

Why Can't Large Systems Embrace Concerted Action to Address Root Causes of Persistent Social Challenges?

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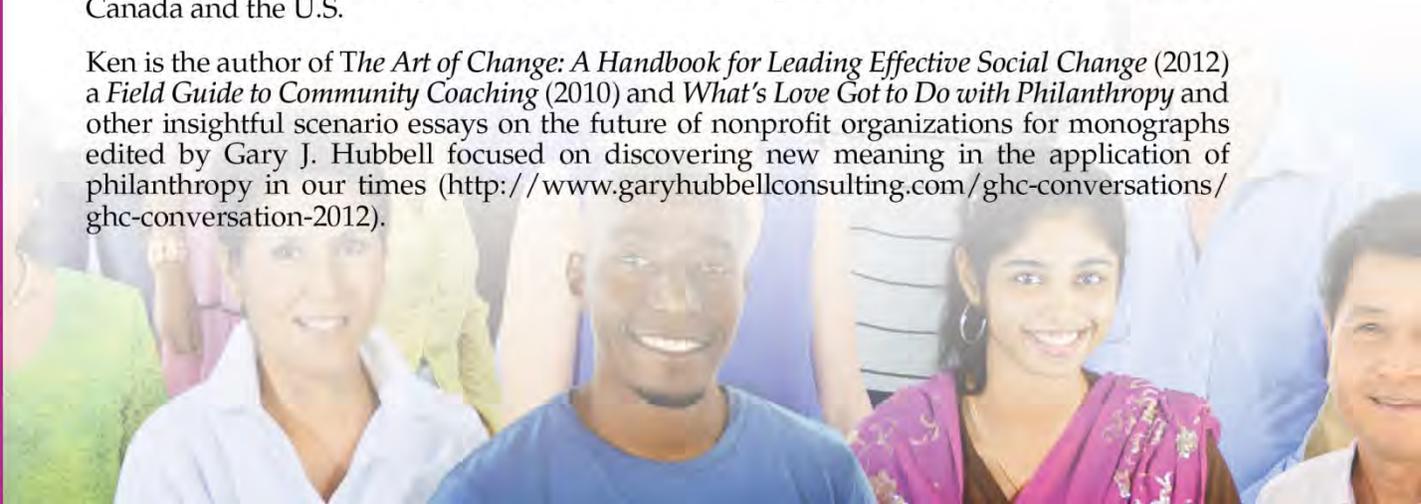
Ken Hubbell is Founder and President of Ken Hubbell & Associates (www.kenhubbell.com), a consulting firm based in Little Rock, Arkansas. Established in 1992, the firm of Ken Hubbell and Associates (KHA) specializes in organizational development, change coaching, and strategic planning. Clients include charitable, regional and community foundations, nonprofit organizations, city governments, state and federal agencies, educational institutions, and select private companies.

Ken Hubbell has twenty years of experience developing resilient organizations and communities. KHA specializes in highly visual strategy tools and systems thinking. Ken has a wide range of experience with multi-stakeholder collaboration, social innovation, economic development, and equitable approaches to grassroots civic participation and poverty alleviation. He has worked in urban neighborhoods, rural regions, and in Namibia (in southern Africa).

His foundation clients include W. K. Kellogg, Northwest Area, Winthrop Rockefeller, Walton Family foundations, the Foundation for the Mid South. He provided unpaid strategic assistance to the Arkansas Community Foundation as it refined its community partnership strategies. Hubbell provides on-going consulting and coaching services to national nonprofits including MDC, Inc. in North Carolina, which provides wise strategic thinking to the field of philanthropy.

Ken has experience designing social solutions to complex problems (Native leaders and private foundations collaborating on social enterprise and governance in Indian Country across the upper Northwest; empowering vulnerable communities to redesign the future of their neighborhoods; and coaching collaboration among diverse stakeholders to accelerate Latino student success across the U. S.), adapting whole systems to organizational strategy (ecosystem and force-field mapping, scenario building to rehearse futures and test strategy for foundations and natural resource, health, arts, and food relief organizations), and facilitating new leadership development and learning for social sector organizations in Canada and the U.S.

Ken is the author of *The Art of Change: A Handbook for Leading Effective Social Change* (2012) a *Field Guide to Community Coaching* (2010) and *What's Love Got to Do with Philanthropy* and other insightful scenario essays on the future of nonprofit organizations for monographs edited by Gary J. Hubbell focused on discovering new meaning in the application of philanthropy in our times (<http://www.garyhubbellconsulting.com/ghc-conversations/ghc-conversation-2012>).



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To begin answering such an important question, I incorporated a current study of the practices and patterns of Arkansas philanthropy since 1980.¹ This exploration of Arkansas' intentional push for increased opportunity, well-being and economic security illuminates the mental models of philanthropy² and leadership in the social sector. It is our attempt to discern the tacit theory that must have underlay the investment and programmatic choices. And it tells a story about the way states struggle to build successful strategic responses at the right scale to the most difficult problems: poverty, growing hunger, health and well-being, and developing competitive economies that work for all people.

What was the philanthropic mindset in general in the last fifty years in Arkansas? If the prevailing theories of social and economic improvement were tacit or operating in the distant background during this era, what were the general assumptions?

The state's organized social philanthropy can be traced to a few passionate families with great means. Initially, this practice was largely "charity" and manifested as donor directed gifts or established funds linked to a few key concerns—those where great need were joined to philanthropic resources to champion new opportunities in the arts, expand scholarships and endowments and to address serious social problems. In larger cities, social improvement philanthropy emanated from associations of wealthy activists, like the Junior League. Most of these were designed and led by concerned women. Winthrop Rockefeller moved to the state in the early 1950s and set up a special fund, Rockwin Fund, to guide his

¹ This short exploration was initially triggered to support a strategic retrospective of the Arkansas Single Parent Scholarship Fund (ASPSF), a twenty-five year-old statewide nonprofit in Arkansas addressing post-secondary opportunities and family resilience for the most vulnerable single parents. Working with key drivers and data collected by Hubbell, the ASPSF leadership generated the graphs. Data and measures that were provided by state (Arkansas Department of Higher Education, Arkansas Department of Workforce Services, University of Arkansas Extension, Arkansas Advocates, DHS-Division of Community Service & Nonprofit Support, LR Regional Chamber of Commerce) and national sources (Urban Institute, Foundation Center, National Skills Coalition, Guidestar, and *Arkansas Democrat Gazette* online archives and IRS 990 filings on individual charitable contributions.) The thematic patterns of philanthropy since 1975 were shaped by contributions from seasoned Arkansas philanthropists: Pat Lile, Heather Larkin, Tom Bruce, Freeman McKindra, Herman Davenport, Mary Dillard, Stephen Schafer, Howard Walker, and Nan Plummer. Collectively, this group reflected deep experience with mainstream philanthropy—private and community foundations, and resource development from nonprofit leaders or fundraisers from large art museums, hospitals, and universities (including the University of Arkansas for Medical Sciences). Economists John Shellnut and Wayne Miller contributed important insights that supported the idea of a systemic archetype at work.

² * We're using a broad and simple definition of philanthropy: all contributions or investments toward the common good in Arkansas—"the desire to promote the welfare of others, expressed especially by the generous donation of time or money to good causes."

philanthropy. This seemed to represent a new wrinkle, philanthropy emanating from a set of values that acted as scaffolding for social investment: dignity, fairness, democratic principles, and access to unlimited opportunity. His step-daughter recounted the general theory for the arts: “It was about human dignity, and letting people see what humans can create and what they are capable of creating.”³

After Governor Rockefeller’s death in 1973, his estate created a trust “with instructions to be bold, creative and devoted to a more comprehensive approach to balanced economic growth and human resource development in Arkansas.” The Rockwin Fund was reshaped into the Winthrop Rockefeller Foundation (WRF) and expanded in scope from education to include economic development and justice.⁴ The foundation made several catalytic grants to launch two key building blocks of the state’s expanded philanthropy and social change infrastructure: a statewide community foundation and an advocacy organization committed to children and families that focused on critical policy issues. These and a few other ambitious anchor organizations could be said to subscribe to the espoused theory of the Arkansas Community Foundation: “for good, for ever.”

In retrospect, then, the early theories in use were to expand the infrastructure for human and social development and cause a transition in philanthropy from charity to more transactional philanthropic approaches that expanded educational models, institutions and access and started the groundwork for long-term sustained social change. At the same time, individuals and families contributed significant amounts to institutions and causes, primarily through growth campaigns (at hospitals, colleges, and art centers) and social events. The Walton family launched their family foundation in 1988 after the death of the company founder Sam Walton with a large focus on education and an entrepreneurial attitude: “we’re going to approach philanthropy with the same lack of reverence that we gave to the retail business when we started.”

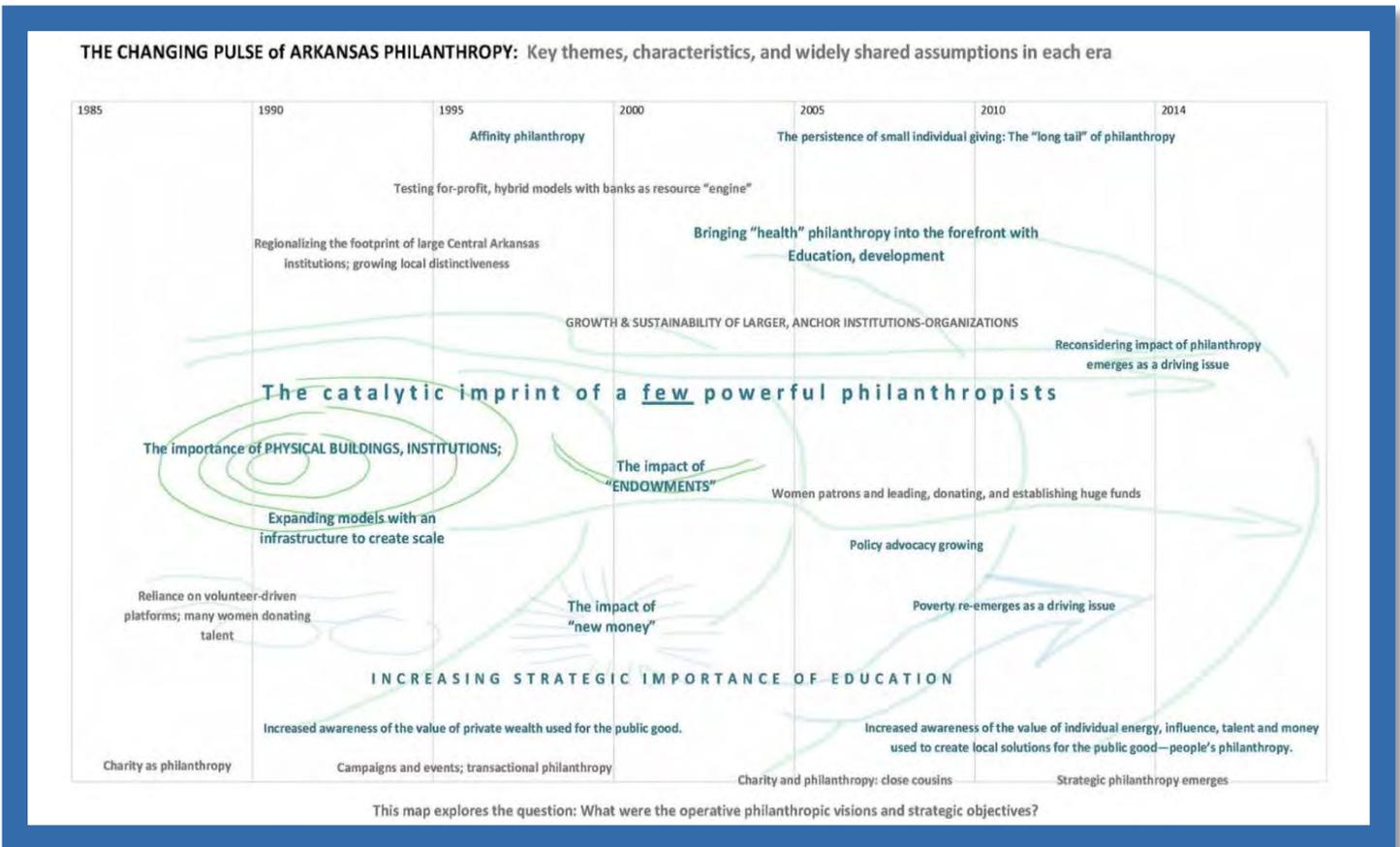
By 1990, WRF leaders articulated a change theory of building upon local leaders to create long-lasting improvement “person by person, organization by organization, and community by community.” It sharpened the philanthropic focus to strategic philanthropy on equitable, quality education for all children, and strengthening the capacity of local communities to break the cycle of poverty.

We sought to illustrate the evolution of the philanthropic worldviews and practices in the “change map” on the following page:

³ Anne Bartley, quoted in historical timeline of the Winthrop Rockefeller Foundation. Content provided by the Foundation; available online at wrfoundation.org

⁴ Historical timeline of the Winthrop Rockefeller Foundation, op. cit.

- Organized philanthropy is dominated by a small number of foundations with huge assets but is differentiated by the persistence of small giving and a consistently wide range of targets for these funds.
- While more strategic grant-making is practiced by a few, the field's default is quite transactional. We have rarely seen transformational philanthropy except for the Walton Family Foundation's investments in the world-class art museum, Crystal Bridges.
- Philanthropy is very comfortable investing large sums in large organizations and institutions; there must be an unwavering belief that these are the optimal channels for social change. There has been a low-level "buzz" around the notion of "people's philanthropy," but the *people* are rarely at the same table as the philanthropists.
- In general, philanthropy and social sector organizations have taken very segmented approaches. Cultivating a Niche has been more common than integrating efforts for the common good. Philanthropy is only beginning to take seriously deeper examination of the overall impacts of its social contributions and testing the prevailing theories of change.



What have been the prevailing theories of growth among Arkansas' leaders?
 Frame and lead into the patterns. Consider where to use the questions?

What seems to have been the resulting impact of fifty years of progressive philanthropy and social improvement in Arkansas?

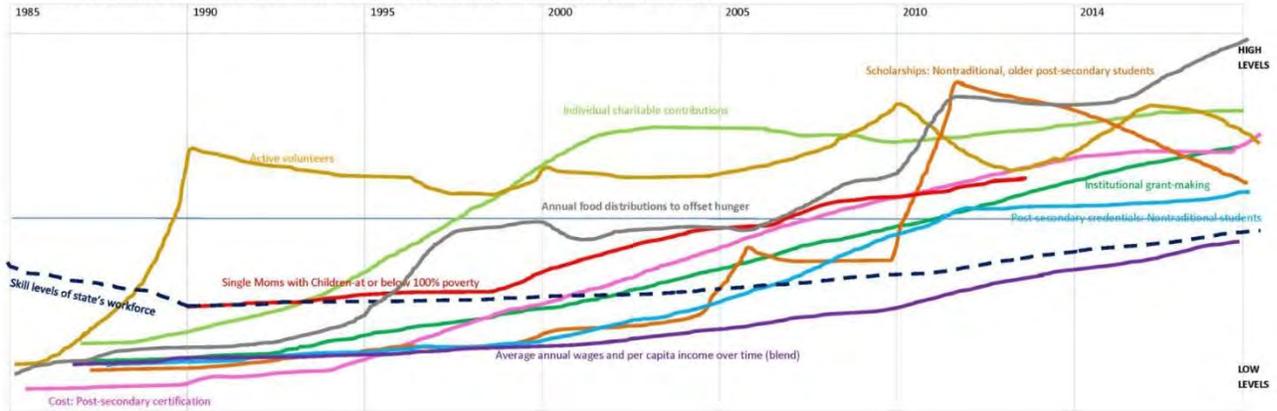
This is obviously a huge question; no doubt it is well beyond the scope of this small paper to accurately address it. Nonetheless, in seeking to discern a simplistic picture, I worked with a current client, Arkansas Single Parent Scholarship Fund (ASPSF), to build a partial glimpse of the overall outcomes for social and economic security. It represents a beginning proxy for the answer to how well we've done as a state in realizing the intentions and shared hope of philanthropists from every level.

We selected this set of variables listed below. These seemed to the Single Parent Scholarship Fund to delineate the boundaries where the group works or the measures it seeks to improve. Obviously, it is beyond just the philanthropy sector to catalyze and sustain social and economic opportunity and security — such a big goal is clearly a cross-sector challenge and responsibility. But it seems like only philanthropy has the calling and the flexible innovation resources to make sure leaders at all levels stay focused on the big picture.

In the area of education:	How accessible is higher education and how well have non-traditional students succeeded
In the area of economic vitality:	How strong and capable is the workforce and what level of income do most jobs produce and what are the trajectories for the most vulnerable (poverty and hunger)
In the social well-being area:	How healthy and well are people in general
In the world of social action:	How do we contribute time talent and resources to support opportunity?

As a simple but comprehensive snapshot of the elements for the state's "opportunity grid" for adults, these historic trends ASPSF produced using public data illustrate some fundamental impressions: lower income and working people are having trouble securing economic and social opportunity and good health in Arkansas — and the picture represents a deeply persistent pattern: "built-in limits to opportunity."

THE CHANGING PULSE: CREATING SOCIAL & ECONOMIC SECURITY IN ARKANSAS



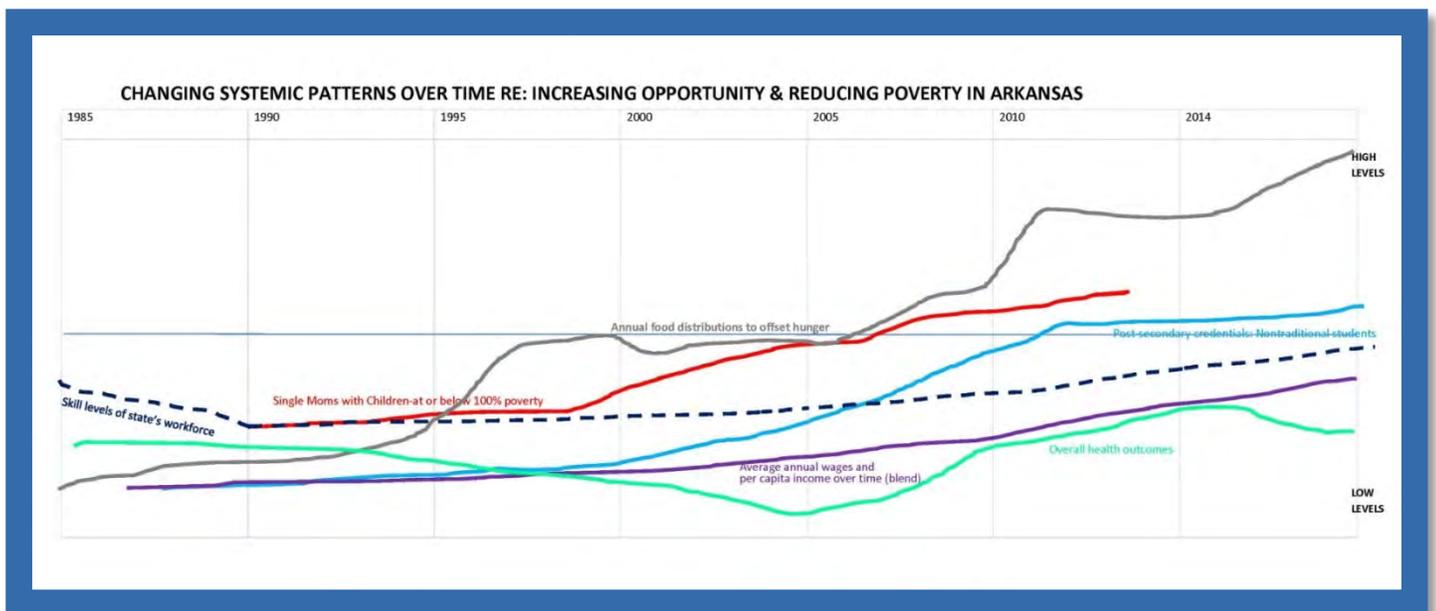
VARIABLES:	
[Orange]	All Scholarships for Non-Traditional Students
[Light Blue]	Post-Secondary Credentials Secured by Non-Traditional Students
[Pink]	Cost of Post-Secondary Degrees/Certifications (avg: 2-4 yr.)
[Purple]	Arkansas' Avg. Wage & Per Capita Income Levels
[Red]	Single Women/Children Living in Poverty
[Gray]	Annual food distributions to pantries to offset hunger
[Bright Blue]	Overall skill, readiness levels of Arkansas' Workforce
[Green]	Levels of individual charitable contributions
[Light Green]	Levels of institutional grant-making (corp. and foundation)
[Yellow]	Levels of active volunteers

The levels of vulnerable single parents are rising steadily (red) as is the cost curve for post-secondary (pink) education. The state’s scholarship resources for these students are in great demand and are markedly larger since the Scholarship Lottery resources became available. While considerable, these total fund levels are falling (orange) and post-secondary success rates for non-traditional students have hit a plateau (light blue). There are economic constraints (especially the average job wages that barely provide living wages (purple) and workforce skill mismatches that seem to be slowing down people’s access to good paying jobs. Food insecurity, hunger is rising steadily (gray) and the state’s overall health outcomes still rank among the very lowest in our country (bright blue).

Fortunately, philanthropy and volunteerism are steadily at higher levels (philanthropy has grown dramatically but has not been able to appreciably trigger real improvement in the conditions for vulnerable families). How can these be wisely and strategically deployed to address the persistent systemic patterns? Without fresh approaches, leaders must be assuming that current models and emerging education and health reforms can—over time—alter the fundamental issue: Arkansas seems to be working through a constraining systemic “field” that is causing recurring limits to growth and opportunity despite the serious investments and dedicated programs and services that are being delivered.

The first behavior over time graphs express the general outcomes since 1980: the number of single moms raising children at the poverty level has been steadily rising and the state's food pantries are distributing skyrocketing supplies of supplemental food to vulnerable people. We're building a corporate-like system to effectively distribute food to more needy people. This is a double-edged issue: excellent service delivery and rising generosity amid rising systemic vulnerability.

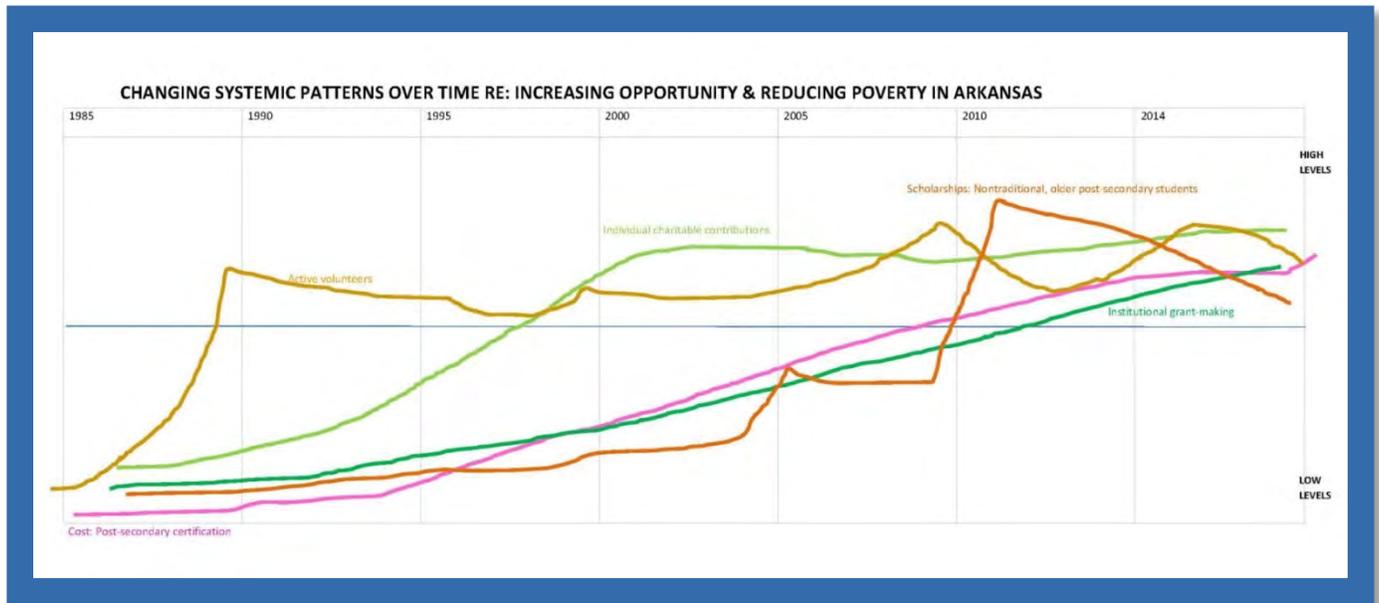
Overall workforce skill levels and wage and per-capita income are slowly improving but remain in the lower ranges; along with persistently low levels of overall health outcomes. The state's post-secondary success levels are somewhat improving for those coming directly out of high-school (we didn't include that line in the graph) but have flattened significantly for older students and working families despite record-levels in Arkansas for scholarship supports.



The second behavior over time graphs highlight the social investments and key cost curves since 1980: like other states, Arkansas has been passing on to its students increasing costs for post-secondary learning (the pink line averages the total academic costs for 2- and 4-year higher education. Four-year institutions' expenses have skyrocketed). The state created an educational lottery that began offering scholarships in 2010 (note the growth in the orange lines), but lottery profits and contributions for scholarships are steadily dropping.

During these decades, Arkansans have greatly increased individual and charitable contributions (green lines) and overall volunteer hours are quite high. A sampling of individual contributions in 2011 to a diverse cross-section of 30 of the state's largest

institutions (health, education, cultural) revealed over \$250 million. Traditional philanthropic grant-making has tripled. These very positive levels have clearly boosted access to culture, education and the social safety net and kept the suffering from intensifying. Unfortunately, it looks like high levels of generosity (and relatively consistent state investments in education and workforce development) have not been able to catalyze a marked lift in the picture for the most vulnerable people.



What does the “big picture” tell us about the current situation?

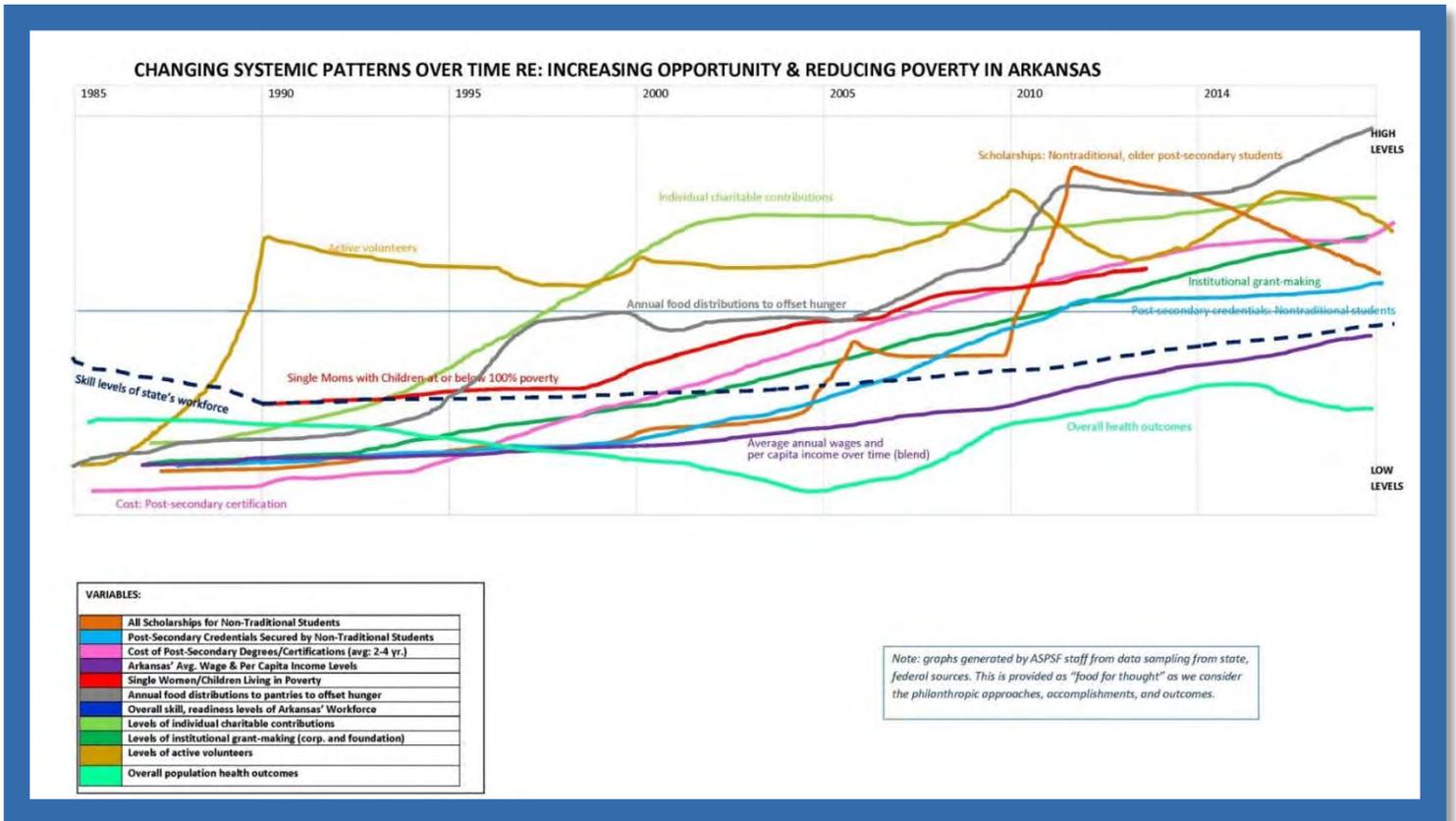
People who depend on post-secondary opportunities face steadily increasing costs. There was a corresponding rise in levels of nontraditional public scholarship funds through the Lottery proceeds, but has tailed off resulting in reductions in the amount of state support. The charts show that securing a post-secondary credential as a nontraditional student is a longer process, filled with family pressures and intervals of work. Over time, this pattern is contributing to a slowdown in the level of postsecondary completion. To make it more complex, the average wage per job is rising incrementally but not producing enough living wage work. As a consequence, many working people juggle multiple jobs in order to take care of their families before, during, and after post-secondary studies.

Another interesting tension in our chart is the sluggish improvement in the state’s overall workforce skill/talent levels despite some recent successes in lifting the levels of people with college credentials. It begs the question: is the education directly leading to good employment and good wage or career opportunities HERE?

If we aim to help nontraditional students, lower income folks, single parents succeed in and through college to secure jobs or careers at or beyond a living wage in a state where the

average wage per job does not pay fully a living wage, then we have a huge structural problem. This presents a real dilemma as we try to construct an appropriate Opportunity Grid that moves people out of poverty.

The full composite behavior over time chart follows.



Considering the Arkansas Experience as an Example of the Social Sector's Tendency to Address Social Improvement in Fragmented Fashion

There is still much more to examine and learn in Arkansas about integrating the social change and well-being strategies to more effectively transcend the systemic complexities that we have encountered during this last progressive era (1970-2015) in service of realizing the driving hope: to create a place where an equitable, quality education pathway for all people produces diverse opportunities to earn and sustain meaningful work and life in a healthy place.

However, there are some insights that surfaced that may help leaders think more clearly about creating a more convergent social change roadmap for the next forty years, one that could attempt more effective and adaptive cross-sector concerted efforts.

1. It is rare for there to be sustained collective action (and learning) focused on the deepest, systemic social challenges (hunger, poverty, educational equity, total population health and well-being, workforce competitiveness, or large-scale ecosystem services and habitat preservation. [Note: Winthrop Rockefeller Foundation is championing a 10-year large effort, Moving the Needle on Poverty, trying to widen the engagement circle so more stakeholders come into collaborative strategic action. It is premature to assess how this might lift the trajectories in our behavior over time summary graphs.] Seemingly, in the face of serious and long-term complexity of these issues, the most common response is piecemeal, with little intentional cross-issue or cross system integration. As a result, most social action produces small models as small remedies: we're very busy doing small good effectively. Other strategies have been short-term issue campaigns, many of these have indeed produced helpful policy changes which, over multiple generations, could help shift the behavior of the entire system toward more opportunity and equity, and small networks which advocate for a unique enhancement (improving assets, or grade-level achievement, or pre-diabetes prevention) or small set of societal improvements at a small scale that could require years or decades to gain traction even after an adoption as beneficial mainstream policy shifts.
2. Delay, time lags, and unforeseen changes in the surrounding external environment (the context) make it harder to ensure that any short-and intermediate-term strategy can generate sufficient leverage to "tip" the system toward an accelerated wave of improvement.
3. To disturb the complex "system" of an entire state or region to greater growth, opportunity or resilience is clearly a multi-generational challenge requiring system thinking and "social ingenuity." We have to move from what futurist Thomas Homer Dixon calls the "science and focus on parts" which has been the prevailing mental model to one of "the science and practice of the integration of the parts."⁵
4. This really calls for integrative responses around a shared vision for a society that invests in and depends upon the skills, talents, overall health and individual resilience of each and every person. It now must be done in a more concerted, cross-sectoral network that can wonder, learn, act, and adapt in sync. Such efforts need to be framed by common mental models of the importance of integrated, holistic approaches like these health improvement models advocated by the Virginia Commonwealth University's Center for Human Needs Director Dr. Steven Woolf:

⁵ Thomas Homer Dixon, *The Ingenuity Gap*; Vintage Books, New York, 2002, pages 22-23; 130-131.

“We have a problem of silos in which we deal with health issues on one committee and education issues on another committee and people don’t think about the interconnections between them. So we’re trying to reach out to people in the health policy world and say if you want to bend the cost curve and control rising rates of chronic disease and deal with the burdensome effect of health care costs on government and employers, don’t just think about reforms in health care delivery and financing, think also about education and other public policies that can reduce the flow of disease into the system and thereby more dramatically curtail health care costs.

Conversely, we're going to the education community, including national education organizations and education agencies at the national and state level who are out there trying to advocate for the importance of funding for education and education reforms, and are making their case based on traditional arguments: We want our kids to do better in school; we need to improve our math and science scores; and we need a more competitive work force. We want to add into the health argument that, in addition to all the above, our kids will end up living longer and actually being less sick, and therefore lessen demand on the health care system. We're talking to employers about how investments in education that they can encourage both in their communities and at a national level will benefit them in terms of a healthier, more-productive, better-trained workforce to compete internationally.”⁶

5. There is built in competition and separateness in the philanthropic sector. Large foundations migrate to a selective focus and invest to trigger impact in a few small areas and are accountable to board commitment to the institutional strategy. Large institutions (health care, education, arts)

⁶ Retrieved January 22, 2015 from http://www.rwjf.org/en/blogs/new-public-health/2014/01/the_links_betweened.html. Robert Wood Johnson Foundation interview with Dr. Steven Wolfe, Virginia Commonwealth University Center for Human Needs. A key comment:

“If you take the comprehensive approach you realize that a policy strategy that’s focused on one piece of the puzzle is only going to be partially effective. Current efforts to make schools healthier places for students are obviously important and providing better education in schools about a healthy lifestyle obviously are important. But we also need to think about how to make college more affordable, how to deal with a high school dropout problem and how to improve the availability of good jobs and better economic conditions.

The current policy debate about how to create job opportunities and grow the economy is very much tied up in this relationship between education and health. But the upstream issues are also front and center. Early childhood education—and even before that, support for parental leave and early childhood interventions for couples that have infants or toddlers—have been shown to be extremely important in improving the health outcomes and put kids on a track for success both in terms of educational success and future job opportunities and a healthier trajectory for their future. So policymakers who say “Well, I’m all for education,” but are cutting funding for these programs that have an impact in early childhood are perhaps missing the larger point.”

compete with others in the same sector for “customers,” donors, talent, and brand reputation and are accountable in some fashion to public agencies and other market factors. It is relatively uncommon for a large set of social sector stakeholders to collectively commit to concerted action on common measures for very wicked social problems, though this approach has been used successfully for shorter term campaigns and initiatives.

In philanthropy and its larger ecosystem, the writing is on the wall: without a new commitment to social transformation manifested through concerted learning and action, we won't succeed in moving the “needles” on graphs like these in Arkansas. If we've been waiting for a group of leaders in elected office, in progressive social agencies, in educational centers or policy organizations, in hospitals, communities, and in mainline foundations to figure out a new program to effectively address the limits to opportunity for vulnerable people, we're stuck. It is time for a collective holistic and integrative response.

Appendices

Historical timelines prepared by Ken Hubbell to facilitate strategic thinking about philanthropy and social change in Arkansas.

Selected Historical Events: THE CONTEXT FOR INCREASED EDUCATION-OPPORTUNITY-POVERTY RELIEF IN ARKANSAS

1985	1990	1995	2000	2005	2010	2014
<ul style="list-style-type: none"> Reagan Administration Collapse of the Soviet Empire FarmAid benefits for struggling farmers starts annual concerts audience of 80K Hubble Telescope launched First wave of US AIDS epidemic 	<ul style="list-style-type: none"> Information superhighway concept World Wide Web emerges G. H. W. Bush Administration 1991 Recession and Technology bubble Pres. Clinton Administrations Oklahoma City terror bombing Serb-Kosovo Balkan crisis draws NATO troops Los Angeles Rodney King police brutality crisis Welfare reforms, welfare to work 	<ul style="list-style-type: none"> 1997 Dow Jones crash Atlanta Olympic games—terror bombing Prozac popularizes mood elevation pharma and aggressive Rx advertising Clean fuels popularized U. S. Supreme Court Bush v. Gore settles voting in US presidential election Y2K computer system shifts US government polarization and budget crisis shuts down federal govt. Hurricane Andrew NAFTA expands trade and markets 	<ul style="list-style-type: none"> Human Genome breakthroughs Facebook launched—accelerates social media and engagement era Sept. 11 terror attacks Pres. Bush administrations Birth of new federal Homeland Security agency, advanced intelligence-data systems Enron corporate scandals Sarbanes-Oxley corporate governance accountability No Child Left Behind educational standards, testing reforms Challenger space shuttle explosion Dow Jones average eclipses 10K Bill & Melinda Gates Fndn. created as world's largest 	<ul style="list-style-type: none"> IPHONE accelerates mobile computing era Pres. Obama administrations Disruptive global financial leveraged funds crisis/Recession Immigration, U. S. border tensions mount Huge hurricanes—Rita, Katrina swamp coastal communities Iraq-Afghan Wars expand and mounting Middle East tensions 	<ul style="list-style-type: none"> Boston Marathon terror bombing U. S. Supreme Court. Citizens United ruling opens political donation rules Tsunami and Japanese nuclear reactor meltdown/crisis Affordable Care Act—health reforms Emergence of TEA party Occupy movements Smart Core/Common Core public school curriculum, learning approaches Digital TV BP oil rig explosion in Gulf Hurricane Sandy devastates northeast. 	<ul style="list-style-type: none"> Dow Jones average eclipses 17,000 US poverty rates drop slightly—first time since 2006, including almost 2% drop nationally in children under 18 living in poverty
<p>Selected US events—wider social/techn. context</p> <ul style="list-style-type: none"> Arkansas Governor's Scholarships (1983) State focus: increase ease of access to higher education through more institutions/branches in more places 	<ul style="list-style-type: none"> LR Desegregation report Lower Miss. Delta Development Commission report and strategies on rural poverty State lawmaker urged to pay tuition for low income adults Gov. Clinton pledges state funds for HIPPI pre-school programs Vo-tech, Community colleges offer Assoc. Degrees; formulation of state system AR per-capita @ 47th nationally, 50th in per child expenditures AR college going rate at 57%, nation is 66% 	<ul style="list-style-type: none"> U of A College of Business ranked 67th nationally after \$50M Walton gift College enrollments: UCA- 8,300 UALR- 11,000 Lakeview School District alleges disparity in public school funding, facilities Ark. 49th in tech-knowledge-based jobs EAST labs in high schools growing, exposed over 12K students to 3D, digital, GIS mapping in first decade Dual education and credit transfers to spur post-secondary access and enrollment RAIN uses R. W. Johnson grants to support state's 1,664 AIDS patients 	<ul style="list-style-type: none"> State Supreme Court: Public school funding formulas unconst.; remediation urgent priority 1st Report Card on Public Schools nationally: Arkansas gets "D" Tobacco settlement produces new grant funding for health, College of Public Health AR WF Board approves student loan forgiveness-high demand fields State Bd. Of Ed approves first Public Charter schools and comprehensive K-12 testing ADHE: Human Capital campaign to allocate state funds for scholarships to underprepared students Public school certified teacher shortages WRF supports Yale University School of the 21st Century Program's efforts to launch a major demonstration project in Arkansas. The 21C model transforms schools into year-round, multi-service centers, with emphasis on early childhood education, ages birth to eight 	<ul style="list-style-type: none"> Arkansas' hi-tech labor force up 21%, but still 45th nationally ADHE: falling state investments in higher Ed triggering tuition increases U of A 6-yr. grad rate: 45%, 2010 goal of 66%. Provost: "we've done our access job in Arkansas, now we need to focus on achievement." ATU gets \$1M federal grant for first gen college student support State commits \$456M to improve public school facilities Arkansas voters approve state lottery (2008) Walmart partner with Am. Public Education to support online college for employees Arkansas college and universities grow 6% in 2008—highest levels Immigration study explores trends and impacts from state's rapid surge in immigration. 	<ul style="list-style-type: none"> Gov. Beebe announces goal: Double college grads by 2025 Arkansas Challenge Scholarships originated by Lottery profits Arkansas climbs to 40th nationally on Casey Kids Count Act. 182 requires 4 yr. institutions to admit AA transfers Murphy's launch El Dorado Promise scholarships with \$50M Crystal Bridges Museum of American Art opens in Bentonville Arkansas Works—career and college coaches for unemployed New state funding model for colleges and universities tied to academic outcomes Arkansas college going rate increased to 68%. Higher Education Department estimates that 35,500 to 37,500 students get Acad. Challenge Scholarships Arkansas Legislative TaskForce on Reducing Poverty goals to reduce poverty in half in 10 years. Statewide Grade-Level Reading aims at all grade level by 2020. 	<ul style="list-style-type: none"> U of A "e-versity" launches college degree path for \$18K State's demand for nursing degrees outstrips supply Dr. Bowen hired as first female leader at Arkansas public university-Ark. Tech. Lumina Fnd. award \$210K working families grant to expand student supports, Career Pathways College enrollment: UCA: 11,534 UALR enrollment: 12,337; Ark. Tech: 12,003; U of A- 25,341 Statewide trauma center network with three tiers is organized.
<p>Selected AR events: workforce, education, policy</p>						

1985	1990	1995	2000	2005	2010	2014
<ul style="list-style-type: none"> • ARCF creates its statewide system for local (county-regional) philanthropy. • Southern Development Bancorp. Launched with significant investments from WRF. • Walton Family Foundation started in 1988. "We're going to approach philanthropy with the same lack of reverence that we gave to the retail business when we started out there." 	<ul style="list-style-type: none"> • Fayetteville Public Ed. Fund: Goal \$12M for support • Fnd. for the Mid South tackles regional poverty, \$1M Entergy investment • U of A Foundation/WRF start Training Community Organizations for Change to enhance leadership. 	<ul style="list-style-type: none"> • Trinity Fnd. donates \$25K to Bernice Jones Trust, expansion of Springdale Center • W. K. Kellogg Fndn. Commits \$40-55M to Delta • Donald Reynolds Fnd. awards \$21M to colleges, \$25M to UAMS Ctr. On Aging; \$14M for ASU Health Sciences Ctr. • LR Our House launches \$300k upgrade to facilities for working homeless • Enterprise Corporation of the Delta expands community and business investments in Arkansas Delta with WRF support. • Arkansas Arts Center expansion with \$20M capital campaign • Community Hospital conversions create foundations in Springdale (Care), El Dorado (Share) and Helena Health Foundation 	<ul style="list-style-type: none"> • Walton Fam. Fndn doubles level of grantmaking • Rough funding climate post 9-11, budget cuts in agencies; cutback hours at Ark. Arts Center • Stella B Smith awards \$50K annually for 5 yrs. to Ark. Symphony • AR Rep Theatre: campaign for restored downtown center • Fayetteville Public Ed. Fund: Goal \$12M for support • FMS approved 359 grants of \$6M over 10 years • Individual donors in LR generated \$1M for zoo carousel renovatn. • WRF provides 10-yr. low interest loan to expand Southern Financial Partners' small business loans. • Philander Smith U. completes \$33M capital campaign—reliant on large grants • Little Rock <i>Soiree</i> Magazine includes Philanthropy in its coverage targets • ARCF expansion of affiliates: Walton challenge: \$18M 	<ul style="list-style-type: none"> • Career Pathways programs launched • U. of A. reaches \$1B campaign with \$300M from Walton Fam. • LR Race for the Cure: record 40K runners, \$1.2M donated, most from lg. corp. sponsors • WRF Moving the Needle strategic focus on poverty • Women's Fnd. Power of Purse • Freuauff Fnd. awards \$219M • Weyerhaeuser Co. Fnd. awards \$361K in Ark. Schools, arts. • WRF: \$250K deposit into Hope Credit Union; total Program Related Investments- \$9M • UALR completes \$100M campaign • Stephens Family leads donations exceeding \$30M for LR Episcopal Schools. • Clinton Presidential Library \$165M fundraising completed • Walton Fam. Fndn grants \$92M including \$21M for NW Arkansas 	<ul style="list-style-type: none"> • Many Public School Foundations raise \$20-100K annually for schools, salaries • 2013 contributions to Razorback Fund drop by \$10M after disappointing sports records • ARCF grant-making since 1976: \$108M • Blue & You health grants totaling \$19M (for the decade?) covered about 91% of state • \$385M UAMS campaign completed • Ark. Community Found. (ARCF) grant making in Delta: creating jobs with higher wages; poverty focus • Southern Bancorp reaches \$1B in assets. • Individual ANNUAL contributions to key education, health, food pantry, and cultural institutions and community foundations annually exceed \$250M (990 tax reports for about 30 organizations) 	<ul style="list-style-type: none"> • ARCF grant making \$14M • Walton Fam. Fndn. Announced \$302M grant targets: Home region—arts, education, revitalization • Walton Fam./WRF partner with Ark. Dept. of Ed.-transform distressed public schools • AR Children's Hospital completes \$167M campaign included 93K donors (mostly Arkansans)

Selected AR philanthropic events

1970s

Catalytic origins in Arkansas of widespread strategic philanthropic investments from Winthrop Rockefeller.

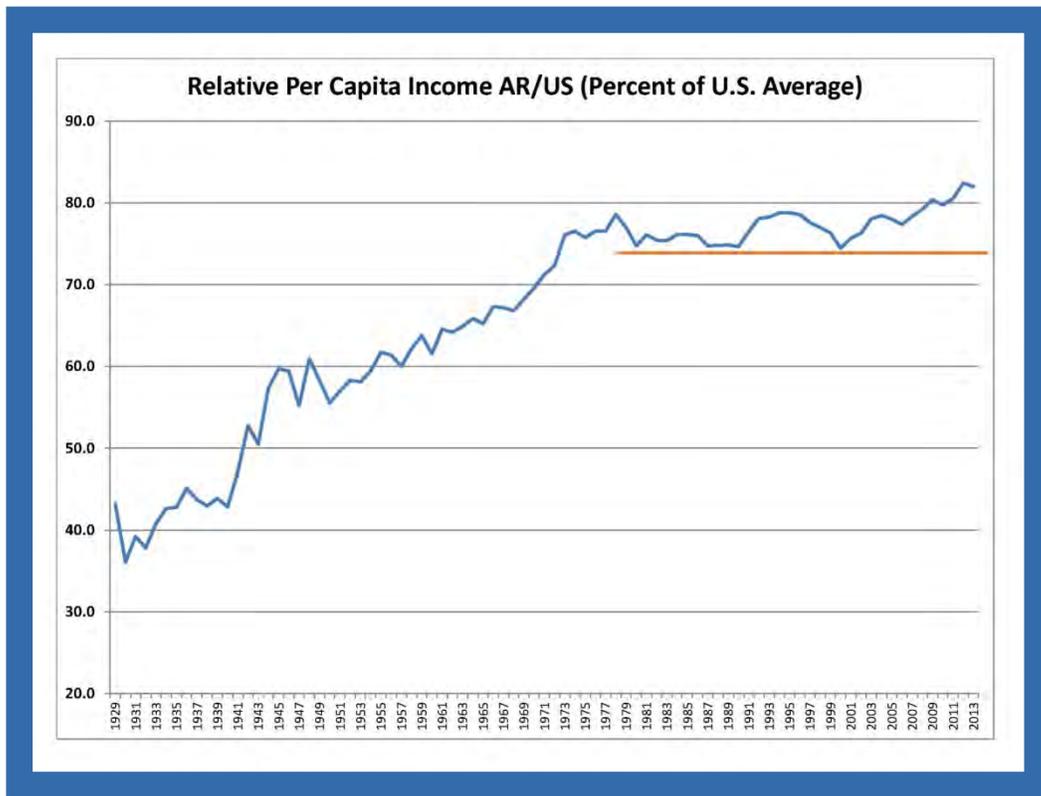
1974 Rockwin Fund renamed Winthrop Rockefeller Fndn. (WRF) to embody Governor's legacy: "believing something can be done and doing it."

1976 WRF and community leaders establish ARCF "as a catalyst for good, for Arkansas, for ever."

1977 WRF kick-starts support for Ark. Advocates for Children and Families

1980 WRF invests in Nature Conservancy to secure and preserve Delta bottomland forest tracts

Here is the most distressing indication of the chronic “limits to opportunity” pattern in Arkansas—this is the scenery in the background of our collective action. Since 1980, the state’s basic growth pattern is incremental fluctuations in a rather tightly bounded ceiling. The upward moves in recent years are due to differences between the state and others in the last recession and long recovery. Those other states will probably now push us back down some toward that more static line like the 1980-2005 period. Some “invisible” systemic forces are continuing to resist broad upward momentum. Until leaders can learn new ways to confront this dilemma, the patterns are likely to continue despite all kinds of good efforts and investments. In a limits to growth archetype like Arkansas’, doing more of the same will not counter the resistant forces that are at work slowing down positive momentum. It is time for transformative thinking and concerted strategy!



Gary Hubbell Consulting *Conversations* are one central element of our work. GHC was founded on the belief that every individual and each organization is capable of bringing about profound change in the world. We are personally and professionally committed to learning and, by choice, place ourselves where we can partner with like-spirited leaders, engaged continually in a process of discovery to deepen presence, impact, and value. We seek to be in the community of wise change makers.

These *Conversations*—and our client work in planning, strategy, philanthropy, and coaching—are all designed to strengthen adaptive organizations for inevitable change and greater impact.



Planning • Strategy • Philanthropy • Coaching

In order to strengthen adaptive organizations for inevitable change and greater impact

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