

Investing in Population-Level Change

by Jim Shelton Spring, 2019

Five insights about social mobility and the role of big bet philanthropy.

There are many different approaches to making philanthropic big bets and many causes worthy of the investment. I want to build upon the work I began in 2015 focusing on [how we can use big bets to accelerate social mobility](#) in the United States—and not just for a few, but for many millions of people.

As the work of economists Raj Chetty, Emanuel Saez, and colleagues has demonstrated, the chances of living the American Dream—moving from a childhood of poverty to an adulthood of relative affluence (moving from bottom to top income quintile)—are lower in the United States than in other nations and have been declining for more than 50 years. The data also show that despite significant public and private investment, the place where someone grows up and the color of one's skin make a significant difference to social mobility. So too does gender: Growing up in poverty is even more damaging for boys, especially African American boys, than for girls. From a social mobility perspective, how should we think about big bets that will result in life-changing improvements in population-level outcomes?

Let me suggest five insights about social mobility and the role of big bet philanthropy that continue to strike me as especially significant:

Ultimately, it's about public work. In the United States, government systems or government-regulated systems, whether in public education, healthcare, or nutrition, are the only ones designed for universality and usually the only systems that can reach those most in need. If philanthropic investments do not engage the public sector, it is hard to see how they will lead to population-level change. Consider the example of [Vision to Learn](#): More than two million children in the United States do not have the glasses they need to see the board, read a book, or participate in class. Vision to Learn is now working in 300 cities to provide free eye exams and glasses to kids in low-income communities. Everywhere it works, it engages the public school system and leverages public funds. It sends a mobile van to the school, school staff bring the kids, and if the system has school nurses or a health department, they may conduct the vision screening. Vision to Learn receives significant support from philanthropy, but also draws on public dollars from reimbursement by Medicaid and other government programs to sustain ongoing operations.

Business can play a transformative role. Despite the success of engaging businesses in achieving big goals globally (e.g., global distribution of vaccines, increases in agricultural productivity to address poverty and hunger), US



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philanthropy typically ignores the potential of for-profit companies to help create, implement, and scale innovative solutions to domestic challenges. There are signs of change, however, that need to be built upon. Social impact bonds, performance contracts, public-private housing and community development partnerships, and other models are rewarding companies for reducing recidivism, connecting youth with employment opportunities, preparing young children for kindergarten, and building affordable housing. But this is just a start. There needs to be more effort and investment to engage the private sector in creating effective social solutions.

Place-based progress matters but is elusive and demands systemic and comprehensive solutions. Work by Chetty and his colleagues has shown that opportunity and mobility vary widely within and across regions. Where you grow up matters profoundly to your prospects of achieving a higher economic status. Efforts at community redevelopment have historically been fragmented, often pushing out the people intended to benefit from them, or including them only superficially. To enable current residents to benefit from community redevelopment, strategies and systems must be aligned to the critical milestones in people's lives so that they can thrive where they live. Increasingly more communities are engaging in this work, and organizations like [StriveTogether](#) are providing the infrastructure to learn from each and scale best practices. In 2017 the Ballmer Group invested \$60 million to support the coaching, connections, and other tools and resources StriveTogether provides to dozens of communities that are working to improve cradle-to-career outcomes.

To reach entire populations, target those with great needs. Change strategies often begin with the populations and communities where change may be easier so that philanthropists can demonstrate success before moving on to the tougher challenges. But to improve the prospects of entire populations of people, we may need instead to target tough challenges with the potential to unlock solutions to more universal problems. For example, accommodations for the blind dramatically expanded the availability of digitized content, and providing more accessible learning experiences for special needs students produced more accessible learning experiences for all students. Other opportunities to meet the needs of many by focusing first on the highest-need groups are out there.

Donors have to ditch the bad habit of making big bets on their own. Uncoordinated individual investments may not get us very far in changing the systems that have failed to address big social problems. For example, there are a wide range of foundations working separately around the issue of criminal justice. We know that something like criminal justice is complex and systemic, requiring work nationally and at the state and local levels. Making real changes is going to cost a lot of money, more than any one funder is likely to invest. There is also a great deal to learn about what will work, and this process will go much slower if funders are learning separately. Authentic collaboration and partnership will increase leverage, accelerate learning, and decrease wear and tear on those leading the work in the field.

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