



GEO LEADERSHIP CASE STUDY

The Bank of America Charitable Foundation

Neighborhood Builders® Award

April 2010

The Bank of America Charitable Foundation's Neighborhood Excellence Initiative® strengthens the economic and social health of local communities by recognizing leadership and community service. A component of NEI is the Neighborhood Builders® Award which builds the capacity of local nonprofits to serve critical community needs through leadership training and general operating grants. In addition, alumni of the program leverage their awardee selection to obtain other funding and connect with a network of peers.

How Leadership Became a Priority

In 2004, when The Bank of American Charitable Foundation developed the Neighborhood Builders Award as part of its philanthropic program the Neighborhood Excellence Initiative, it was seeking a meaningful investment to help address critical needs in communities across the country.

The foundation consulted with experts in the field, peers in philanthropy and nonprofits on the front lines to learn more about significant issues facing the sector. It held internal conversations about how to best shape a program that could significantly impact nonprofits and communities. Through this process, the company became convinced that strong leadership and flexible funding are critical elements to increasing the impact and the sustainability of local nonprofit organizations, and ultimately the economic and social health of communities across the country.

"We recognize that having the capacity needed to run an organization is directly related to general operating support. In addition, we understand the importance of strong leadership, a vital characteristic of successful organizations whether private or nonprofit, and of preparing the next generation of community leaders to lead a wide range of nonprofits organizations."

— KERRY H. SULLIVAN, PRESIDENT OF THE BANK OF AMERICA CHARITABLE FOUNDATION

The Neighborhood Builders Program Design

A focus on community needs. The Bank of America Charitable Foundation makes philanthropic investments in a way that ensures local autonomy and helps local markets deliver services that are relevant to their communities. To this end, the program is designed around “local market selection committees,” made up of seven to nine nonprofit and community members tasked with helping identify and select awardees.

This community-based strategy ensures that the foundation’s grantmaking remains responsive to community needs. “More than two-thirds of current NEI awardees are organizations that focus on safety net issues, such as health and education, which saw dramatic increases in need during the economic downturn” said Kerry Sullivan, president of The Bank of America Charitable Foundation. “The program’s flexibility and locally based decision making helped keep funding focused on the most pressing needs in communities.” The strategy also enables the foundation to find and support high performing organizations, thus effectively building resources that already exist in local communities.

A pair of leaders from each organization. Two nonprofit organizations are selected through the local committees from each of the markets where the bank operates, for a total of 92 participating organizations every year. Each selected organization sends one executive director and one emerging leader to attend a year-long strategic leadership and management training program. The plan is for the pair to work together, influence each other’s thinking and support each other in identifying and implementing changes in their organizations.

A year-long training program. Executive directors gather for two four-day workshops to hone their skills in strategic thinking, business planning, leadership development and succession planning, long-term business growth and building a diverse funding base. Emerging leaders gather for three four-day workshops to increase their knowledge regarding organizational management and expand their leadership skills. Both programs include the use of case exercises with alumni Neighborhood Builders in the cities where the workshops are held. The final workshop is conducted for the executive directors and emerging leaders together, creating an opportunity for joint participation in sessions designed to increase the impact and the sustainability of their organization.

The training curriculum is designed to provide participants with a foundation of knowledge and tools for enhancing their leadership and managing their organizations. “Organizations want to know how to make tough decisions and take practical steps to survive these tough times,” Kerry Sullivan said.

Quick Facts: Neighborhood Builders Award

- **Grantmaker:** The Bank of America Charitable Foundation.
 - **Format:** Part of company’s Neighborhood Excellence Initiative, the award encompasses a year-long training program for established and emerging nonprofit leaders coupled with two-year, \$200,000 general operating support grants.
 - **Areas of Focus:** To build the capacity of nonprofit staff to lead their organizations and improve effectiveness of programs.
 - **Total Funding/Grants:** \$100 million for 500 organizations.
 - **Participants:** Established and emerging leaders of nonprofit organizations in markets where the bank operates.
 - **Contact:** www.bankofamerica.com/neighborhoodexcellence or Steve Fitzgerald, stephen.fitzgerald@bankofamerica.com.
-

The program offers participants exposure to an array of “subject matter experts,” people who understand the work and the field. Small group discussions and paired work help participants identify immediate change opportunities and focus on concrete things they can do. The program is always evolving. As Sullivan noted, “we are constantly adding new topics and presenters; it’s not a cookie cutter program.”

The foundation works with long-time partner, The Center for Leadership Innovation, who conducts the Neighborhood Excellence Leadership Program and assembles leading industry experts such as the Nonprofit Finance Fund, CompassPoint and The Bridgespan Group to create a unique learning experience.

General operating support grants. In addition to leadership training for the executive director and emerging leader, the awardee organization receives a \$200,000 general operating support grant over two years. “Sitting down with partners, we consistently heard the need for general operating support in order to grow and be more sustainable. The critical need for this kind of support can’t be over emphasized,” said Steve Fitzgerald, program director at the foundation.

The unrestricted funding has catalyzed program expansions and organizational infrastructure improvements in participating organizations. “The unrestricted grant was smart, it spoke to real insight on behalf of the foundation and confidence in our organization,” said Kathleen DiChiara, executive director of the Community FoodBank of New Jersey, a 2008 award winner. Her organization used the grant to grow its food distribution capacity.

The general operating support grant has also provided a means to maintain operations and services in awardee organizations confronting social safety net issues. Skid Row Housing Trust in Los Angeles was an award winner in 2006. Their executive director, Mike Alvidrez, praised the foundation for recognizing the importance of unrestricted general operating support to nonprofit organizations. “A dollar of unrestricted funds is worth more than a dollar of restricted funds,” he said. “It really allows us to fill in any gaps we see in our operations, and the fact that Bank of America recognizes this shows they have their ear to the ground and are sensitive to what nonprofits truly need.”

What Participants Say about the Neighborhood Builders Award

“I have worked in the nonprofit sector for more than 30 years and in the process attended many workshops and courses on leadership and management so I was a little skeptical as to whether this would be worth my time — yes it was! It was truly the best that I have ever attended.” – Kathleen DiChiara, executive director, Community FoodBank of New Jersey

“The program helps you learn how to manage yourself and others, and it gives you great resources. I find myself referring back to materials and conversations from when I was in the program fairly often.” – Steven McCullough, executive director, Bethel New Life

Understanding the Program’s Results

Key stakeholders interviewed for this case study felt the program had produced these results:

A national network of peers. Beyond the immediate benefits of the training, participants engage in peer learning activities and ultimately develop a peer consulting network that they can tap into for help with developing their leadership, improving the delivery of programs and transforming their organizations. “You develop a sense of community, that you are not by yourself and that there are

others with the same challenges,” said Steven McCullough, executive director of Bethel New Life in Chicago, Ill., award winner in 2004. Participants have valued being able to connect with similar organizations across the country. “It was helpful to meet a variety of nonprofit leaders from across the country, beyond my own local network” said DiChiara.

Leveraging of other resources. For many organizations recognition as a Neighborhood Builder has created the opportunity to leverage support and funding from other grantmakers and key stakeholders. “Through the Neighborhood Excellence Initiative, we are investing in the health and growth of the nonprofit sector as a whole,” Sullivan said. “In addition to providing leadership support and capacity building grants and laying the groundwork for leaders to share best practices, we want to help connect organizations to other types of support.”

Internal ripple effect. In the case of the Community FoodBank of New Jersey, the impact has extended within the organization beyond the original participants. The emerging leader who attended the program helped her colleagues organize a study group using the materials from the trainings. A few of those new leaders have since organized other study groups. The increased attention to leadership has helped boost employees’ self confidence and the organization’s sense of community. DiChiara noted, “It’s permeating our organization, improving our morale and making us stronger.”

The Impact of the Program on the Foundation

In conjunction with the Neighborhood Excellence Initiative’s Neighborhood Builders Award, the foundation includes general operating support and capacity-building grants in its other grantmaking programs. Sullivan noted that the foundation is increasingly convinced that, “providing unrestricted grants has the potential to exponentially build local organizations and expand their services to communities.”

The neighborhood excellence concept, which is built on a “national platform with local deployment,” is closely tied to the company’s overall community investment work, in part because the strategy helps the company provide “meaningful and responsive support” in the communities it serves.

The foundation has invested nearly \$100 million in unrestricted funding through the Neighborhood Excellence Initiative, providing training for nearly 1,000 executives and emerging leaders and recognizing nearly 500 nonprofit organizations across the country. “This is a significant investment in leadership at a huge scale,” said Kirk Kramer, partner at The Bridgespan Group, which has been involved in leadership development trainings. “It has enormous potential to further these organizations and the sector. I hope that other grantmakers who learn about this program think about making similar sized investments in building leadership capacity in the sector.”

About The Bank of America Charitable Foundation

The Bank of American Charitable Foundation’s giving “recognizes, nurtures and rewards community-based organizations, local heroes and student leaders working to improve their communities.” The foundation works with local community leaders to identify economic and social priorities, and supports local visionaries in addressing critical neighborhood needs, as well as sustaining, strengthening and growing communities. In 2009, the foundation adopted an ambitious philanthropic giving goal of \$2 billion over 10 years, to “create healthy, vibrant neighborhoods where all of us can pursue our dreams.” Giving priorities are tailored to each community, and range from education, community development, neighborhood preservation, arts and culture, to health and human services. More information is available on their website at <http://www.bankofamerica.com/foundation/>.