

# Impact Matters: Spring 2017

## “Wicked Good” Systems Solutions to “Wicked Problems”

### Wicked Problems

As philanthropic consultants specializing in systems and policy change, my team and I are in the business of impacting society’s most “wicked problems.” A wicked problem is a social or cultural problem that is perceived as difficult or impossible to solve. Most commonly, this is due to: 1) incomplete or contradictory knowledge, 2) the number of people and opinions involved, 3) large economic burden, and 4) the interconnected nature of these problems with other problems (Kolko, 2012).

Despite the complexity of wicked problems, philanthropists largely rely on piecemeal solutions that prove inadequate (Ranghelli, 2012). Systems change approaches such as **policy advocacy** and **civic engagement** are among the **most effective strategies** for foundations seeking to **achieve systemic change and advance equity** (Edwards, 2008; NCRP 2005; Ranghelli, 2009). Despite this only **33%** of U.S. foundation grant dollars intentionally **target systemic issues**, suggesting that foundations have not increased their support for systems change efforts (Ranghelli, 2012).

### Myth Busting

Let's talk about the falsehoods surrounding **advocacy** and **civic engagement** that stop funders from investing in systems change.

**Systems change** is a way to *impact root causes* – not symptoms – of complex social issues by shifting how stakeholders make decisions about policies, programs, resources, and relationship,

ultimately changing the way business is done. But fears of the potential complications and a need to reach the ‘low hanging fruit’ function as barriers to investing in this type of long term change. In addition, others worry that it is an overly costly solution with many unknown variables that are difficult

MYTH	REALITY
The impact of systems change (e.g. policy advocacy & civic engagement) cannot be measured	Innovative tools for measuring systems change efforts are available & continuously evolving.
A great deal of advocacy work is illegal.	There are no legal limits on how much non-lobbying advocacy nonprofits can undertake.
Funders must be financiers and implementers of change.	Funders can perform foundation-led advocacy, support grantee advocacy efforts, or develop organizations to manage change.
Systems change is too abstract and will distract from the agency's current mission.	Systems change can support efforts that are issue-, population-, or geographically-focused; it is about developing new approaches for accomplishing change in these areas.

to measure. Therefore, they are not willing to make “Big Bets” (Powell, A., Huang, J., Foster, W., Boyd, M., & Sakaue, L., 2016).

Such arguments lose steam when we look at the numbers. For example, a 2008 study of the social and economic impact of institutional philanthropy finds that these type of grants, as defined as “public affairs/society benefit”, have the **highest estimated ROI** (return on investment) at **22 to 1** among eight categories of grantmaking, including education, arts, health, human services and the environment (Shapiro, R.J. & Mathur, A., 2008). In addition, the National Council on Responsive Philanthropy’s publication *Leveraging Limited Dollars* found an **ROI of \$115 for every dollar invested** in policy advocacy by funders (Ranghelli, 2012).

Furthermore, **investments in systems change do not have to break the bank**. Researchers suggest that the U.S. philanthropic community could become a key player in policy advocacy by investing only **\$1 billion**, a figure significantly less than the \$30 billion required to make an equivalent impact in direct aid or scientific research fields (IHME 2012, NIH 2017).

### Gaining Traction

We are inspired by our work with funders who are growing increasingly dissatisfied with superficial solutions to complex problems. Foundations are increasingly leveraging their political capital to advance community change (Auspos, 2015). Over the past decade, funder-supported advocacy has gained traction within California, as funders recognize it as a successful avenue to impact the larger system (Margolis, D & Ersoylu, L., 2015). Foundations therefore have a unique **opportunity to position themselves as impact leaders in this growing field**.



Those funders and donors who understand that policy advocacy and civic engagement, used in combination with strategies such as coalition building and targeted research, will move beyond ‘tinkering at the margins’ to affect root causes. They will also see their investment portfolios become **more complex but also more impactful** over time.

### A Call to Action

*“No matter how dysfunctional a system appears to be, it is producing benefits for the people who participate in it.” -Stroh (2015)*

Some friendly advice for funders interested in taking the leap toward investing in systems change:

1. **Define your boundaries.** Clarify what your organization *is and is not* comfortable with. Understand what role(s) you want to play in change-making; self-reflection is key. Coordination with other funders is critical; understand *where your interest ends and theirs begins* to create a continuum of support for the work. Remember, *you can't fund it all*. Choose to make distinctive, intentional

investments in the landscape either a) where large investments have not yet been made or b) where other investments are 'on the brink' of making an impact but may need an extra push.

2. **Amplify your role.** Invest in a combination of foundation-led and grantee-led work. Encourage foundation staff to play a role that goes beyond the provision of funds to being changemakers themselves. Recognize and embrace your power as a *convener*, an *influencer*, and an *advocate*; shying away from these roles only makes the work of your grantees more difficult. However, be intentional about how and when you leverage your power vis-a-vis the campaigns of your grantees. The power to amplify messages is always available but use it only when it makes sense within the campaign.
3. **Trust but Verify.** Assess and determine whether your potential advocacy grantees have the capacity and long-term interest to engage in this type of work. Beware that *some* nonprofits will 'follow the money' and commit 'mission drift.' Others genuinely want to engage in these advocacy and systems change strategies and will need support while they work to get the right internal supports (staffing, procedures, sustainable funding mix, etc.) in place to do so effectively. If needed, explore options for coaching and capacity-building.
4. **Measure Impacts.** Evaluation of your impact is key. Monitor, learn and grow based on data — not whims and shifting trends. Although systems change interventions, campaigns and strategies seem more complex than traditional programmatic funding, there are rigorous tools and methods that can be applied to support your organization as it evolves.

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