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# Building Trust Through Practice

A Shared Journey Toward an Inclusive Economy



**Surdna  
Foundation**

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**Surdna Foundation  
Inclusive Economies Program**

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By **Mekaelia Davis**, **Patrice R. Green**  
and **Giselle Cordero**

“ I realize I don’t know very much. None of us knows very much. But we can all learn more. Then we can teach one another. We can stop denying reality or hoping it will go away by magic. ”

– Octavia Butler



## On the Journey to Do and Learn

In 2018, the Surdna Foundation approved new program strategies that advance its commitment to social justice and racial equity. This pivot launched the Inclusive Economies (IE) Program on a journey to learn by doing: implementing this new approach to grantmaking that is consistent with the Foundation's emphasis on equity and justice.

Three years into this process, the IE team has captured lessons and reflections, discussed herein, that explore efforts to center grantee partners in designing priorities, creating program measurement indicators, and crafting authentic spaces for engagement. The practice of learning and doing has seeded new models of an inclusive economy.

**We hope this report, which can be viewed as an arc of learning for the team, demonstrates how philanthropy might contribute to transformative change in moments of uncertainty and prioritize grantee-centered learning in the grantmaking strategy.**



Surdna Inclusive Economies team January 2020: Mekaelia Davis, Omar Suarez, Patrice R. Green, and Jeff Jiménez-Kurlander.



Jeff Jiménez-Kurlander and Patrice R. Green, Surdna Foundation



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Surdna Foundation Inclusive Economies 2020 Grantee Convening

# A Brief History of the Inclusive Economies Program



The Surdna Foundation launched the Inclusive Economies (IE) Program (before 2018, it was known as Strong Local Economies), to foster an inclusive and equitable economy where people of color maximize their leadership potential and innovation across sectors. We shifted program name and strategy for two reasons: First, the IE Program does not solely focus on local geographies but supports work at both the national and regional levels to advance equity and inclusion. Second, the new name positioned the Surdna Foundation among its peers as philanthropy embraced “inclusive” as a holistic term for the economic growth we seek. Finally, the IE Program recognizes the important role of narratives and mental models that guide how and who the economy serves. Narratives are stories rooted in shared values and common themes that can influence how audiences process information and make decisions. The team began to explore narratives more intently in 2020 and continues to work to strengthen Surdna’s narrative infrastructure to support the creation of content that centers race and equity.



Exercise at the Inclusive Economies 2020 Grantee Convening

In addition, the new strategy responded to shifts in the global and U.S. economies, including the persistent barriers that communities of Black, Indigenous, and People of Color (BIPOC) face in securing financial capital and technology that have shaped and distributed economic opportunity. As part of these shifts, the Surdna Foundation developed three organizational objectives centering racial equity: Building Wealth, Increasing Democratic Participation, and Increasing Accountability and Transparency. These objectives are present in all of the Foundation’s programmatic grantmaking.



The IE team experimented with various grantmaking approaches over the years, including support for the creation of new organizations or initiatives and replicating practices that center equity and access to economic power. These strategies are an evolution of IE's past work.



The IE Program has two core strategies for generating change, with targeted interventions that direct grantmaking investments, as follows:

### 1. Business Start-Up and Growth

- Increasing Access to Capital
- Improving Business Support Systems

### 2. Equitable Economic Development

- Shifting the Practice of Economic Development
- Advocating for Stronger Labor Standards

All of these interventions seek to advance three broad outcomes:

1. Expanding access to quality jobs;
2. Building income and wealth; and
3. Elevating community voice in decision-making.

### Resources for Your Learning:

- [Learn more about the Inclusive Economies](#) team and its core strategies for economic change.
- [Read](#) the announcement about Surdna Foundation's refined program strategies.

## Changing the Role of Metrics and Indicators

Executing the IE Program strategy required understanding the necessary changes to disrupt the status quo and historic disparities BIPOC communities face. In its new iteration, the IE Program sought to “fully address issues of race and participation in the current economic structure.” It engaged [Estolano Advisors](#) (EA) to help develop program indicators (field trends) to track the IE team's progress toward building an inclusive and equitable economy and grant metrics to measure the impact of the program's grantmaking. Working with grantee partners, peer funders, and thought leaders, the EA and IE teams undertook a comprehensive, three-phase process as follows:<sup>1</sup>

<sup>1</sup> While the IE indicators are intended to be broad, high-level measures of economic progress related to the program's strategy-level goals, the metrics are intended to assess the impact of individual grants. The findings from these metrics help Surdna understand the impact of its grantmaking and lays the groundwork for new approaches or shifts in strategies. Tracking the presented indicators and metrics data creates opportunities for Surdna to further engage peer funders and advance the field with a greater understanding of how philanthropy can drive inclusive economic change.



## Trust-Based Philanthropy Practice:

**Do the homework**



Napoleon Wallace and Ryan Bowers, Activest

1. **Research:** EA conducted a landscape analysis to explore how the inclusive economic development field deploys indicators. They reviewed 20 frameworks from various institutions across sectors.

Building an inclusive economy requires shared language and new ways of measuring economic growth. These early steps helped aggregate work across our peers and among our grantee partners to understand emerging indicators and models for inclusive, equitable, and democratic economic development.

2. **Stakeholder Engagement:** EA sought the expertise of Surdna's grantee partners, peer funders, and leading inclusive economies researchers—through individual interviews, focus groups, and roundtable discussions—to help identify, test, and refine program indicators and metrics.
3. **Internal Refinement:** The IE team engaged in a multi-day review process to synthesize the research findings, preliminary recommendations, and stakeholder input. The team tested the proposed indicators against the IE Program's strategy and used this analysis to create a draft set of indicators and metrics, which were later reviewed and approved by the IE Board Program Committee.

This process shaped the IE team's revised grantmaking approach that focuses on changing systems, building a muscle for taking risk, and centering authentic and honest relationships with grantees as experts and partners.

Over the past two years, the IE team also partnered with Surdna's Learning and Grant Operations (LGO) team to test and operationalize the metrics and indicators crafted with grantee partners and field leaders. As part of Surdna's ongoing interest in building tools based on grantee partners' feedback, the LGO team collaborated on two pilot projects with IE grantee partners to select and set targets for impact metrics, and report on insights and learnings. Survey tools found that **77% of grantees believe sharing learning and aggregate results about how IE grantee partners are progressing toward their initial metric targets would be useful.**

### Resources for Your Learning:

- Read more about [Estolano Advisors](#).
- Learn more about the process of developing program indicators, including the landscape analysis, methodology, and research, in the [Inclusive Economies Indicators and Metrics Report](#).
- Read more about how we tested and operationalized metrics in the [Developing & Implementing Grants Metrics Report](#) and [Measuring Together: A Learning Approach for Inclusive Economies Report](#).

# Convening Grantees to Connect, Learn, and Strategize

“ Opportunities to share with funders and other grantees are rare and extremely important for creating networks, allowing for deep learning opportunities, and connecting the work across time and place. ”

—January 2020 Grantee Convening attendee



Brian Brackeen, Lightship Foundationm, and Elmer Moore, Jr., Scale Up Milwaukee

The IE team hosted a three-day Grantee Convening in January 2020 — a little over a year after the launch of the IE Program’s refined strategy — in response to grantees’ desire for shared learning opportunities and Surdna’s commitment to inclusive learning. The convening created a space to reflect on the insights Surdna gained through the IE metrics and indicators development process and grantee survey. Over 52 organizations attended the event, representing the IE Program’s two core strategies: Business Start-Up and Growth, and Equitable Economic Development.

## The convening was designed to meet the following objectives:

1. Facilitate a collaborative learning environment where grantee partners can connect with each other;
2. Share Surdna’s insights and lessons learned since the launch of the revised IE strategy;
3. Learn from and with grantee partners about issues and challenges they face in deploying their strategies; and
4. Explore ways to use metrics and grantee partner learning to inform the field.



Don Chen, President, and Mekaelia Davis, Director, Inclusive Economies Program, Surdna Foundation



By the end of the conference, grantees identified priority areas for Surdna to support their pursuit of a more inclusive economy. These priorities helped shape Surdna's grantmaking and how it provides support beyond the check to its grantees. **The three priority areas are:**

1. Policies to Increase Accountability in the Economic Development Field
2. Innovative Financial Products & Effective Curricula and Programs
3. Tools and Skills for Narrative Building

“Surdna has an important role to play in bringing other philanthropies to the table with regard to building inclusive economies.”

– January 2020 Grantee Convening attendee



Empress Lindsey, Texas Organizing Project

## The Power of Learning Together

The IE team and Surdna believe grantee partners bring unique insights that are based on substantial experience and expertise. The convening reinforced the IE team's trust in these innovators and leaders of economic development, and represents Surdna's response to requests and feedback from grantee partners to create intentional spaces for collaboration.

Active listening for philanthropy should build trust and result in supportive action. Designing a space that recognized the power dynamic between funder and grantee partners was important to our convening. This approach strengthened our partnerships and helped us understand how to incorporate authentic guidance from grantee partners.



### Trust-Based Philanthropy Practice:

**Be Transparent**  
**And Responsive**



Cecilia V. Estolano, Estolano Advisors

## The Power of Gathering: Strategy in Action

The priority themes that emerged at the 2020 conference remain timely and relevant as the world grapples with economic recovery from COVID-19 and reckons with racial justice.

Here are some ways grantee partners hold the powerful accountable, help build an economy that works for everyone, and shift the story toward inclusive economies.

### 1. **Policies to Increase Accountability in the Economic Development**

**Field:** In mid-November 2021, the U.S. Congress passed the biggest spending bill in American history, following three stimulus bills intended to support communities devastated by the economic impacts of COVID-19. Despite this, [research](#) continues to highlight disparities in aid reaching BIPOC communities. IE grantee partners lead the field in developing and deploying tools that increase accountability and transparency in economic development policy and practice.

Examples include:

- **Good Jobs First**, a long-term partner of the IE Program, has been tracking subsidies through its Violation Tracker for years. In the wake of the pandemic, Good Jobs First applied that same technology to create the **COVID Tracker**. This tracker assembles CARES Act recipient data and combines it with information about each company's history of regulatory violations, previous government assistance, federal tax avoidance, and CEO and worker pay practices.
- **Local Progress** is building the capacity of “inside” elected official actors, while working in deep partnership with community-based organizations, progressive unions, movement organizations, and policy advocates to strengthen connections and shared strategy.

Local Progress provided **best practices** and examples for critical issues, including emergency paid sick time, small business support during the COVID-19 pandemic, and local emergency powers.

INCLUSIVE  
ECONOMIES  
GRANTEE  
CONVENING



Consultant Partner Mordecai Cardill of Third Space Action Lab (TSAL) speaks with grantee partners



Abigail Golden-Vasquez,  
Prosperity Now, formerly  
Aspen Latinos and Society, and  
Melissa Bradley, 1863 Ventures

## Strategy in Action

**Association for Enterprise Opportunity** advocates for transparent lending practices and policies by the U.S. Small Business Administration.

Making use of the **U.S. Securities and Exchange Commission Regulation Crowdfunding** rules to support community wealth.

**UMA Pathways to Patient Capital:** Urban Manufacturing Alliance has organized over a dozen community-based lenders who have deployed alternative investment and lending products to support BIPOC entrepreneurs to get access to the capital they need and are often denied, helping to grow their businesses and create wealth.

## 2. Innovative Financial Products, Effective Curricula and Programs:

As part of the federal government's attempt to address COVID-19's impact on small businesses, several programs were established to provide capital intended to keep businesses afloat (e.g., [Paycheck Protection Program](#) and the [Economic Injury Disaster Loan Program](#)). These programs resulted in the same disparities as noted above, with BIPOC businesses receiving fewer dollars and some business lenders using business-as-usual practices that restricted the flow of capital to communities of color. IE grantee partners have been leading efforts to innovate capital products and practices to enable greater access in BIPOC communities.

Examples include:

- [1863 Ventures](#) is a D.C.-based accelerator working to bridge the gap between entrepreneurs and equity for the New Majority. [1863 Fund](#) is one of the early adopters bringing revenue-based financing to entrepreneurs of color as an alternative financing model.
- [Common Future Character-Based Lending](#) is working with a coalition of lenders to advance and scale character-based lending tools (CBL for short) that make loans based on relationships, track record of engagement, and ultimately, trust.
- [Black Innovation Alliance](#) is supporting the infrastructure of entrepreneur and innovation support organizations. [The Black Innovation Census](#) creates a living tool that maps Business Information Support Organizations (BISOs), funding, and opportunities to strengthen the ecosystem.



Eric Robertson, Community LIFT





Tim Lampkin, Higher Purpose, and Jessica Feingold, Common Future



Sheri Davis-Faulkner, Center for Innovation in Worker Organization

**3. Tools and Skills for Narrative-Building:** The rapid growth of misinformation and heavily saturated social media platforms have contributed to a wave of challenging narratives about the economy. The IE team has recently developed an economic narrative change approach that benefits from the work of our partners and other leaders in the field. IE grantee partners have worked diligently to provide an alternative voice on the realities facing BIPOC communities — often giving power and agency “to many who are frequently (or systematically) denied a platform.”

- [MLK50](#) is a Memphis nonprofit news outlet focused on the intersection of poverty, power, and policy. MLK50 is shining a light on the perpetuation of the [racial wealth gap](#) through the unequal distribution of federal relief funds to business owners of color.
- [YES! Magazine](#) is a nonprofit, independent publisher of solutions journalism. In [The 25% Tipping Point](#), YES! breaks down critical research on what it could take to make change possible and catalytic using salient current events as examples.
- [Pop Culture Collaborative](#), in partnership with CAA Foundation, launched [Evolutionaries](#), a program supporting civic activists, artists, and movement leaders who challenge unjust social systems and cultural norms. PCC and CAA provide resources for these leaders to advance a pop culture narrative through books, podcasts, TV shows, performance art intended for mass audiences, and more.
- [Next City](#) is a nonprofit newsroom focused on spreading real stories and workable ideas from one city to the next, connecting people, places, and solutions that move society toward justice and equity. Next City’s analysis of the federal infrastructure bill, [Build Back Better](#), provides key insights, organizing points, and watch areas for communities and practitioners to guarantee equity in the distribution of these historic funds.

The 2020 IE Grantee Convening generated a robust network of ideas and pushed Surdna to align recommendations from field leaders with grantmaking strategies to build more democratic and regenerative economies, and confront systems of power that restrict economic inclusion and racial equity.

#### Resources for Your Learning:

- Learn more about the [2020 Inclusive Economies Grantee Convening](#).
- [Hear from IE grantee partners](#) about the actions and tools for reimagining and shifting the U.S. economy toward inclusion.

# Movement Building Within a Grantmaking Strategy

Following consistent feedback from grantee partners, two questions arose in the IE team's work:

What might it look like for a foundation to deepen its engagement with grantee partners, help increase exposure and funding of grantee leadership and impact, facilitate rapid innovation, and fully support (through financial, social, and human capital) collaboration?

How might we do this given our existing capacity?



Patrice R. Green, Program Officer, Inclusive Economies, Surdna Foundation



**Trust-Based Philanthropy Practice:**

**Solicit and Act on Feedback**

The IE team took these questions to consultants at **Third Space Action Lab** (TSAL) to help generate ideas for increasing synergy within a grantmaking portfolio. Over the course of nine months, with efforts starting in 2020, the IE team and consultants used feedback from grantee partner surveys, polls, and focus group discussions to design a set of program activities and resources that center learning and collaboration, serve grantee partners, and position the IE team in service of grantee partners' efforts. Through partnerships with expert consultants (like Estolano Advisors and TSAL), the IE team crafted a diverse set of tools to create feedback loops with grantees. Analysis of this data allowed the team to iterate how success is measured, understand what information would fill gaps in grantee partners' work, and support their ability to tell the full story of what it takes to build an inclusive economy.

## The goals of the movement-building model:

- Amplify grantee partners' existing work to facilitate fundraising with IE's peer funders, and normalize ideas and narratives on constructing an inclusive economy.
- Identify opportunities for grantees to leverage each other's work, position grantee partners to be decision-makers in IE's grantmaking, and to shape IE's strategies and decide where funding flows.
- Organize the IE portfolio around shared systems-change goals and enable IE to take bigger risks in a targeted approach.

## Piloting a Learning Cohort

The IE team began exploring the idea of launching learning cohorts based on feedback and our grantee partners' desires for a dedicated space and more time to deepen connections. Learning cohorts are intended to build connections in the field, catalyze conversations among grantee partners, and serve as early attempts to share power with grantee partners regarding grantmaking decisions. Surdna's goal in field building is to create capacity for leaders to create a new economy; as a result, we have constructed cohorts that will build relationships, create a shared analysis of the nature of an inclusive economy, and identify specific strategies to ensure that leaders are successful.

The movement-building model led to the following design for a pilot learning cohort, which is slated to launch late 2022. Over the course of 12 months, a pilot cohort of grantee partners will be offered:

- participation stipends,
- a pooled fund, and
- support of third-party facilitators to deepen relationships with each other and engage in learning activities.

The IE team will provide the cohort with a menu of activities that is intended to facilitate group decision-making and launch collaborative action. The activities may entail:

- defining or redefining portfolio strategy,
- experimenting with scalable grantee partner collaborations,
- communal learning around group-identified topics, and
- developing field interventions that attract additional resources and attention from target audiences (e.g., other potential funders, economic policymakers, etc.).

While the structure and mechanics of the learning cohorts are in development, the IE team established some ideas to measure success. The pilot's success will be measured by how worthwhile the experience was for grantee partners, how well it supported their organizations' existing strategies, how manageable the pilot was given the IE Program team's capacity, and whether the cohort outcomes enhanced the development of the IE Program strategy.

### Resources for Your Learning:

- Learn more about how we've developed a movement-building strategy within the IE portfolio by reading the [TSAL Executive Summary: Movement Building Community Design](#).
- Read more about [Third Space Action Lab](#).

▶ In a focus group, an Inclusive Economies grantee partner said, "We want to get in the space where we're changing the narrative and creating, rather than dealing with problems that pop up."







## Top Lessons Learned (So Far)

**Trust-based philanthropic practices can pave the way to authentic, meaningful partnerships with grantees.** There's a lot of talk in philanthropy about trust-based practices. For us, it boils down to listening to grantees, breaking down inevitable power imbalances, building genuine relationships, and responding with supportive actions.

- Supportive actions include supporting organizations through staff transitions, crises, or health issues in real time.

**Good funders are good followers.** It's essential to recognize the power of grantees' experiences on the ground and follow their lead. Funders must do everything in their power to shift decision-making and strategy to their grantees.

**Measurement is for learning, not proving impact.** We focused on establishing a system for learning rather than evaluating if grantee partners reached their targets.

**Keep it simple.** The greatest lessons come from learning from your mistakes and having sufficient information to make informed decisions.

- The team initially overwhelmed grantee partners with numerous options and metrics, but found that some intended measures through focus groups and information-gathering were not easily tracked or were not useful to our grantee partners.

**Investing in strategists is just as important as investing in strategies.** Funders can accelerate momentum by creating spaces for stakeholders and grantees to learn, collaborate, and take action together.

**Changing the narrative is part of the equation.** In response, we will soon pilot learning cohorts that will work together to shift narratives and share what they learn.



Erica Smiley, Jobs with Justice

## Onward: A Closing Note

**“Not everything that is faced can be changed but nothing can be changed until it is faced.”**

– James Baldwin

The IE Program’s ongoing effort to learn is not for academic purposes, but rather to subvert the long-held model of economic growth that has centered the perspectives and opinions of a small and often disconnected demographic of leaders. This is critical to enabling the risks necessary for innovative ideas to launch, succeed, or fail—a privilege often only given to white, resourced, traditionally educated professionals. To achieve an economy that allows for shared and inclusive economic power, the IE Program remains committed to using its power and capacity to support leaders making change. In doing so, the journey of learning while doing will push the program to face the realities and opportunities in making racial equity and social justice a reality.

*We hope you will learn with us.*

## About the Surdna Foundation



Surdna Foundation Staff, Board, and Consultant Partners

The Surdna Foundation is a 104-year-old family foundation whose mission is to foster sustainable communities in the United States—communities guided by principles of social justice and distinguished by healthy environments, inclusive economies, and thriving cultures. Surdna is working toward dismantling the barriers that limit opportunity to create more prosperous, culturally enriching, and sustainable communities. We are focused on shifting historic racialized patterns of power imbalance and are committed to being a learning organization. To learn more about the Surdna Foundation, visit

<https://surdna.org/our-organization/>



# Acknowledgments

This work was only possible through the collaboration and support of grantee partners and support from an incredible group of contributors. Thank you for your leadership on this effort. If you would like to learn more about our grantees, check out our [Inclusive Economies Current Grantee Partners](#) and visit our [Grants Database](#).

We also want to extend our gratitude to the entire Surdna staff who have supported this work in various ways over the past three years.

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**Estolano Advisors**

**Third Space Action Lab (TSAL)**



# Resources

[Inclusive Economies Program: Indicators and Metrics Report](#)

[Developing and Implementing Grant Metrics](#)

[Measuring Together: A Learning Approach for Inclusive Economies](#)

[Inclusive Economies Grantee Convening Summary Report](#)

[Inclusive Economies Grantee Convening Video](#)

[TSAL Executive Summary: Movement Building Community Design](#)

Grantee Convening photography courtesy of [Freedomland Media](#).

Photograph of Octavia E. Butler seated by her bookcase, 1986 courtesy of The Huntington Library, Art Collections, and Botanical Gardens.

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