Our Approach to Community Impact
Strategic Framework
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# TABLE OF CONTENTS

ABOUT THE MINNEAPOLIS FOUNDATION ............................................................................................................. 3

OUR APPROACH TO COMMUNITY IMPACT ........................................................................................................... 4

Strategic Plan .......................................................................................................................................................... 4

OneMinneapolis ..................................................................................................................................................... 7

How We Will Invest Our Resources .................................................................................................................... 10

OUR COMMUNITY IMPACT GOALS & KEY DRIVERS ......................................................................................... 12

Transforming Education ........................................................................................................................................ 13

Promoting Economic Vitality ................................................................................................................................ 19

Civic Engagement ............................................................................................................................................... 25
ABOUT THE MINNEAPOLIS FOUNDATION

OUR PURPOSE

The Minneapolis Foundation brings people together to expand the culture of generosity to improve the quality of life for all.

OUR VISION

Our vision is a Greater Minneapolis that's vibrant, inclusive, and positioned to thrive locally and compete globally.

OVERVIEW

For nearly 100 years, The Minneapolis Foundation has connected people, charitable resources and ideas - to unite behind common goals and spark positive change in our community and beyond. The Foundation provides rewarding ways for generous Minnesotans to fund their charitable passions. And through partnerships, we create opportunities, tackle problems and build a better future for our community. Many of our donors leave gifts directly to the Foundation to meet critical community needs. Over time, those gifts have created a growing endowment to ensure resources are available for each generation to address the challenges of the day. Our board of directors, comprised of civic leaders, guides the Foundation in determining how best to meet our community’s most pressing needs. By investing these charitable resources and working in close partnership with the local nonprofit, public sector, and business community, the Foundation has helped achieve significant impact on early childhood education, stable housing, and immigration, among other issues. In addition, the Foundation helps coordinate community responses to crises such as the tornado that struck North Minneapolis in 2011.

Our donors also make grants to support their own unique passions through Donor Advised Funds they establish with us. Together our donors support more than 1,000 different causes and charities each year. Sometimes they give to organizations that align with the Foundation’s community impact areas; more often they complement them to help create a well-rounded community.

In addition, other foundations are partnering with us more frequently to fund specific strategies. We call this “coinvesting,” and it allows us to scale up solutions much more quickly and to bring a coordinated response to bear on some of our most pressing challenges. It also can provide capital for a variety of targeted needs from short-term loans to nonprofits to “research & development” for large scale sector innovation.

The Minneapolis Foundation currently manages over 1,100 charitable funds, totaling more than $700 million in assets. We distribute an average of $45 million each year: approximately $5 million of which is directed by the Foundation leadership to meet community needs and $40 million of which is guided by individual donors.
OUR APPROACH TO COMMUNITY IMPACT

STRATEGIC PLAN

In 2009, the Board of Trustees adopted a strategic plan that called for greater emphasis on donor engagement and a vision for the community focused on social, racial, and economic equity.

The strategic plan was shaped with significant input from our varied stakeholders through a series of listening sessions. We also reviewed past investments, assessed our internal expertise, surveyed trends and best practices in philanthropy, and evaluated community needs and emerging opportunities to determine where we could make the greatest impact.

The resulting plan laid out the following goals:

1. Rewarding Relationships
   - Engaging Donors
   - Welcoming New Audiences
   - Coinvestment

2. Community Impact
   - Transforming Education
   - Promoting Economic Vitality
   - Building Social Capital

3. Operational Excellence
   - Sound Infrastructure
   - Financial Sustainability
   - Continuous Improvement
   - Effective Communications

We also committed to:

- **focus** our unrestricted resources (those earmarked for community investment) more strategically, toward a set of key results, to realize a vision of a vibrant and equitable community.

- **collaborate** more with donors and other partners to realize greater impact.

- **listen and respond** to changing donor interests and community needs.

- conduct all of our operations with an emphasis on **sustainability**, ensuring the Foundation continues to thrive and serve our community effectively into the future.
For the past five years, we’ve been implementing the plan: targeting our resources to achieve greater equity; engaging our donors and creating new partnerships; and strengthening our operations to ensure we can address current community needs and be well-positioned to take on tomorrow’s challenges.

In 2012 – midway through our plan – our Board revisited the goals we’d set and assessed how we’d executed on them so far. They found our goals and direction were still the right ones – that our responsibility as a community foundation is: to invite as many partners as possible to invest their charitable resources with us (Rewarding Relationships); to ensure everyone in our community has the opportunity and means to thrive (Community Impact); and to make sure every investment we make generates the greatest possible returns and best positions us to meet future needs (Operational Excellence).

We also noted that while we’d accomplished much, there was much yet to do. The Board extended the timeframe for the Strategic Plan (it now ends in 2020 vs. 2015) and called for strengthened efforts to partner with our donors and other funders to realize even greater change in the community.

We’re excited to be able to continue this incredible work through 2020. That will allow us to invest at a higher level in more robust strategies (that tend to have bigger impact) and to build stronger relationships with our partners. As a result of this intensive focus, we paused to evaluate our approach to community impact, better aligning our strategies with the outcomes we seek, and identifying opportunities to maximize our impact. This document is the result of that work.
OneMinneapolis

The Minneapolis Foundation envisions a city where jobs pay a living wage and parents can shape their family’s future; where children have caring adults outside of their family and gain the skills needed for a productive, rewarding life; where people enjoy the security of an affordable home and the opportunity to pass something on to the next generation. Imagine a place without inequities. We call this OneMinneapolis.

Sadly, today’s reality is a far cry from that vision. We see deep racial disparities across some of the most fundamental measures of a decent, healthy and productive life. Behind the numbers, there’s a child entering kindergarten not yet ready to learn, a family struggling in poverty without the means to improve their lot, and a person who feels unaccepted because of his or her race, ethnicity, sexual orientation or culture. Individually, these gaps are concerning, but collectively they place our entire community at risk.

Our demographics are changing and the workforce of our future will look very different from the one we have today. If we don’t close the gaps now, we’ll be hard pressed to fill jobs, spark and invest in new businesses, sustain a sufficient tax base for basic services and a good quality of life, let alone compete globally. This is a pivotal moment for our community. We’re at risk of creating a two-tiered society and losing billions in wealth and missing out on the diverse human, cultural, and intellectual capital amidst us. If we don’t seriously address this crisis, we’ll consign an entire generation to a future without opportunity. We need to look hard at the statistics and see if today’s reality reflects our values or if we want to share what’s great about this community with everyone who lives here.

Our 2009 Strategic Plan calls for community impact in Education, Economic Vitality, and Social Capital as a means of achieving social, racial, and economic equity. We invest our resources to address the structural causes of inequity to achieve specific key results with measurable outcomes for Minneapolis residents. Our goal is to ensure everyone has the power to build a positive future for themselves, their families, and their communities.

OneMinneapolis Community Indicators

The measurable outcomes we seek for Minneapolis residents are documented in our OneMinneapolis reports. To drive all of our investments towards meaningful, measurable change, we commissioned Wilder Research to compile and research a set of community indicators widely accepted as effective measures of a healthy, productive community and individual well-being. In 2011, the Foundation released this data publicly, under the name OneMinneapolis.

We created a dashboard using key statistics tracked by different public agencies, such as the school district, police department, and homelessness prevention agency. By linking disparately tracked measures, we were able to create a more comprehensive picture of our community’s health. In addition, we disaggregated the data by race, ethnicity and in some cases income, gender, home language, and nativity. This depth of analysis and reporting did not previously exist. We also pioneered a new measure: the difference between the racial/ethnic community faring best on any given indicator and the one faring least well.
What we learned was shocking but instructive. The averages were masking grave disparities not only between whites and residents of color, but also some notable differences between different communities of color. Understanding the relative needs of each segment of our community has allowed us to better target our resources. It also provides an opportunity to identify strategies that are working in one community that can be replicated in another — an opportunity to spotlight community assets, not just needs. (In fact the name, OneMinneapolis, was intended to help reframe the public discussion on racial disparities to focus the positive vision for our shared success vs. a deficit-based approach.)

OneMinneapolis reports have been updated annually, with some new data features added over time. We share the data in an accessible way so others in our community can use it to inform their work. Their feedback also helps us identify improvements for subsequent reports.

The OneMinneapolis indicators articulate the outcomes we want to see in the community. The Minneapolis Foundation cannot achieve these alone, and in many cases, there will be no short or direct line between our inputs and these outcomes. Rather, many and varied investments are needed to create affordable housing, job training programs, representative government, etc.

But by using these outcomes to quantifiably define success for our community, we can determine the best and most direct path for us to take to get there. Together we can achieve a greater Minneapolis that’s vibrant, inclusive, and positioned to thrive locally and compete globally.

Understanding Equity

The Minneapolis Foundation uses the following definitions of social, racial, and economic equity to guide our work:

- **Social Equity** - Social equity means Minneapolis residents have fair and equal access to livelihood, education, resources, and other social securities; full participation in the political and cultural life of the community; self-determination in meeting fundamental needs; and equal status and rights under the law. To achieve social equity, measures must be taken to eliminate enforced social class and unjustified discrimination in systems, based on unchangeable parts of a person’s identity, such as race, gender, age, place, sexual orientation, origin, class, or income.

- **Economic Equity** - Economic equity is the state in which goods and incomes are fairly distributed among all Minneapolis residents. Currently, large differences exist in relative incomes for people of different races, ethnicities, and gender. To achieve economic equity, actions must be taken to eliminate poverty and differences in income currently sanctioned by systems, policies, and institutions, and then replaced with systems that produce equal opportunity for all to achieve the American dream of prosperity in return for hard work and a universal system of support that includes an adequate safety net for those in need.
• **Racial Equity** - Racial equity is the state in which race and ethnicity no longer adversely shape an individual’s or group’s experience with power, access to opportunity, treatment and outcomes. Systems - such as education, employment, justice - do not perform equally well for different racial and ethnic groups, because racial identity still predicts, in a statistical sense, how groups fare. To achieve racial equity, active measures must be taken to close the gaps in these systems.

**Five Shifts of Social Change**

In addition, we use the Five Shifts of Social Change framework, developed by the Women’s Funding Network, for planning, categorizing and measuring the impact of advancing social, racial or economic equity.

*Shift in Behavior* – People are behaving differently in the community or larger society because of some changes in attitude.

*Shift in Definition* – The issue is defined differently in the community or larger society.

*Shift in Engagement* – More people in the community or larger society are engaged. Critical mass has been reached.

*Shift in Policy* – An institutional, organizational, or legislative policy or practice has changed.

*Maintaining Past Progress* – Past progress has been maintained, generally in the face of opposition.
HOW WE WILL INVEST OUR RESOURCES

The Minneapolis Foundation will shift from a traditional grantmaking model to a more proactive and comprehensive community investment strategy. We will engage donors and other external funding partners and jointly invest in a portfolio of select strategies to achieve a specific set of community outcomes.

To best deliver on our value proposition as a community foundation, we will:

1. **Identify our goals and strategies**
   - Set measurable goals and interim benchmarks
   - Determine key drivers for transformational change
   - Select and execute on the strategy that will create the most impact

2. **Partner with others**
   - Collaborate closely with organizations from all sectors to achieve these goals
   - Invite donors, foundations, and others to “coinvest” with us to achieve these goals

3. **Evaluate our progress**
   - Report to the community on both our results and the effectiveness of the strategies we advance
   - Adjust our approach as needed

A Director of Strategic Impact will lead the work in each focus area: Education, Economic Vitality, and Civic Engagement.

**Community Impact Strategies**

To achieve measurable impact on the OneMinneapolis indicators, the Foundation is leveraging all of the strategies at our disposal. While we’ve used a number of these over time, they have complemented our traditional grantmaking approach rather than encompassing it. They’ve been outside of our standard operating procedure for achieving community impact and now will represent it. This change will allow us to select the most effective strategy to achieve the greatest gains on any given issue.

The Community Impact Strategies we will employ to achieve our goals include:

- Advocacy
- Coinvestment
- Collaboration
- Convening
- Grantmaking
- Program Related Investments
- Public Awareness
- Relationships
- Research
**Seeking Transformational Change**

These strategies will be used in service to advance our goals. To achieve our ambitious OneMinneapolis vision we will focus the overwhelming majority of our resources on achieving transformational vs. incremental gains. The Board’s decision to extend the strategic plan through 2020 makes this deep level of change possible.

While the delivery of social services is critical for any community, the Foundation focuses its community investments further upstream. We seek to *reduce* the need for social services by transforming systems and policies to empower more residents to be self-sufficient. By reforming systems such as preK-12 education and workforce development, we can scale up proven solutions that enable families to interrupt cycles of intergenerational poverty. By eliminating barriers to voting and enfranchisement, we’ll have more people influencing issues that directly affect their lives.

By creating change at the systems level – versus supporting programs that serve individuals – the impact will be sustainable. We won’t need to wait for individuals to “fail” first and become clients of a social service program. Instead, the public systems already in place, paid for with public taxpayer dollars, and designed to educate, train, and shelter people will be more efficient and effective making social service programs the auxiliary approach vs. the norm.

To be clear, both systemic change and social service are needed in our community. However, with limited resources available to advance the Foundation’s Community Impact goals each year (approx $5-$7 million), the Foundation can create deeper and more lasting impact for this generation and the next by investing in systemic change.
OUR GOALS AND STRATEGIES

Following are our Vision and Goal for each focus area, the Community Indicators* we seek to improve, our desired Key Results for 2020, the Key Drivers we’ll pursue to achieve those results, and the data and rationale for our approach.

Each year, our Directors of Strategic Impact for each focus area, will identify – both proactively and through solicitation of great ideas through funding proposals – the best investment of resources and optimal strategies to make progress towards our 2020 goals and annual benchmarks.

Funding will still be available through a competitive process, but the opportunities will be targeted towards achieving a very select set of outcomes. Our relationships with our community partners will also become more collaborative. And we hope to attract more charitable resources from throughout the community to scale up the work.

The Minneapolis Foundation will monitor progress towards achieving the benchmarks and goals, evaluating and advancing the various strategies, and engaging the broader community in our work.

*We will continue to modify the Community Indicators as new measures of community well-being become available and are disaggregated by race, income, and other demographic info.
TRANSFORMING EDUCATION

VISION: All of our children are on track to compete in a global economy, participate in civic life, and pursue their dreams.

- All students attend a high performing school.
- All students have only excellent teachers.
- Parents are full partners in their children’s education.
- Students have equal opportunities to explore and develop their interests.
- Education leaders innovate in pursuit of academic excellence.

GOAL: All students on track for college and career.

KEY DRIVERS:

1. Increase access to high-quality early childhood education.
2. Increase the number of high-quality schools* serving low-income students of color.
3. Strengthen the school talent and leadership pipeline.
4. Empower parents, communities, and organizations to advocate for educational equity and excellence.

ONEMINNEAPOLIS COMMUNITY INDICATORS:

We seek to increase the number of:

- Kindergartners Ready for School
- 3rd graders are proficient in reading
- 5th graders are proficient in math
- 8th grade MPS students feel their teachers make them want to learn
- 8th grade MPS students feel safe at school
- MPS students show strong attendance
- School-age students living in Minneapolis whose families choose MPS
- MPS students are NOT suspended once a year or more
- MPS parents surveyed are satisfied with their child's school
- Minneapolis Public Schools (MPS) students who graduate on time with no discernible gaps between different racial/ethnic groups.

*defined as schools serving >50% students eligible for Free and Reduced Lunch (the standard definition of students living in poverty) and >50% students of color, with students achieving more than one year of academic growth each year.
## FOCUS AREA  EDUCATION

<table>
<thead>
<tr>
<th>GOAL</th>
<th>All Students on Track for College and Career.</th>
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<tbody>
<tr>
<td>KEY DRIVER 1</td>
<td>Increase access to high-quality early childhood education.</td>
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<tr>
<td>PROBLEM &amp; KEY DATA</td>
<td>Thousands of children in Minneapolis start school without the skills needed to succeed which can eliminate the achievement, or “opportunity” gap. Although the racial equity gap in Minneapolis for Kindergarten Readiness is narrowing, with all children of color being prepared for school at higher rates, that gap remains vast and unacceptable with a 50% spread between children most and least prepared for school. 91% of white children enter school ready to learn compared with 41% of Latino children. Children whose families primarily speak Spanish are even less likely to be prepared for kindergarten (36%). By age 4, children in high-income homes have heard an estimated average of 48 million words while children in the poorest households have heard just 13 million. The average cognitive scores of preschool-age children in the highest socioeconomic group are 60% above the average scores of children in the lowest socioeconomic group. At age 4, children living below the poverty line are 18 months below the standard in cognitive development for their age group. Yet 90% of education funding currently targets the years after 90% of brain development has occurred.</td>
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<tr>
<td>RATIONALE FOR THIS KEY DRIVER</td>
<td>High-quality early childhood education is the highest leverage investment in education. Attendance in high-quality early care and education settings is proven to substantially increase the number of children who start school ready to succeed. Every public dollar invested generates a return of up to $16 with a lifetime value to Minnesota per low-income child achieving school readiness of $55,928. This includes increased economic productivity and reduced reliance on social service programs. Children who enter kindergarten without the skills needed for school success face significant hurdles to academic achievement and often never catch up. Kindergarten readiness is highly correlated with proficiency in 3rd grade reading. Without it, students are more likely to exhibit behavioral problems, repeat a grade, and drop out of school. Ensuring all children are ready-for-K helps their peers and the entire education system by reducing the need for expensive remedial education, disruptive discipline and special education programs. Children who are school ready by age 5 are more likely to grow up to be productive in the workplace, a key to economic growth. We’re starting to make headway. Public support for high-quality early childhood education has grown significantly over the past decade. The Foundation has been a key player in collaborative advocacy and awareness efforts to secure such gains as increased investment in and access to high-quality early childhood education for low-income families and incentives and support for providers to improve the quality of their care.</td>
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<tr>
<td>KEY RESULTS</td>
<td>Low-income students in Minneapolis have access to quality early childhood education. Low-income students in Minneapolis enter kindergarten ready to learn.</td>
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FOCUS AREA: EDUCATION

GOAL
All Students on Track for College and Career.

KEY DRIVER 2
Increase the number of high-quality schools* serving low-income students of color.

PROBLEM & KEY DATA
Minneapolis Public School students of color start school less prepared (see Strategy 1), continue to fall behind through the K-12 years, and are less likely than their white peers to graduate from high school on time.

64% of all Minneapolis Public School students are reading at grade level – that includes 91% of white students, but fewer than half of all Black, Latino, and Native students. There’s a 46 percentage point disparity in 3rd grade reading rates between white and American Indian students. Reading proficiency by the end of third grade is often a predictor for future academic and life success. About three-fourths of students who are poor readers in third grade will remain poor readers in high school. Students with limited reading skills are also more likely to exhibit behavioral problems, repeat a grade, and eventually drop out.

Math is another critical element of learning and studies have shown that better math skills aid in development in other areas. Overall, fewer than 1 in 3 MPS students are proficient in math. 21% of students of color are proficient in math vs. 67% of white students.

Minnesota has the nation’s lowest rates of high school graduation for Latino and Native students and the second lowest rate for African American students. If Minnesota graduated students of color at the same rate as white students, we’d add $1.3 billion to the state economy. Minneapolis contributes significantly to that shockingly poor performance: only 47% of Minneapolis Public Schools students graduate on time, including 22% of American Indian students and just over a third of African American and Latino students.

Lack of a high school diploma puts an individual at greater risk for job instability, lower lifetime earnings, poorer health, unemployment and welfare, and prison. Conversely, communities benefit from more-educated citizens through lower crime rates, less reliance on social assistance programs, and higher rates of voting and volunteering. The number of jobs available to people who do not graduate from high school is declining, and very few of those that remain pay a wage sufficient to support a family outside of poverty. Of Minnesota high school graduates who do pursue higher education, 40% are required to take remedial coursework in college. That cost puts college completion at further risk, especially for low-income students and students of color who have lower post-secondary completion rates.

RATIONALE FOR THIS KEY DRIVER
Schools are the highest impact unit of change. Investing in a whole school approach ensures that a student who makes gains due to an outstanding teacher one year, doesn’t lose those gains the next. Everyone on staff has the
same expectations and every one – from the receptionist to the principal – sees his or her mission as supporting student achievement.

Schools that deliver at least one year of academic gains each year will keep students on track to graduate on time, prepared for college and career.

National research is clear: schools in which all students (including low-income students of color) make at least one year of academic progress each year share a set of conditions. These include: real-time use of data, effective teaching, leaders who are empowered to shape staffing and resources and held accountable for student and teacher success, a culture of high expectations for every student, and more time on task – whether a longer school day or year or simply more time focused on instruction. A growing number of district and charter schools in Minnesota and around the country are effectively using these strategies to drive student achievement: their student proficiency rates in math and reading are consistently at the 70, 80, and 90%+ levels.

Minneapolis School District leadership is beginning to replicate these proven strategies in district schools to ensure all children have the best possible chance for success. New schools are opening each year that use these evidence-based models. Research shows that schools that start out with students making strong academic progress each year continue to reach the necessary level of achievement with their students year after year.

**KEY RESULT**

| Students of color and students from low-income homes are enrolled at high-quality schools. |

*defined as schools serving >50% students eligible for Free and Reduced Lunch (the standard definition of students living in poverty) and >50% students of color, with students achieving more than one year of academic growth each year.*
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<thead>
<tr>
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<tbody>
<tr>
<td>GOAL</td>
<td>All Students on Track for College and Career.</td>
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<tr>
<td>KEY DRIVER</td>
<td>Strengthen the school talent and leadership pipeline.</td>
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<tr>
<td>PROBLEM</td>
<td>See Key Driver #2 above.</td>
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**RATIONALE FOR this KEY DRIVER**

Human resources are the most important input to education. Teachers are the single most influential school-based factor in student outcomes. Students with a highly effective teacher can achieve up to a full year’s additional academic growth compared to a student with an ineffective teacher. A second-grade student in the 50th percentile with three highly-effective teachers in a row will move to the 90th percentile by 5th grade, while the same student with three ineffective teachers in a row will move to the 37th percentile. Teacher perception of students’ classroom effort and behavior accounts for 42% of the black-white gap in realizing academic potential. Principals are the second most influential school-based factor on student outcomes. A student with a highly effective principal can gain up to 7 months of additional academic progress. Principals drive school culture and instructional rigor. School leaders who are empowered to manage staffing decisions can also reduce teacher turnover and impact student-teacher ratios. The sources for this talent require cultivation and support, as new models emerge and get results. Policy work is also required to make it easier to get top talent in all schools.

**KEY RESULT**

Teachers and school leaders serving Minneapolis students are highly-effective.**

**defined as teachers and leaders who lead students of color and low-income students to at least one year of academic growth each year.
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<tr>
<td>GOAL</td>
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<tr>
<td>KEY DRIVER</td>
<td>4 Empower parents, communities, and organizations to advocate for educational equity and excellence.</td>
</tr>
<tr>
<td>PROBLEM &amp; KEY DATA</td>
<td>See Key Drivers #1-3 above. The education system is not producing results, especially for students of color. With just 47% of all Minneapolis students graduating on time from high school, the majority of students are experiencing failure. There are simply no workarounds sufficient to effectively offset the lack of educational outcomes being delivered by the school system itself. Securing policies to create a pre-K-12 system that produces better outcomes is a smart investment. Yet charitable funding for advocacy and policy work currently comprises just 3% of all charitable giving directed to education in Minnesota. Increasing that percentage would generate better returns from the system. That would in turn free up many of the charitable dollars currently spent on tutoring and other programs that seek to compensate for schools failing to achieve proficiency with their students.</td>
</tr>
<tr>
<td>RATIONALE FOR THIS KEY DRIVER</td>
<td>Policy advocacy creates systemic and sustainable change. Aligning public dollars to the outcomes we want for our community is the highest possible impact that can be achieved by philanthropic resources. Factors that directly impact student achievement such as teacher certification, evaluation, hiring flexibility, and tenure; length of the school year; and curriculum are determined through policies and contractual agreements at the district and state levels. Building the capacity of, and aligning, organizations focused on student achievement above all else and advancing a common agenda can result in policy changes that directly drive results in the classroom. Engaging parents and students in creating an evidence-based policy in partnership builds the capacity of the education ecosystem to continuously improve.</td>
</tr>
<tr>
<td>KEY RESULT</td>
<td>Highly-effective ecosystem advancing educational equity and excellence, driven by organizations of students, parents, teachers, school leaders, business, and other stakeholders.</td>
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PROMOTING ECONOMIC VITALITY

VISION: We have an inclusive workforce reflective of our changing demographics and a business climate that fosters innovation, entrepreneurship, and self-sufficiency.

- Companies can find local workers with skills needed for today and tomorrow.
- All communities are employed at equal and competitive rates.
- Small businesses run by people of color grow and flourish.
- Residents have tools and opportunities to provide for themselves and their families.

GOAL: A competitive and inclusive workforce.

KEY DRIVERS:

1. Increase workforce preparedness.
2. Build community wealth.
3. Strengthen delivery of financial and technical assistance to minority-owned businesses.
4. Advocate for improved policies and public sector programs that impact workforce development and wealth creation.

ONEMINNEAPOLIS COMMUNITY INDICATORS:

We seek to increase the number of:

- Minneapolis families no longer living in poverty
- Minneapolis working-age adults who are employed
- Low-income households whose lives have been stabilized through access to shelter
- Working Minneapolis residents who are self-employed
- Jobs in Minneapolis that pay a family-supporting wage

with no discernible gaps between different racial/ethnic groups.
FOCUS AREA | ECONOMIC VITALITY
---|---
**GOAL** | A Competitive and Inclusive Workforce.

**KEY DRIVER 1** | Increase workforce preparedness.

**PROBLEM & KEY DATA**
Employment is essential to earning income sufficient to support a family and acquire financial assets. Working-age adults who are not in the workforce reduce the economic output of the city, region, and state. Using all available talent to benefit the economy will be especially important given the workforce shortage Minnesota is likely to experience as the Baby Boomer generation continues to exit the labor force.

The Twin Cities has one of the highest overall rates of adults working, but Minneapolis has one of the largest gaps in employment between white (77%) and African Americans (52%) and whites and American Indians (39%).

Looking at it another way, in Minneapolis a white adult is twice as likely to be employed as an American Indian adult. For whites the unemployment rate is 6.3 percent with the highest gap for American Indians at 28.6%, followed by Blacks at 22.3%.

The jobs of today and tomorrow demand advanced skill levels. By 2018, 70% of Minnesota careers will require education beyond high school. The current unemployment rate for individuals who have not completed high school is much higher at 8.5% than for those with a 4-year degree or higher at 2.7%.

Advocates and officials agree that these inequities are dangerous to the region’s overall growth and quality of life for all. To address these concerns locally, Minneapolis became the first city in the nation to adopt a resolution promoting racial equity in employment in August of 2012. The Council set a target of reducing racial disparities in employment and poverty rates for residents of color by 25% by 2016 and increasing the percentage of people of color hired on city-funded projects to 32% (from 11%).

**RATIONALE FOR THIS KEY DRIVER**
Highest leverage investment in any stage of workforce development.

**KEY RESULTS**
- Individuals recruited and trained from communities currently underrepresented in the workforce will earn a living wage with benefits.
- Individuals recruited and trained from communities currently underrepresented in the workforce will secure full-time positions and maintain job retention beyond 12 months.
- Workforce training programs provide ladders to careers beyond entry-level jobs.
- Businesses will have a skilled and diversified workforce from underrepresented communities.
## FOCUS AREA  ECONOMIC VITALITY

### GOAL
A Competitive and Inclusive Workforce.

### KEY DRIVER 2
Build community wealth.

### PROBLEM & KEY DATA
Only 1 in 5 low-income households in Minneapolis lives in affordable housing (housing costs not exceeding 30% of one’s income). More than 50,000 low-income households in Minneapolis are without affordable housing. In Minneapolis, 9.1% of households are unbanked and 17.5% are underbanked. Unbanked individuals do not use banks or banking institutions in any capacity and generally pay for things in cash or by purchasing money orders. Underbanked individuals rely heavily on checks and cash as a mean of funding rather than bank-related methods such as credit cards or loans. These individuals typically do not have insurance or pensions.

Nearly 10% of working Minneapolis residents are self-employed.

### RATIONALE FOR THIS KEY DRIVER
Building community wealth is the highest impact unit of quantitative change. Building wealth creates self-sufficiency, stability and growth. Without it, Minneapolis residents remain on the edge of the economy – forever treading the line between requiring assistance and staying afloat. Affordable housing, banking services, and a business are assets that allow families to move beyond stabilizing their lives to saving and creating assets that contribute to the economy and end generational poverty.

Families without affordable housing pay a greater share of income towards housing costs and are unable to save. This situation causes families to choose between rent and medication, utilities, food, and other essentials. They don’t have any cushion to absorb an unexpected expense or temporarily weather a crisis like a medical emergency without losing their shelter.

Without a bank account, individuals can pay up to 20% of their wages to cash a paycheck. They don’t build up a credit history and are unable to qualify for traditional financing or a credit card to make large purchases or extend payments over time. They must go without, pay more upfront, or pay exorbitant interest rates. Assets like a home and business also provide credit that can be tapped for higher education, and investments that create mobility and opportunity.

Small businesses create assets for families and – especially in the case of neighborhood-based businesses – they generate wealth locally. Dollars don’t flow out of neighborhoods to a concentrated class of business owners, but instead are shared by a broader, more diverse business leadership.

### KEY RESULTS
Low-income families are using bank accounts, establishing credit, and financial services.

Individuals and families have stable housing and are accessing workforce training, development and employment opportunities to help stabilize their families.
<table>
<thead>
<tr>
<th><strong>FOCUS AREA</strong></th>
<th><strong>ECONOMIC VITALITY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>GOAL</strong></td>
<td>A Competitive and Inclusive Workforce.</td>
</tr>
<tr>
<td><strong>KEY DRIVER 3</strong></td>
<td>Strengthen delivery of financial and technical assistance to minority-owned businesses.</td>
</tr>
<tr>
<td><strong>PROBLEM &amp; KEY DATA</strong></td>
<td>While Minnesota ranked last in the level of entrepreneurial activity (150 out of 100,000 residents opening businesses on a monthly basis compared to Montana with 530 per 100,000 residents), Minnesota and Minneapolis minority-owned businesses continue to grow and expand while contributing significantly to the overall economy. In 2007, Minnesota had more than 31,100 minority-owned firms generating $5.8 billion in total sales, according to figures from the U.S. Census Bureau. The vast majority (26,734 or 86 percent) of minority businesses in Minnesota are non-employers, or businesses with no paid employees. For many ex-offenders, owning their own business is often their only option for employment. Access to financial and technical assistance allows more people of color the opportunity to start and grow small businesses. Small businesses, especially minority-owned, often lack access to capital. Capital affords a small business the opportunity to launch successfully and move to the next level – whether through expansion, increasing a product line, purchasing new equipment, or investing in new technology. Discrimination in lending plays a significant role: controlling for characteristics likely to affect bank borrowing (including legal form of organization, credit score, and type of business), evidence shows that, compared with white owners, minority owners of young firms were significantly less likely to have their loan applications approved. Minority-owned businesses also tend to use a different mix of equity and debt capital and are more reliant on owner equity investments. The average minority-owned business operates with much less financial capital, even after controlling for other factors including credit score. Once they’re established, businesses also need to be responsive to changing market conditions to remain viable. Growth opportunities come when businesses can move beyond the sole proprietorship model of business ownership through mergers acquisitions, and strategic partnerships, fully accessing the capabilities of financial markets, and responding aggressively to trends in supply chain management. These strategies require technical knowledge that can be provided by an intermediary. Financial and technical expertise is critical to this human capital enterprise. Individuals who are self-employed are important drivers of economic growth as they expand to add additional employees. The majority of employees hired by minority-owned businesses are people of color. Two-thirds of new jobs created in the past 15 years have been generated by small businesses.</td>
</tr>
<tr>
<td><strong>RATIONALE FOR THIS KEY DRIVER</strong></td>
<td>New minority-owned businesses are created and developed. Minority-owned businesses sustain and create new jobs paying a living wage with benefits.</td>
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FOCUS AREA  ECONOMIC VITALITY

GOAL  A Competitive and Inclusive Workforce.

KEY DRIVER 4  Advocate for improved policies and public sector programs that impact workforce development and wealth creation.

PROBLEM & KEY DATA
Most jobs in today’s labor market and in the future require education and training beyond high school. By 2018, 70% of Minnesota careers will require education beyond high school. The state faces a growing skills gap as 60% of working-age adults in Minnesota lack a postsecondary degree or credential. Minnesota’s labor market is already working: 2/3 of the state’s available workforce is working today. Even so, many adults don’t have opportunities to enter and advance in the labor market. 33,400 working-age adults live in poverty in Minnesota and face barriers to credential attainment and family-supporting careers. These barriers include: balancing school with family; working multiple dead-end jobs; transportation issues; inadequate financial aid; and other barriers to pursuing education and career advancement opportunities. Current state policies and programs leave out many potential workers (adults) and too many jobs are unfilled (specifically jobs requiring some training past high school but not a four-year college degree). Eight out of 10 college dropouts said that coaching, social services, and hands-on learning opportunities would have helped them stay in school to complete a post-secondary credential. For many adults, access to college means starting with remedial education and at the point an individual is deemed “college ready,” time and money have run out. Nationally, fewer than 4% of low-skilled adults complete college. Minnesota must measurably improve skills training to better support sustained employment, increased earnings and regional competitiveness.

RATIONALE FOR THIS KEY DRIVER
Advocacy to improve the state’s delivery of workforce development will create systemic, sustainable change. Aligning public dollars to the community outcomes we want is the highest possible impact that can be achieved by philanthropic resources.

Addressing policy and workforce development strategies benefits communities of color and address the needs of employers. This multifaceted approach bridges sectors: education, training, business, government, nonprofits, and individual residents.

Funding workforce development is complex – federal, state and private funding flow through a wide variety of organizations and programs to reach potential workers in different geographic, economic, and industry-specific areas.

Reviewing the outcomes of all government funding for workforce development and redirecting resources to successful investments will ensure skills training leads to sustained employment, increased earnings and regional competitiveness.

KEY RESULTS  Workforce investments are measured for impact and performance.

(continued on next page)
Investments are equitably deployed to address racial disparities in the workforce and minority-owned business development.

Alternatives to prevent discriminatory and predatory financial practices are implemented.

Integrated approaches to decrease barriers to accessing workforce training and employment for underrepresented communities (e.g. communities of color, immigrants, ex-offenders, homeless, etc.).
CIVIC ENGAGEMENT*

VISION: A robust and responsive democracy.

- Everyone in our community has influence over the issues that affect their lives.
- Communities of color have strong leadership and representation in all sectors.
- All communities have the tools, capacity, and relationships to influence public policy.
- Participation in our democracy is inclusive, expanded, and preserved.

GOAL: All communities participate in our democracy and in public decision making.

KEY DRIVERS:

1. Increase the number of people of color who vote.
2. Remove systemic barriers to voting.
3. Strengthen leadership, advocacy and organizing capacity in diverse communities.

ONEMINNEAPOLIS COMMUNITY INDICATORS:

We seek to increase the number of:

- Constituents who vote in local, state, and federal elections.
- Residents who no longer feel excluded from participation in the broader community due to their race, ethnicity, or culture.
- Elected officials within the Minneapolis Delegation who support policies and legislation that advances equity.

with no discernible gaps between different racial/ethnic groups.

* The Civic Engagement focus area was previously known as Building Social Capital. The term Civic Engagement better reflects the Foundation’s specific interest in communities speaking for themselves.
FOCUS AREA  CIVIC ENGAGEMENT

| GOAL | All communities participate in the democratic process and in public decision-making. |
| KEY DRIVER 1 | Increase the number of people of color who vote. |
| PROBLEM & KEY DATA | Although trends in civic engagement show increased voter participation by communities of color in recent presidential elections, voter participation rates in communities of color in Minneapolis remain 25% - 40% lower than that of whites. 

Voting in a local, state, or national election is one of the most effective ways individuals can speak for themselves and seek representation for their views. It is a key measure of participation in the public process.

Residents who vote are more likely to engage in other forms of civic engagement such as communicating with their elected officials, writing a letter to the editor, or attending a public meeting.

Minnesota’s disparities in voting access and participation by communities of color mirror our worst-in-the-nation racial disparities in jobs and education. |
| RATIONALE FOR THIS KEY DRIVER | Voter participation is the highest impact unit of quantitative change in which we can directly invest. 

An investment of resources in community organizations to deliver higher rates of voter participation and democratic engagement by people of color. 

Increased engagement builds community strength and resources, which increases the measurable impact of our investments in all of our impact areas. |
<p>| KEY RESULT | An increased percentage of people of color consistently vote in federal, state, and local elections. |</p>
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**KEY DRIVER 2**  
**PROBLEM & KEY DATA**  
Remove systemic barriers to voting.  
Underrepresented communities face a number of structural barriers to voting:  
- The lack of a statewide system for online voting  
- An unevenly implemented system of access to early and absentee voting  
- Lack of language translation for voting services  
- A lack of paid time off from work to go to the polls  
- Lack of adequate transportation to the polls  
- Continued disenfranchisement to people who are on probation or parole  

Barriers to voting mean that people are less able to participate in the democratic process and in their own representation, and are less able to influence the policies and decisions that affect their lives.  
Minnesota’s disenfranchisement law is more restrictive than other states regarding persons with felony convictions. People convicted of a felony are unable to vote until they complete their sentences. As a result, the disenfranchised population is comprised of active prison, parole, felony probation and convicted felony jail populations. In 2011, approximately 64,000 convicted felons were unable to vote in Minnesota. While the number is a relatively small percentage of the state’s voting-age population of 4.07 million citizens, it is a significant proportion of Minnesota’s African American population: almost 8% of otherwise eligible African American voting-age residents (and almost 13 percent of otherwise eligible voting-age African American males). Most are non-incarcerated probationers and persons on supervised release.  

**RATIONALE FOR THIS KEY DRIVER**  
People of color and low-income communities are the constituents most affected by these barriers. Removing the barrier of disenfranchisement for people on probation and on parole would have a significant quantitative and qualitative impact on the problem as a whole.  
Building the broad public support needed to remove barriers would require organizations impacted by this issue to unite and push forward on a common agenda. This would be a positive outcome in itself that could create the conditions and resources for structural and systemic change across our impact areas and towards equity.  

**KEY RESULTS**  
Public policies protect and expand voting rights.
## FOCUS AREA  CIVIC ENGAGEMENT

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<td>KEY DRIVER 3</td>
<td>Strengthen the leadership, advocacy and organizing capacity in diverse communities.</td>
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<tr>
<td>PROBLEM &amp; KEY DATA</td>
<td>The elected and appointed public leadership of the City is not representative of the community’s demographic make-up. Whites are far and above the majority on the city council, school board, park board, on planning commissions, and so on. During the 2011 state legislative session, 59% of state senators and representatives serving Minneapolis exhibited strong support for equity-related bills, as indicated by receiving an A grade on the annual Minnesota Legislative Report Card on Racial Equity published by the Organizing Apprenticeship Project.</td>
</tr>
<tr>
<td>RATIONALE FOR THIS KEY DRIVER</td>
<td>Highest leverage investment in systemic and sustainable change. Supporting a robust ecosystem of policy and advocacy organizations that are owned by, and part of, the communities they represent has been shown to lead to structural change toward equity. Leadership development gives community members the tools and training they need to participate in public decision making, to participate in the electoral process, and to make change for themselves.</td>
</tr>
<tr>
<td>KEY RESULT</td>
<td>The number of elected and appointed leaders matches the proportionate demographics of Minneapolis at every level of public decision making. Public policies are shaped and informed by communities impacted by them. Advocacy that mitigates the negative impacts on marginalized populations resulting from inequitable public policies.</td>
</tr>
</tbody>
</table>
1 Fall 2012 data, Minneapolis Public Schools Research, Evaluation, and Assessment Department (see OneMinneapolis report by Wilder Research/The Minneapolis Foundation).
2 Hart and Risley, 1995
5 Minnesota Education Philanthropy Research and Analysis, CliftonLarsonAllen 2011.
6 National Education Policy Center, November 2011.
7 Wilder Research.
8 2012 data. Minneapolis Public Schools Research, Evaluation, and Assessment Department (see OneMinneapolis report by Wilder Research/The Minneapolis Foundation).
9 2012 data. Minneapolis Public Schools Research, Evaluation, and Assessment Department (see OneMinneapolis report by Wilder Research/The Minneapolis Foundation).
11 2012 data. Minneapolis Public Schools Research, Evaluation, and Assessment Department (see OneMinneapolis report by Wilder Research/The Minneapolis Foundation).
12 “Getting Prepared” 2010 study by University of Minnesota and Minnesota State Colleges and Universities.
16 How Teachers and Schools Contribute to Racial Differences in the Realization of Academic Potential by Tina Wildhagen.
18 “School Leaders Matter” by Gregory F. Branch, Eric A. Hanushek, and Steven G. Rivkin, University of Texas at Dallas Texas Schools Project. Education Next Winter 2013.
19 2012 data. Minneapolis Public Schools Research, Evaluation, and Assessment Department (see OneMinneapolis report by Wilder Research/The Minneapolis Foundation).
21 U.S. Census Bureau, decennial census and American Community Survey, Wilder Research (see OneMinneapolis report by Wilder Research/The Minneapolis Foundation).
22 Results Minneapolis Reducing Racial Disparities March 2013.
25 U.S. Census Bureau, decennial census and American Community Survey (see OneMinneapolis report by Wilder Research/The Minneapolis Foundation).
27 U.S. Census Bureau, decennial census and American Community Survey (see OneMinneapolis report by Wilder Research/The Minneapolis Foundation).
28 The Kauffman Index of Entrepreneurial Activity.
32 American Community Survey, U.S. Census Bureau; Help Wanted, Georgetown University Center on Education and the Workforce; National Center for Higher Education Management Systems. Trendlines beyond 2008 are based on single-point-in-time estimates.
34 Estimate based on 2010 American Community Survey (3-year estimate).
37 Christopher Uggen and Suzy McElrath, University of Minnesota Department of Sociology, 10/14/12.