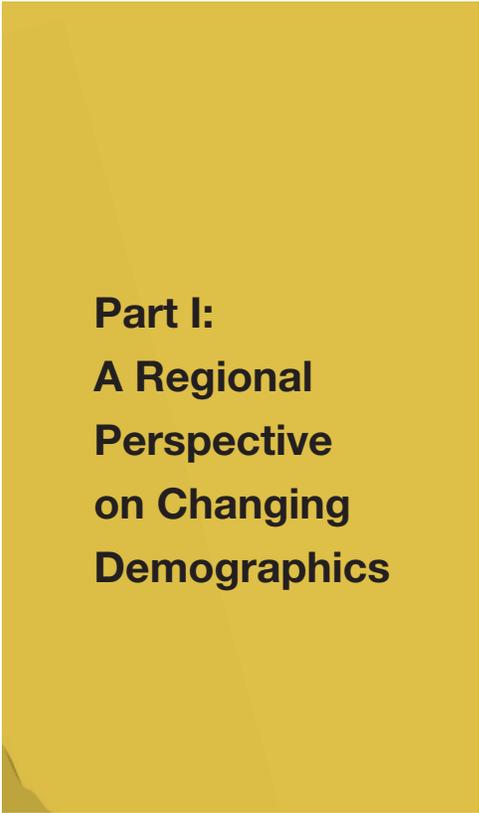


Greater than the Sum of Its Parts



Part I: A Regional Perspective on Changing Demographics



Background

The year is 2000. Dr. Robert Templin, at the time a Senior Advisor to Venture Philanthropy Partners (VPP), was meeting with dozens of community-based organizations around the National Capital Region. His purpose was to understand the landscape of organizations serving low and moderate-income families and children in the region as VPP was considering its first philanthropic investments.

In those meetings he was struck by the fact that the majority of infants and elementary school-age children he saw were from families that did not speak English. Then, as he spoke to teachers, police officers, social workers, and emergency room staff about trends, they described how they were being increasingly asked to serve a growing immigrant population their institutions were not equipped to serve.

A year later, Templin met with a demographer. Of the many statistics shown to him, one in particular caught his attention: according to the 2000 Census, the region's population growth since 1990 was largely due to immigration. At that moment Templin realized that what he had been seeing during his interviews was the tip of a very large iceberg: the region was undergoing profound change. The traditional ways of thinking about the region and its people were obsolete. For VPP, it meant that it would have to look at organizations from a whole new perspective.

In the nine years since its inception and through its strategic management support of the 12 nonprofit organizations in its first portfolio, VPP has seen first hand just how dramatic the changes have been in the region. To better understand what trends would continue to shape the populations served by these organizations, VPP first asked the Brookings Institute's Center for Metropolitan Policy Studies to analyze demographic data in 2006. VPP asked Brookings to update the data in 2008 and the result is the attached report, "Demographic and Economic Trends in the National Capital Region and their Effects on Children, Youth and Families".

A Region in Flux

The data that Brookings researchers compiled not only confirms what Dr. Templin saw nearly a decade ago but also highlights how rapid and sweeping the changes have been and likely will continue to be. As the report clearly shows, the region is growing, decentralizing and becoming more diverse with increasing minority and foreign-born populations. Washington DC is now ranked seventh among the top 10 gateways for immigrants in the United States. Between 1990 – 2007, 50 percent of the region's population growth was among immigrants. One in four residents in Montgomery County, Maryland; and Fairfax and Arlington counties in Virginia is foreign born. Among the region's youth population the numbers are even more dramatic: 60 percent of the region's youth population was non-white compared to 53 percent of the total population. Since 2000, the Asian and Latino shares of the youth population have increased from a combined 20 percent to 27 percent of the youth population. These changing demographics alter the already complex racial dynamics in the region.

Twenty-five years ago the National Capital Region might best have been described as a doughnut. The jobs and work opportunities were located in the District (the center), as were the highest concentrations of children and families living in poverty. Suburban jurisdictions were largely “bedroom communities” with small, concentrated areas of low-income residents. Today, while the percentage of child poverty and the working poor remains the highest in the District, the data in the report shows that those “tiny pockets” of poverty in the suburbs are much bigger and widespread.

For well over the last decade, the National Capital Region has prospered. Many of the former bedroom communities in the Dulles Corridor in Virginia and along the I-270 Corridor in Maryland have developed into strong economic centers. But the prosperity in the region has not been evenly shared. As the report highlights, the greatest economic growth has occurred in the western and northern parts of the region while the District; Prince George’s County, Maryland; and Arlandria, Virginia are home to the some of the highest concentrations of low-income residents, many of whom are foreign-born. The number of people living in poverty is growing throughout the region, and in the wake of the current economic crisis, poverty rates are expected to increase.

As VPP President and CEO Carol Thompson Cole has noted, until the 1990s, the out-migration to the suburbs was among upwardly mobile middle and working class residents in search of better housing and educational opportunities. These people had steady jobs and needed little in the way of social and other services. More recently, more low- and moderate-income families, whose needs for services are greater, have moved to the suburbs. Many of these residents are immigrants.

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This growth has put tremendous pressure on social and health services that often don’t have the capacity to meet the increasing demands. Not only are they struggling to serve more people, these agencies and providers find they must also adapt their services to support a wide range of people, many of whom don’t speak English. In the past, having multilingual programs meant Spanish but today, because no one nationality dominates in the region, social service providers must be equipped to offer services in many languages such as Chinese, Vietnamese, Korean, French, Amharic and Urdu.

The current economic downturn has led to a skyrocketing demand for services at a time when most agencies are undergoing funding cuts and traditional long-term funding sources—local and state governments as well as many foundations—have or will cut back their financial support. Agencies that were barely keeping up before the economic crisis now find it even more challenging to meet pressing needs. Add to that the fact that the demographic changes have occurred so rapidly that the providers have not been able to respond in kind. The result is a misalignment of the location of vital social and health services and the populations who need them most. This misalignment manifests itself in several ways:

- More poverty and working poor in places where it was once rare such as in affluent counties such as Montgomery and Fairfax;
- An influx of new Americans who are settling throughout the region, often in communities where historically there were few immigrants. Examples are Prince William and Loudoun Counties in Virginia whose foreign born populations have more than doubled since 2000; and
- The continued lack of services and resources in communities that have historically had large numbers of low-income residents.

Nonprofits Face Change

The impact of these trends has been enormous. Just within VPP's first portfolio, almost all of the organizations have grown their operations within their jurisdictions or expanded beyond them. Nearly half have expanded from their home bases in the District where they were founded to Montgomery and/or Prince George's Counties in Maryland. The reason is simple: all of these organizations were asked to come to new neighborhoods to address unmet needs.

When these organizations, such as Mary's Center for Maternal and Child Care (Mary's Center), the Latin American Youth Center (LAYC), Asian American LEAD (AALEAD), CentroNía, and College Summit were founded, their clients lived primarily in Columbia Heights, Mt. Pleasant, and Adams Morgan, in Washington DC. In recent years, these nonprofits have found that their clients have moved out of the District in search of more affordable housing, better educational opportunities, and jobs. However, these clients still want to receive high quality, culturally competent services from the organizations they trust, often traveling many miles and spending many hours in the process. Nonprofits that were deeply rooted in their communities found their communities transforming around them and needed to think about how best to adapt and expand to fulfill their original missions.

VPP's portfolio organizations are already facing 40-50% increases in demand for services due to the economic crisis, and anticipate that need will only increase at a time when many of them are also planning for potential cuts in funding. Careful planning and staying agile will become even more critical in turbulent times ahead.

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Lessons on Meeting New Needs

The data in this report strongly supports what the VPP team and its nonprofit investment partners have been living with for nearly a decade—old geographic boundaries are irrelevant. Siloed, jurisdictional approaches no longer are acceptable. A regional response is required. From its work with health and social services agencies, VPP has learned a number of lessons:

> **Adaptation Not Replication**

Social service organizations need to be nimble and adapt quickly to changing realities. Often times, the first response is to take a great program that is working in one area and bring it to another jurisdiction. Before grafting a program that was successful in one locale onto another, it is very important for government, business, and nonprofit leaders to take the time to understand the specific needs and cultural context of the communities where they seek to bring their services. It is critical to look at the issues through multiple lenses to design and deliver needed programs and services and also to actively engage the people who will be served in the process.

A good example of thoughtful, strategic growth is the Latin American Youth Center's (LAYC) expansion into Maryland. The LAYC has been a dominant force in the District of Columbia providing critical youth development services for more than 35 years. When the LAYC began, it served primarily Latino and Afro-Latino youth. However, over the past 10-15 years the LAYC has seen an increase in the number of African American and youth of African descent come to its doors. Prior to VPP's investment, the LAYC was already talking with Prince George's County about locating a youth center there, largely because many young people the LAYC was serving had moved to Maryland because they were priced out of affordable housing in Columbia Heights and Adams Morgan. The LAYC's Executive Director Lori Kaplan, saw youth returning to DC to participate in the LAYC programs even though they lived miles away.

"As soon as I saw the Metro coming, I knew we were going to have to change but I didn't know how," Kaplan recalls.

With VPP's support, the LAYC was able to undertake a thorough strategic planning process to think through the "how." This planning process helped Kaplan, her board and staff understand the needs of the youth it wanted to serve and what funding streams were available. Through this process, the LAYC realized that it didn't make sense financially and otherwise to simply replicate all of the many programs it had been offering in the District in its three new locations—two in Prince George's County and one in Montgomery County. Each Maryland site evolved differently based on location and the needs of the community, but still reflected the LAYC's commitment to a comprehensive model. As a result, the LAYC's Silver Spring site operates work readiness programs, GED classes, and mental health counseling. In Riverdale, middle school students participate in an afterschool program that includes an academic component as well as gardening, photography, music, soccer, and other cultural and recreational activities. Langley Park offers much-needed work readiness, GED classes, gang prevention programs, and youth and family counseling.

In addition, when the organization was asked to come into Prince George's County, a county where the majority of residents are African American, there was concern expressed over the name of the organization and their ability to penetrate the community. The LAYC felt initially that its name was its brand. After several major encounters with key stakeholders in the community, it became clear that in order to be accepted as a service provider in a predominately African American community they needed to consider a name change that better reflected the populations to be served. The LAYC's name in Maryland is now the Maryland Multicultural Youth Center. Brand, including name, is one of the strategic issues the LAYC board will be addressing in 2009.

As the LAYC experience demonstrates, nonprofits bringing services to new populations must adapt, not merely copy, what they've already done in one place in order to successfully operate somewhere else. Effective adaptation requires gathering intelligence about the community, engaging actively with the community, and staying mission focused to know what to hold on to and what to let go of, even if it means letting go of a name.

> Nonprofits Need Help Navigating through Change

To respond to external change, organizations often have to change internally as well. If an organization starts to offer new services, it must bring on board staff with the expertise and experience to deliver those services. If the organization seeks to grow and scale its operations, the way the organization manages itself must also change. Through its work with nonprofits in its portfolio, VPP has learned how important it is for the leaders to have access to and build relationships with the people who understand the community's assets and needs. Political, government, nonprofit and community leaders can all provide guidance and insights for how to best become a part of the community.

In 20 years, CentroNía has blossomed from a child care center serving 15 children in a church basement in Columbia Heights to an educational and family support organization that provides services to hundreds of infants, toddlers, preschoolers, youth, and families. To achieve such growth required the organization to step back and think through how and in what ways it would grow, all in an effort to deliver more effectively on its core mission. With VPP's help, CentroNía began a strategic planning process, which required a commitment from the board to have tough conversations about CentroNía's identity and future.

"We were viewed as a Latino organization with a niche," CentroNía Founder and Executive Director BB Otero explains. "If you're going to scale, could you really be a citywide or regional organization? But can you be accepted in the Black community or a suburban community and still keep your identity and be who you are?"

The organization expanded into Montgomery County and to multiple sites in the District, including running programs at 10 DC Public Schools and operating the DC Bilingual Public Charter School. Each of these efforts required new partnerships and collaborations, many of which VPP helped to facilitate. Today, CentroNía operates a successful early childhood center in Takoma Park, Maryland with a growing waiting list. Otero is now viewed by Maryland political leadership as both a strong advocate and advisor on early childhood and family issues within the county and state.

Organizations also can benefit by having access to people and institutions that they don't know. When Mary's Center was considering a partnership with Washington Adventist Hospital to provide its community based health and social services in Montgomery County, VPP facilitated an introduction to Dr. Ulder Tillman, Montgomery County Health Officer. Over the course of several months, as both organizations began to seriously discuss the parameters of a possible partnership, it was clear that the two organizations had two different interests and were speaking two somewhat different languages. In an effort to provide critical translation and to ensure that both parties clearly understood the county health department's priorities for maternal and childcare, Dr. Tillman held several meetings with the major stakeholders involved. These meetings helped to move the partnership along in order to provide the much needed community based health and social services for the growing immigrant population. In May of 2008, Mary's Center opened a new facility in Silver Spring, Maryland in partnership with Washington Adventist Hospital. This center has provided services to more than 1,000 people.

As the CentroNía and Mary's Center examples show, both organizations had to make internal changes in order to be successful in achieving their goals to fill unmet needs of the populations they serve. VPP's work with nonprofits begins with an in-depth planning process to clarify mission and identify infrastructure requirements such as getting the right talent and building systems needed to propel and sustain an organization through growth. Through this planning process, nonprofit organizations are able to chart their routes wisely.

VPP also brokers introductions to people in the community critical to successful growth. One such individual was Chuck Short, Special Advisor to Montgomery County Executive Ike Leggett. Chuck has served every County Executive since the office was established. With a deep understanding of health and human services, he was a major part of VPP's navigation system. Navigating change requires planning your route, knowing the road conditions, and having help when you hit a roadblock.

> Good Data is Invaluable

Often times, nonprofit organizations lack the resources of both time and money to step back and gather data that paints a picture of where they are today and highlights future trends. For example, Asian American LEAD started out in the District as a neighborhood organization with a community center feel, where everyone knew the Asian-American families who lived nearby. In recent years, however, the organization's leadership realized that some families were moving away, driven out by rising real estate prices. AALEAD hoped to continue to meet clients' needs by expanding to where they were now living, but wasn't sure the best way to go about it. With VPP's help and as a part of business planning, AALEAD commissioned a demographic analysis of the location of the Asian-American population around the region. This study identified a high concentration of low-income Asian Americans living in the Eastern portion of Montgomery County."

"Until we really analyzed the demographic data, it was hard to know who within the Asian American population needed more help," says Board Chair Teresa Lee. "We're extremely diverse—culturally, linguistically, and socio-economically. We wanted to know what populations within the Asian American community were low-income. We found out that it tended to be new Chinese and Vietnamese immigrants."

A VPP partner facilitated an introduction of AALEAD to then County Executive Doug Duncan. Duncan knew that there was a strong need among a portion of the Asian American community in the County for services but was frustrated because there wasn't an organization in the county that understood the community. A few years ago, AALEAD opened an office in Wheaton, Maryland and currently serves youth at three schools in that community through its mentoring, afterschool and family strengthening programs, filling a need that previously had not been met.

Nonprofit organizations considering expanding their services require the same kind of data and research that businesses have when they consider expanding to new markets. Research and data informs planning and decision making and leads to smart growth.

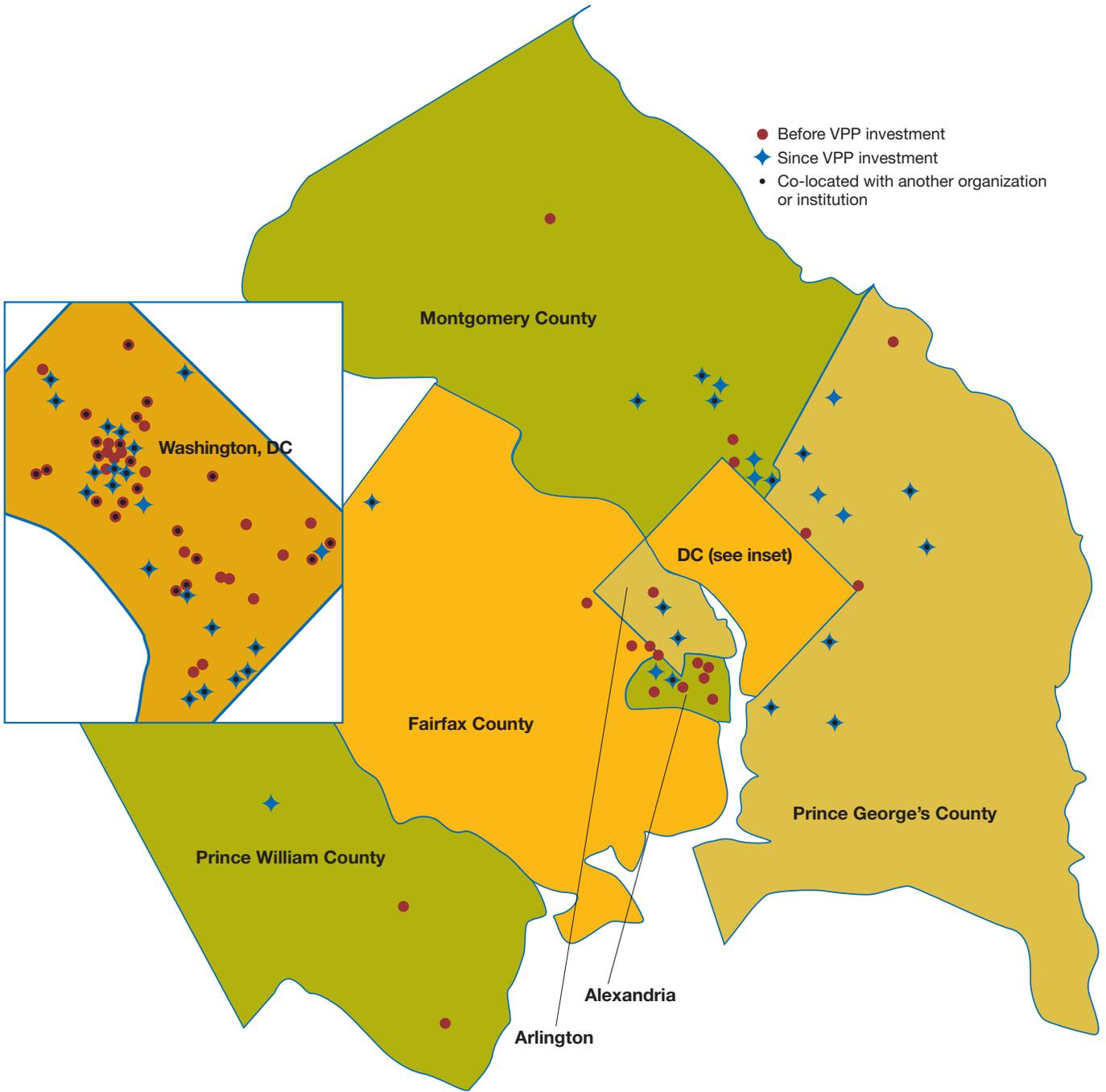
Conclusion

This data compiled by the Brookings Institute reveals that the region is undergoing seismic changes. It is rapidly growing more diverse and more decentralized. In its work, VPP has seen the impact these sweeping demographic shifts are having on the ground in communities. The number of families living in poverty and the working poor are located around the region, and are no longer concentrated in any one area. There is a serious gap between the location and availability of critical social and health services and the location of the populations who need those services—a gap that will likely widen. People are moving across jurisdictions to receive services, which is putting tremendous pressure on nonprofit organizations.

Social service nonprofits will need to adapt in response to these changes, and they will need a great deal of help to do so. Local government and philanthropists will also need to reexamine the ways they support and fund nonprofits. There must be an orchestrated effort among government, philanthropy, nonprofits, and the families to be served to work together to transform the social services safety net. To make this transformation happen will require a willingness to work together in new and different ways.

At VPP, we know we don't have all the answers. We do know that when we help children and youth of low income families obtain the education, life and job skills, and social supports to improve their lives and futures, all of us benefit. As Mary's Center for Maternal and Child Care Executive Director Maria Gomez put it on the day her new clinic opened in Silver Spring, "We are always a safer and healthier community when all boats rise to the top at the same time."

VPP Investment Partner Locations





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VENTURE PHILANTHROPY PARTNERS (VPP)

is a philanthropic investment organization that helps great leaders build strong, high-performing nonprofit institutions. We concentrate money, expertise, and personal contacts to improve the lives of children and youth of low-income families in the National Capital Region and cultivate an engaged donor community to generate funding and influence in support of these institutions and of social change.

