StriveTogether** – with generous support from the **Ballmer Group** – to understand how backbones of place-based partnerships operate and to gain insights into the factors that impact their sustainability and success in driving community-level outcomes.

# Four Tips to Plan for a Successful Backbone Leadership Transition

The lifecycle of most backbones<sup>1</sup> will eventually involve the transition from a founder or long-standing executive director to new leadership responsible for stewarding the next phase of a place-based partnership's<sup>2</sup> work. These transitions frequently involve demographic shifts: from white people to people of color, from men to women and genderqueer people, and/or from older to younger leaders. While backbones usually think to prepare for the transfer of the more obvious aspects of operations (e.g., orienting new leaders to programs, sharing where important files and passwords are kept), several pieces, if not carefully considered, can undermine the best laid succession plans.

To effectively position backbones for future success, Nonprofit Finance Fund (NFF) recommends that leaders reflect on four key but frequently overlooked issues. Below we offer several questions for in- and outgoing leaders of backbones in transition to consider and discuss, both independently and together as peers.



## 1. DEFINE THE OUTGOING LEADER'S FUTURE ROLE

Founders and longstanding leaders often grapple with their legacy and the shifts in positional power leadership transitions can entail. The failure to fully unpack what a transition means for the outgoing leader – in terms of the impact on their identity, the tables they sit at, the respect they command in the community – can have ill effects. At best it muddies the transition process, and at worst it undercuts the work of the backbone and the incoming leader. Formally and explicitly defining the future role of the outgoing leader provides the opportunity to determine ways to maintain their valuable skill sets, knowledge, and relationships; to decide how leadership will be shared through the transition in an appropriate, mutually agreeable manner; and to ensure that new leaders have adequate space to implement desired change.

- **For the outgoing leader:** How do I envision myself remaining involved (if at all) in the work of the backbone? The place-based partnership? The broader community?
- **For the incoming leader:** In what ways does the outgoing leader's continued involvement align with my vision of the backbone's future work and needs? In what ways does it not?
- **For both:** If the outgoing leader remains involved, what agreements should we reach to ensure the arrangement works for both of us, the organization, its mission, and partners?

<sup>1</sup> **Backbones** – structures comprised of a single or multiple organizations that fulfill several core functions and facilitate action and accountability across place-based partnerships.

<sup>2</sup> **Place-based partnerships** – networks of people and organizations in the same geographic area who work together to change systems, improve community outcomes, and achieve shared goals.



## 2. ESTABLISH (AND STICK TO) A REASONABLE TRANSITION TIMELINE

Planning for a leadership transition should begin as early as is practical and include setting a date for the formal transfer of power. Sticking to a defined timeline not only helps to orient and steer succession planning, it also aids in mitigating ongoing uncertainty associated with more ambiguous deadlines (e.g., when the outgoing leader deems the incoming leader “ready”). A well thought-out timeline will allow ample room to implement an established succession plan (if applicable), and ideally to: 1) maintain operational continuity, 2) provide meaningful onboarding and offboarding (and if appropriate, overlap) for the incoming and outgoing leaders, 3) allow for the thoughtful announcement of news to staff, key partners, and funders and to respond to any questions or concerns, and 4) account for the additional capacity board, leadership, and staff will likely need to devote to the transition outside of the normal course of business. Generally, the formal shift in leadership should take effect no more than one year after public announcement of the transition, although internal work can start earlier.

- **For both:** Have we set a transition timeline that is mutually agreeable to in- and outgoing leadership and board, and factors in items 1-4 noted above?
- **For both:** What potential challenges or delays could arise that we should take into consideration in the transition timeline?

## 3. ARRANGE A WARM HANDOFF OF KEY RELATIONSHIPS

Particularly for founders, a backbone’s work may be intimately intertwined with their own identities and the close, personal relationships they hold with funders and partners. While an outgoing leader may facilitate an introduction between their successor and key stakeholders, these efforts can feel cursory and fall short of effectively building relationships. Backbones can avoid this by ensuring that the outgoing leader effectively “gives their seat at the table” to new leadership and inspires confidence among stakeholders by including their successor in important conversations with partners and funders and positioning them as a competent peer with the authority to steward the backbone’s future. This is especially important with funders and partners in a field to which a new leader has not historically had access.

- **For both:** What relationships need to be handed off to the new leader?
- **For the outgoing leader:** What actions can I take to ensure that I position the new leader as a competent peer?

## 4. ENLIST AN EXPERIENCED THIRD PARTY

The support of a consultant, board member/committee, or other neutral third party can be valuable in managing the transition and remaining accountable to the process accountable. Because leadership transitions among backbones frequently involve demographic changes, they can be fraught with power dynamics. Seeking out support from a third party with expertise helping organizations navigate issues of class, race, age, and/or gender can be immensely valuable in ensuring equity in the process.

- **For both:** In what ways would the support of a neutral third party be most useful to the transition process (e.g., advising, directly managing the process, etc.)?
- **For both:** Is the third party experienced at navigating dynamics of race, gender, age, etc. relevant to our situation?

## ABOUT THE PROJECT

**Nonprofit Finance Fund** (NFF), with the support of **Ballmer Group** and in collaboration with **Community Solutions** and **StriveTogether**, embarked on a two-year project to understand how backbones of place-based partnerships operate and to gain insights into the factors that impact their sustainability and success in driving community-level outcomes. This project included analysis of data on over 80 place-based partnerships across the country, interviews with over 85 individuals from 30 of those partnerships, and in-depth consultation with 5 backbone organizations. This resource is part of a toolkit designed to support the work of practitioners within existing place-based partnerships, communities contemplating starting a place-based partnership, and funders that invest in these efforts. [Click here](#) for more information and to access the toolkit.

