

Bold Problems Require Bold Funders, Implementers, and Solutions:

Results from Testing a New Philanthropic Model

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1. **Abstract**

At least 241 pledges have been made by philanthropists from 29 different countries to give the majority of their wealth to charitable causes during their lifetimes or in their wills (Giving Pledge, 2023). Most of this money, however, remains on the sidelines despite the urgency of local, national and global social and economic challenges because would-be donors have no accessible, trusted, and reliable way to choose with confidence among charitable causes, organizations, and projects (Foster et al., 2016).

Lever for Change (LFC), a John D. and Catherine T. MacArthur Foundation affiliate, has unlocked roughly US\$1.5 billion in the past four years through a new model of grant making designed to address barriers to bigger, bolder giving. Through the LFC model of customized competitions and open calls, and donor cultivation/support, a new market has been created where diverse and bold ideas for solving social problems can be developed and funded with the long-term aim of transforming how high net worth donors engage in philanthropy. Through a network of highly vetted organizations, named the Bold Solutions Network, LFC curates and shares proposals with multiple funders with the goal of generating funding beyond the original challenge award. This paper shares where the model has had success as well as the areas that are still being tested as LFC continues to evolve its work.

2. **Main text**

2.1 *Changing Times for Philanthropy*

Philanthropy is in transition. While the number of foundations, and the total amount of money in their endowments has grown remarkably over the last decade, the problems that foundations want to address – ranging from climate and global development to social justice, education, and health – require far more funding than is currently provided. The United Nations Conference on Trade and Development (UNCTAD) notes that current investment levels are far from the scale needed to achieve the Sustainable Development Goals (SDGs), citing a US\$4 trillion gap per year (UNCTAD World Investment Report 2023)."

At the same time, increasing amounts of money are being set aside – or locked up – for philanthropic purposes, but not spent. Many members of the Giving Pledge (composed of individuals with more than US\$1 billion in personal wealth but committed to giving away at least half) are now wealthier than they ever have been (Callahan 2018; Freund 2020). Money is also accumulating in Donor Advised Funds (DAFs). Contributions

to DAFs in 2021 totaled US\$72.67 billion, an all-time high -- and more than the combined endowments of Ford, MacArthur, Hewlett, and Rockefeller Foundations (National Philanthropic Trust Donor-Advised Fund Report, 2022). Additionally, endowments at leading universities often run into the tens of billions of dollars with Harvard alone now managing an endowment of roughly US\$50 billion.

Some observers theorize that prospective donors may be paralyzed by choice, daunted by the wide range of possibilities calling to them. Even for those with a favored topic or cause, the number of organizations to choose between is enormous. Funders also struggle with equitable sourcing, with reaching beyond their existing networks, and with ensuring their selection processes are fair, judicious, and well-informed. The Bridgespan Group recently noted that "'who you know' leans toward networks in the orbit of institutions that have historically held power in society. In their research on grants of US\$10 million or more, for example, they found that 42 percent went to organizations led by graduates of Ivy League universities. As The Bridgespan Group notes, this is "an extraordinary concentration that matches the disproportionate share of the world's billionaires that attended just eight institutions (Doyle et al., 2023)."

What holds true for money also holds true for expertise: most foundation programs are closed to unsolicited proposals, and the proposals that are received do not always receive outside review or commentary. Program design, and award (grantee) selection remain inside the funding organization; input from outside is restricted in many other ways, formal and informal. And what funders do or could learn from the proposals they receive is rarely shared with anyone else.

For a growing number of funders, one approach to addressing these issues relies on what has been variously described as open challenges, open calls, philanthropic prizes, philanthropic competitions, social prize competitions, and other similar terms. Rockefeller Philanthropy Advisors notes, "When implemented in a thoughtful, effective manner, prize philanthropy can provide valuable benefits to the donors, competitors, and communities impacted by the challenge addressed. Specifically, prize philanthropy can: promote innovation; broaden awareness of issues and actors in a given space; increase diversity and inclusion in the pool of potential recipients of philanthropic funds; build communities and networks; mobilize additional funding; and help competitors hone focus and approach (Rockefeller Philanthropy Advisors, 2021)."

These have grown dramatically over the last decade in number, scope, and dollars awarded. "A Study of Prizes and Competitions" written by Yoon-Chan Kim for Lever for Change identified more than 550 prizes and competitions with an aggregate purse prize of more than US\$1 billion and analyzed more than 160 prizes and competitions from 2020. While the trend towards prize philanthropy and open competitions has its critics, most of the prizes offering US\$10 million or more didn't exist a decade ago (Kim, 2022).

3. *From testing ideas with 100&Change to Launching Lever for Change*

In 2015, the John D. and Catherine T. MacArthur Foundation began thinking about how to find and fund problems that are based on input from diverse sources of ideas and focused on issues that might have durable solutions at a larger scale. There were many questions about how to conduct the search for possibilities, how to select among them, how to support the most promising among them, and how to think about the risks involved.

In 2016, the Foundation settled on the idea of having an open call, known as 100&Change, with award selection driven by outside judges and approved by the Foundation's board, all with a view towards ensuring a fair, open, and transparent selection process. Ideas could come from anywhere and address any problem. In the end, the Foundation would make a single US\$100 million award. This approach addressed a perceived lack of "mezzanine level" funding for non-profit organizations; served key values of the Foundation, including openness, transparency, and equity; and promised to catalyze new ideas and collaboration among participants that could help address critical and timely problems.

More than 800 organizations responded with fully qualified proposals. And in 2017, the MacArthur Foundation awarded US\$145 million to four projects around the world. Those projects included: (1) a US\$100 million award to Sesame Workshop and International Rescue Committee to bring early learning and nurturing care to children affected by the Syrian conflict and displacement across the Middle East; (2) a US\$15 million award to Catholic Relief Services to change how society cares for children in orphanages, (3) a US\$15 million award to HarvestPlus to fortify staple crops with nutrients such as zinc and vitamin A, and (4) a US\$15 million award to Rice360 Institute for Global Health Technologies to improve newborn survival in Africa.

Throughout, the Foundation worked closely with key outside advisors including Carrot, which provided competition design and management; The Bridgespan Group, which provided support to a cohort of eight semi-finalists, and Abt Associates, which served as the evaluation partner.

The experience with 100&Change raised new questions. Would other donors be interested in and willing to fund projects that surfaced through the competition, or might they be reluctant to fund organizations that were either already supported by MacArthur or passed over in a competitive process? What should be done with all of the other worthwhile but unfunded projects? Was it possible to connect them to other sources of support? Might other donors be interested in taking a similar approach to topics they cared about? Might it be possible to build a system that could unlock funds intended for philanthropic use, but that were not actually moving to organizations on the forefront of social change? And if the answer to some or all of these questions was yes, did the work belong inside MacArthur, outside MacArthur, or close to MacArthur but with a greater degree of independence than a typical foundation program?

After many rounds of consultation and debate, Lever for Change was created as a separate non-profit entity, with its staff drawn (initially at least) from the MacArthur Foundation. Former MacArthur Foundation President Julia Stasch was instated as board chair and the Managing Director of the MacArthur Fellows program, Cecilia Conrad, as CEO.

Today, Lever for Change matches donors to funding opportunities that are relevant to their interests through three main activities: (a) open calls and competitions to source and evaluate projects (b) collaboration and capacity building with project teams that are highly ranked by outside experts, technical advisors, and past funders; and (c) vigorous efforts to share up-to-date information with new potential funders through a network of highly vetted opportunities, named the Bold Solutions Network (BSN). Applicants to each competition receive feedback on their proposals from peers and technical experts during stage one. Those that are ranked highly enough proceed to stage two as finalists where they receive several months of technical assistance as they build and refine their project ideas. Though evaluation of projects begins during the customized challenge, it is augmented by development of an ongoing relationship with top-ranked organizations through their participation in the BSN. Additionally, to support the projects that are not awarded funds by the primary donor sponsoring the competition, Lever for Change curates and shares these proposals with multiple funders with the goal of generating funding beyond the original challenge award.

In partnership and coordination with each BSN member, Lever for Change works to identify and cultivate potential funders and distributes compelling and persuasive information about the projects through multiple mechanisms: self-service access to project summaries through a public-facing database on the Lever for Change website; curated lists of projects tailored to a donor's specific interests and request; and password-protected access to a proposal management system (Torque) that includes full applications and due diligence. Lever for Change both responds to donor requests and actively engages donors based on their announced philanthropic interests and their prior history of grant-making, often through donor events.

4. Developing a Theory of Change and evaluation plan

In September 2019, evaluation consultants from TCC Group commenced work with Lever for Change to develop an evaluation system that would include a clear articulation of LFC's theory of change, prioritize critical learning questions, and establish a set of processes to collect, analyze, and reflect on data for the LFC model.

In order to clearly articulate the outcomes sought by Lever for Change and to align the learning framework to these desired outcomes, TCC engaged in the development of a Theory of Change with the entire Lever for Change team. Through this in-person workshop the teams mapped out the assets LFC had in place, the strategies used to work to unlock philanthropic capital and accelerate social change, and the specific short and long-term outcomes these strategies targeted. This process helped to clarify many of the nuances of the building blocks that would be needed to arrive at the ultimate desired impacts of bold solutions being effectively implemented, *increased social impact, and that pressing social issues are addressed in a timely and effective way.*

Lever for Change's Theory of Change states that:

- Through competitions/award challenges, a pool of vetted, high-quality solutions would be created forming a Bold Solutions Network (BSN) that both competition and other donors could use as a source of "shovel-ready" projects and organizations.
- BSN Members would have access to technical support, which helps build their organizational infrastructure, leading to an increased ability to attract new donors, larger amounts of capital, and to grow bolder in their programming and ways of thinking about impact.
- Through LFC's close work with donors, they would increase donors' confidence in donating, help them have a clearer identity as donors in the philanthropic space, and clarify their funding interest areas.
- In the longer-term the field would see more sustained giving and good philanthropic practices from donors including through the use of big bets, good levels of transparency in funding decisions, and the use of multi-year grants to non-traditional organizations.
- Ultra-High Net Worth Individuals would be more actively engaged in social sector solutions, unlocking high levels of capital and deploying it to social change efforts, and there would be an increased efficiency of philanthropic giving.
- As more capital is unlocked and deployed to solve complex social problems, there would be more bold solutions effectively implemented, pressing social issues would be addressed in a timelier way, and there would be an increased overall social impact.
- In the longer-term, grantmaking institutions will have increased motivation to adopt more inclusive and transparent grantmaking practices, helping to change the overall philanthropic field to be more responsive to social change needs, learn from external experts, have increased transparency in their giving decisions, and give larger, multi-year awards.
- A more equitable way of distributing funds for social change work would be created allowing an increased diversity of organizations developing the ideas and getting funding.

To achieve these outcomes Lever for Change works to (1) leverage philanthropic capital, (2) help donors fund social change, and (3) strengthen challenge proposals. Figure 1 summarizes the connection between LFC's focus areas and the desired outcomes.

Figure 1. How Lever for Change Achieves Impact



These outcome areas, and the activities associated with them, aligned with major barriers outlined in the Bridgespan study (Ditkoff et al., 2018; Foster et al., 2016), which found that ultra-wealthy philanthropists or would-be philanthropists were hindered by a lack of trusted advisors, challenges in navigating a philanthropic journey, and an inability to find the right funding opportunities. Through the LFC model of customized competitions and donor cultivation/support, a space would be created where diverse and bold ideas for solving social problems can be developed and funded and a transformation would take place in the philanthropic field.

To develop an evaluation plan for this ambitious set of desired outcomes, TCC Group worked with an Evaluation Committee composed of LFC employees across different roles. Building from the logic model, the

teams developed a list of questions based from the logic model and went through a process to prioritize the most important questions to be answered during LFC's first three to four years. TCC and LFC worked together to identify the appropriate indicators to answer these questions using both internal and external sources of data. A combination of formative and outcome evaluation as well as rapid cycle learning approaches were used. Appendix A summarizes the data sources and methods prioritized for this stage of the evaluation.

Reporting mechanisms for the evaluation were designed to aid in reflection conversations with various LFC stakeholders at different points in time. Data is shared back regularly through dashboards, competition-specific memos, and reflection and learning session memos. Additionally, longitudinal analyses are conducted and shared via annual and in-depth analysis reports. This combination of different reporting types allows LFC the opportunity to pause and reflect throughout the year of implementation as well as at the end of each year. Appendix B summarizes the reporting mechanisms that are used in the LFC evaluation.

5. *Research findings*

Four years after Lever for Change's launch, 12 competitions have been launched with 15 donors globally addressing complex problems such as racial and gender equity, climate change, economic development, refugee displacement, democracy, and maternal and infant health (Appendix C). The BSN and Lever for Change websites contain 101 solutions across 148 organizations. The evaluation has assessed the extent to which outcomes in Lever for Change's theory of change have been achieved and some of those findings are shared here alongside some of LFC's priority learning questions.

5.1. *Does the philanthropic prize model give donors confidence in investing in larger scale projects and in unlocking new capital?*

Over US\$1.3 billion has been unlocked to date through LFC's competition model and secondary market. About half of the competitions have been able to bring in additional, "leveraged" funding beyond the original donor. Donors that participate are gaining insights into new landscapes with funding opportunities, able to test out different grantmaking approaches, and are gaining visibility that can build their brand. Donors value the support services offered by LFC through the model although they are still hesitant to move beyond the types of projects they are already funding and, so far, they see the competition model as a one-time event.

- **As of June 2023, LFC's competition model has unlocked over US\$1.3 billion which has been awarded to competition participants working on a variety of the world's greatest problems** (Table 1). Over half of this has come from a "secondary market" for proposals identified as high quality, many of them initially unfunded by the competition sponsor. Philanthropic capital has been unlocked from both Ultra High Net Worth Individuals (UHNWI) and Institutional donors, with approximately US\$828 million unlocked from Institutional donors and \$468 million unlocked from UHNWI¹. Sponsoring donors have somewhat (though not consistently) supported organizations beyond the winning organization.

¹ UHNWI was defined as Family Foundation/Offices and Households. Institutional donors were defined as Corporation/Private Enterprise/For Profit, Donor Intermediary/Network, Government, Institutional Funder, Intergovernmental Organization, and Other. An additional approximately \$21 million of unlocked philanthropic capital came from undisclosed donors.

Table 1. Unlocked philanthropic capital in millions in US\$ (as of June 2023)

Type of capital unlocked	Capital in millions in US\$
Total donations catalyzed by LFC in millions (USD). The sum of all funds that have gone to projects as a result of the LFC challenge process, as awards or via the secondary market:	\$1,316.9
Total direct awards in millions (USD). The sum of awards granted through the LFC Challenge process that was publicly announced as an award.	\$686.6
Secondary Market. The sum of grants to projects and/or organizations that have gone through an LFC Challenge that happened outside of the competition cycle in millions (USD) Funding instances were either reported to LFC by the donor or by the grantee.	\$730.3
Funding instances via secondary market	249

- **Four out of nine competitions analyzed to date have brought in additional funding in the form of leveraged award funding beyond the initial commitment, however there is an appetite to bring in even more funders.** Leveraged awards were also much more likely to occur with competitions that have non-anonymous donors and were funded by institutional donors which signifies a possible desire to affiliate with other donors, potentially for additional reduction of reputational risk. Several donors and finalists noted that they would like to have seen more donors involved with the competitions. Some donors noted challenges with encouraging other donors to join them; they felt that some donors were taking a “wait and see” approach to the competition model.
- **Donors that engage with LFC in a competition find high-value in the services around recruiting and vetting applications as well as minimizing reputational risk.** Donors have noted appreciation for the services in managing the logistics of the competition process, the grantmaking processes, and the recruitment of judges who provide subject matter expertise. Several donors noted that they would not have been able to do a competition without LFC. A primary benefit of LFC also appears to be reducing reputational risk for donors, as evidenced by consistent mentions that the competitions allow them to demonstrate looking beyond their existing network with a transparent process. Donors clearly saw value in offloading grantmaking processes to LFC and desired even more of that kind of support, such as managing grants and long-term follow-up. Donors also appreciated the thorough up-front process of clarifying the objectives of the competition. The clearer they got, the more successful they seemed to perceive the competition.

As described by one competition donor that was interviewed, “We are a very lean team and there is a fair amount of work that went into the vetting and marketing of the competition and thoughtfulness of the whole process. That was a huge benefit for us to lean on them [LFC] for that.” Another competition donor described the value of LFC’s competition model in this way, “It allowed me 70 to 80 percent to just focus on the content knowing that LFC had the logistical pieces figured out. That part is an especially unique value proposition of LFC.”

- **The competition model has provided donors with insights into ideas or landscapes that were newer for them, allowed them to test different ways of working with grantees, and helped build their**

brand/name recognition in particular issue areas. Although it varied by competition and each donor's experience level, some donors expressed that the competition model gave them greater ability to see the broader landscape of the issue area for their competition. This was better understood through the projects that were proposed as well as the feedback on the proposals provided by the technical judges in their competition. One competition donor described, "Going through the process [of the competition]...was helpful to learn what we are about and how we want to use that for our grantmaking outside the competition...Another big thing was identifying big ideas that weren't on our radar."

Additionally, some donors learned about different ways of working with grantees whether it be in supporting team-based projects, supporting smaller organizations, how to think about racial equity, or generally getting clearer about what they cared about supporting and how to structure grants for that support. One competition donor noted, "That was a learning for us—how to support a small organization...It has [also] pushed our definition of racial equity from the US to a global context—understanding colonialism and ethnic communities and intersectionality and race." Finally, some donors mentioned the advantage of building their brand or receiving more visibility through the large competition that they had funded. A competition donor that highlighted his advantage stated, "From a storytelling campaigning angle, it was helpful to have these large initiatives and even the long timeline...in terms of an evolution of the story."

- **LFC has helped donors identify new opportunities, but many are still hesitant to move beyond funding what they already know and what others in the field are funding.** Some donors indicated they got beyond the "usual suspects" with the applications that they reviewed within their competition and most have reported satisfaction with the quality of the applications overall. All were satisfied with their winning choice. However, identifying these new opportunities has not necessarily translated into funding new opportunities, with several donors selecting organizations with whom they already had an existing relationship. Additionally, analyses show that more traditional projects (those identified by the external panel as more usual for funders) were more likely to get funding showing an inclination for donors to fund projects that are similar to what other funders in the field are supporting or that are somewhat common ideas.
- **Donors largely see the competition as a one-time event, at least in the near-term.** While they have confidence in the support from LFC and would recommend the competition model to other donors, they generally feel that they have achieved what they were seeking (e.g., learning about a new issue area, exposure to and vetting of new grantees, thinking through their own grantmaking approach, building their brand) through one competition. Some are focused on working on the multi-year grants with their competition awardees and a new competition is not yet on their minds. Some donors talk about not feeling like there are enough "shovel-ready" projects that could receive a prize as large as US\$10 million (the minimum for a LFC competition award). They point to this as a sector-wide barrier since most grants are for smaller amounts, most organizations are used to thinking in terms of smaller projects to fit those grant amounts and therefore, there is not a culture of "thinking big".
- **The competition model has an opportunity to increase engagement between finalist project teams and donors.** Engagement between finalist teams and donors may be limited, sometimes only to a virtual site visit near the end of the finalist phase. A third of finalists wish for the donors to have more preparation and be more engaged in the site visits, as well as for more overall time with donors. For donors newer to the issue area, this would mean they would need to spend more time understanding the landscape and preparing for the types of questions they wish to understand from the project teams - a challenge given the busy schedules of the donors. This may also mean more content-specific

expertise could be brought in to the LFC team - a challenge given the wide range of issues areas covered by the competitions. A series of shorter visits could serve to build donor knowledge and confidence, facilitate better trust between the organizations, and enable project teams to understand how they could best partner with that donor. It may also increase donors' ability to see more "shovel ready" projects.

- **Donors have two recommendations for other donors considering the competition model: be clear on your why and clarify how involved you will be.** Donors were asked what recommendations they would give to other donors that were considering participating in the competition model. Donors frequently talked about taking time upfront to define what you want to get out of the competition since that helps the competition design process and the quality of the applications received flow more smoothly. One donor stated it in this way, "Know your why and be open to the possibilities." Donors also recommended clarifying how much you want to be involved in the processes versus depending more on LFC's support, advising others to, "Figure out what you have as a donor and where you need support [from LFC]."

5.2. *Does the prize model incentivize social sector organizations to think in bigger, bolder ways?*

The prize model has surfaced projects that present bold solutions and have fewer opportunities for funding, however, there may be opportunities for increasing the percentage of bold and uncommon projects that are proposed. Organizations that have been through the competition as a finalist and participate in LFC's Bold Solutions Network report increased capacity to think bigger about social solutions.

- **Applications to LFC competitions were likely to present bold solutions to social issues and/or be identified as "uncommon" approaches relative to what philanthropic and government funders are currently funding.** Part of LFC's theory of change is that the competitions would facilitate bolder programming which is not currently being supported by other funders and that could have a greater social impact. To help assess the extent to which this was happening, the evaluation used an external review panel composed of other philanthropic experts within the field and who did not have a role in the Lever for Change competitions. This panel assessed projects proposed in the applications from finalists and a sample of non-finalists for the criteria of "boldness" and "uncommonness." A project was considered "bold" if it was rated as having attributes such as altering the way other organizations do their work, would be something that was considered a "game changer" in its field, and integrated elements of scale, risk, and innovation. Projects were also rated on their likelihood of being funded by other philanthropic or government funders. Across the eight competitions that have been reviewed to date, 60 percent of those applications met the bold or uncommon criteria with 37 percent meeting the uncommon criteria and 33 percent meeting the bold/spectacular criteria. Overall, 10 percent of applications have met both criteria.
- **Finalists in the competitions were more likely than non-finalists to meet the bold or uncommon criteria, demonstrating that the competition structure was helping to identify the bolder or more uncommon solutions.** External panel reviewers found 69 percent of finalist applications as opposed to only 49 percent of non-finalist applications were bold or uncommon.
- **Competition judges found applications to generally be of high quality, although there were some wide variations.** Competitions used a set of judges with subject matter expertise to help rate the applications prior to sharing with the donor for finalist selection. Most judges (89 percent) felt that applications they reviewed were of high or very high quality, though they also noted that the quality

between applications tended to vary greatly. Judges felt that applications were relevant (84 percent²), feasible (80 percent), and impactful (79 percent), and to a lesser extent scalable (62 percent), transformative (60 percent), and evidence-based (56 percent).

- **Finalist teams are pushed to think bigger and bolder when working with their technical advisors.** During stage two of a competition, finalist teams meet regularly with an externally contracted technical advisory team. Thirty-seven percent of teams mentioned being pushed to “think bigger and bolder” or that they were pushed on their “big ideas”. One team member described, “I credit some of the breakthroughs we arrived at to them pushing us to think bigger.”

Fifty-one percent felt they had improved in telling their story. They talked about how their advisors had helped them to think differently, to define what they were doing, and to “put on paper how things would work.” One finalist team noted, “They pushed and asked us questions that got us to our own solution. That’s the best kind of consultant.”

- **Disability accessibility feedback pushed finalist teams to think about and incorporate strategies to increase accessibility in their proposed projects.** The majority of teams (63 percent) found the feedback to be helpful in refining their accessibility strategies, being mindful of the language they were using, and connecting to local partners with whom they could continue to collaborate. One finalist team described the newness for them of discussing disability accessibility stating, “It was a completely taboo topic that had not been talked about much here...now we have a disability inclusion policy in our organization, and we are encouraging our partners to do this...We are taking it more seriously.” Another team talked about how it had led to changes within their organization saying, “We, as an organization, are ramping up our work on disability inclusion and a lot of the steps we are taking are derived from the feedback.”
- **The usefulness of Diversity, Equity, and Inclusion (DEI) feedback varied by location and past experience of the finalist teams.** About two-thirds of finalist teams found the DEI feedback on their projects helpful in thinking about their DEI strategies or getting more specific on using a DEI lens. A third of the teams, however, did not find it particularly useful. In these cases, their organizations were already deeply involved in integrating a DEI approach and found the feedback was not additive. In other cases, the DEI feedback was not customized to the contexts in which the organizations were working - either outside of the U.S. or with indigenous groups. While most finalists appreciated a review of DEI being incorporated into their competition, they were not clear on how much of a priority this was for competition donors.
- **The BSN trainings help participating organizations build skills that they apply directly to their projects.** Of organizations that participated in Diversity, Equity and Inclusion trainings, almost all (93 percent³) were able to incorporate something they learned into their project work, including refining their DEI committees and DEI strategy. In addition, most (75 percent) organizations that participated in communications training were able to incorporate strategies, such as tailoring their voice to different audiences, into their project work.

4.3. *To what extent are social sector organizations better able to access new donors and large capital after the competitions?*

Social sector organizations that are participating in LFC’s Bold Solutions Network are attracting additional

² Percent of judges that agreed or strongly agreed

³ Percent of respondents that agreed or strongly agreed they were able to incorporate something they learned from the activity into their project work.

dollars after their competition experience, and several factors have been identified that influence the likelihood of receiving that additional funding. Additionally, experience as a finalist in the competition appears to help organizations gain skills that could be useful for obtaining additional funding in the future.

- Participation in Lever for Change's Bold Solutions Network (BSN) has unlocked an additional US\$744 million that is separate from the competition awards. Out of 148 organizations participating in the BSN, 50 (or 34 percent) received additional funding totaling US\$744M. After analysis, three overarching factors were shown to positively influence an organization's likelihood of receiving additional funding:
 - Competition characteristics (geographic focus⁴, institutional funders as the competition donor, and the presence of co-funders, which are donors that joined after the original donor had signed on for the competition⁵),
 - Size of organizational budget (small or large operational budgets)⁶, and
 - Participation in BSN offerings (those that did participate- more details are shared below).
- **BSN members have been able to incorporate feedback and ideas from competitions into proposals for other grants which has led them to attract additional funding.** 60 percent of BSN members reported incorporating feedback they received through the competition. Of these, 43 percent have been awarded funding thus far. Nineteen percent of the funding awards secured were multi-year grants and 13 percent attracted larger grant amounts than they have historically prior to their competition participation. As one competition finalist team stated, "We came out with a prospectus and multi-year plan; we have used it multiple times and have accessed other funding."
- **Organizations that make it to the finalist stage and become Bold Solutions Network members are increasing their capacity in areas that can position them for future growth and fundraising.** Competition finalists report that their designated technical advisors (TAs) help them to strategize, tell their story, more clearly articulate their ideas, think bigger, develop their theory of change, and connect to donor needs. Finalists talked about how their TAs would "poke holes" in their narrative or would draw them "out of the bubble" which would help them think about how to translate their work to others. Teams felt like their advisors had a good understanding of what donors were looking for in the proposals and were able to help them include those details in their proposals. Particularly, senior advisors on the TA teams were seen as professionals that "offered gravitas about what would not work and what would land with the donors." One competition finalist team painted the usefulness of their TAs in this way, "We are so deep in the weeds of the day-to-day. Having their [the technical advisors'] very astute but fresh eyes - telling us where we didn't make sense. They would draw us out of the bubble we can sometimes live in and helped us think about how we translate our work to other practitioners, donors, etc."
- **Post-competition, organizations that stay engaged in capacity-building opportunities through the Bold Solutions Network (BSN) bring in more funding than those that do not.** There is a statistically significant connection (Chi-square; $p < (0.05)$) between having attended a BSN offering and receiving additional funding. As shown in Figure 2, about half of all organizations participating in BSN offerings received additional funding, compared to a quarter of those who did not attend BSN offerings. There was also a correlation between the number of BSN offerings attended and receiving additional

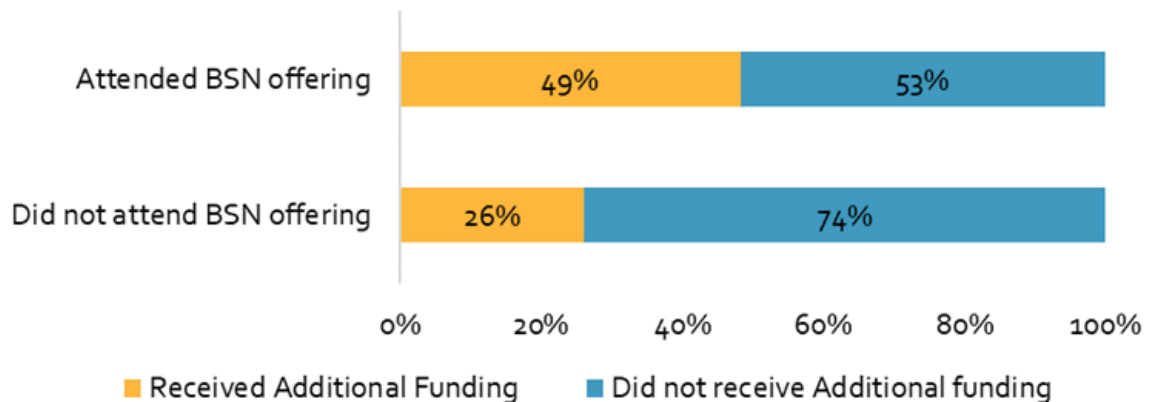
⁴ Organizations in U.S.-based competitions were more likely to receive funding as part of the BSN, however, projects that were from international competitions were more likely to receive large funding amounts than those from U.S.-based competitions.

⁵ P-value significance is geographic focus with $p < 0.01$, donor type with $p < 0.05$, and co-funder presence with $p < 0.001$.

⁶ Logistic regression yielded statistically significant coefficients for organizations with an annual operating budget of \$50 million to \$500 ($p < .01$)

funding with organizations that received funding attending twice as many offerings as those who didn't. Additionally, those that attended training on fundraising, brought in vastly larger amounts of average additional funding (US\$31.4M) than attendees of other types of training (US\$15.1M average), though the likelihood of getting any additional funding was similar across trainings.

Figure 2. Attendance at BSN offerings and additional funding received



5.4. *What kinds of bias and equity considerations are mitigated or introduced through this approach?*

The competition model attracts a wider range of applicants from different races, ethnicities, genders, sectors, and organizational sizes and initial data show that they are generally having an equitable experience. Smaller organizations that have never received a grant as large as US\$5 million are applying for the US\$10 million competitions, although they struggle to present a project that passes to the finalist stage.

More broadly, and over time, Lever for Change worked to refine various approaches to de-biasing results and ensuring a more equitable process. This included active recruitment of applicants from groups and geographies that were unrepresented; development of new award criteria; a focus on proximate leadership; use of participatory review methods in which applicants rate each other; careful selection of and compensation for judges; and training and technical assistance provided to applicants.

Planning grants during phase two of the competition help foster an equitable experience that can be valuable for both finalists and donors. Without it, however, small organizations can be damaged by the time commitment if they don't ultimately obtain the award. The Bold Solutions Network website and capacity-building services offer an equitable way for all sizes and types of organizations to strengthen their work and have visibility amongst potential donors. LFC is hoping to influence the values of the broader field through examples of equitable grantmaking provided through the competition model, although it is too soon to tell if these values are spreading.

- **The competition model is attracting smaller organizations that haven't previously accessed large amounts of capital, however, their ability to advance to the finalist stage is still limited.** About half of applicants to LFC competitions had never received a grant as large as \$5 million, though this differed depending on the competition and the size of the applicant's organization. Smaller

organizations (0 – 25 full time employees) were underrepresented in the finalist population when compared to the overall applicant population demonstrating some ongoing barriers for smaller organizations to present projects that would be rated highly enough to advance to the finalist phase and compete for the larger grants.

- **Applicants from a range of races, genders, sectors, and geographies applied to the competition and generally experienced the competitions in similar ways.** Lead applicants were most commonly female, white, and from the non-profit sector, mirroring much of the existing social sector demographics. Most demographics did not appear to differ in how they experienced the competition, though white/Caucasian and women applicants were less likely to be competition promoters⁷. Additionally, almost all applicants (94 percent) felt the steps throughout the overall competition process were clear and transparent.
- **Planning grants offered during stage two of a competition make a fundamental difference in building organizations' capacity, in their competition experience, and in the accessibility of the competition to smaller organizations.** The time commitment involved with being a finalist in a competition is one of the biggest areas for improvement, raised by 38 percent of finalists. However, when a planning grant (or ultimately an award) is given, finalists feel compensated for their time. One finalist team described the value in this way, "The planning grant was ...unprecedented with any kind of grant process I've been through. The fact that they could have the intention and forethought to create that time and funding to support this process meant that we could bring collaborators along with us, have several stakeholder meetings, and we could pilot things we wanted to grow...Knowing that even if we weren't successful in the competition, the planning grant was helping us move forward and plan."

In the absence of any funding for finalists, smaller organizations have found that the time commitment can be damaging to them financially as they often forgo other fundraising while in the competition. Planning grants have ranged from US\$40,000 to US\$1 million.

Some donors have found a longer timeframe that compensates the organizations participating to, not only be equitable for those organizations, but also allows the funders to create time and space for deep thinking and for solidifying relationships. One competition donor described, "To think forward the next [few] years is a huge task—to think and leave space for ideation and reformulation. So that [competition] time and technical assistance was critical to be able to think forward. It's not an opportunity that many get to have."

- **The Bold Solutions Network website and capacity-building services appear to offer a level playing field for projects from all sizes of organizations.** Organizations with fewer employees and a smaller budget received similar numbers of visitors and time spent on their project pages as organizations with more employees or greater budget. Additionally, an organization's budget level or number of employees did not significantly influence their likelihood to participate in a BSN offering.
- **Most of the donor organizations report a pre-existing interest in using inclusive and transparent grantmaking practices, especially regarding equity, limiting the ability to make change in that area.** Donors reported already thinking about and incorporating equitable and more transparent grantmaking practices prior to their participation in the competition. There is some evidence that these aspects of the competition might influence other donors to fund in the same space, even if it is not through supporting BSN organizations. For example, one funder heard from peers at other

⁷ Based on Net Promoter Score (NPS), which was calculated through the following survey question, "The Competition was launched and managed by Lever for Change. Considering your overall experience with the application and review process, how likely is it that you would recommend Lever for Change competitions to a friend or colleague?" Significant difference of chi square p value <.05.

foundations that observing the competition gave them the space to raise equity conversations in their own organization.

- **LFC has done some initial modeling of equitable practices through their competitions that they are hoping the broader philanthropic field will embrace.** Some of these practices include:
 - Judges largely mirrored the applicant population, though there is still some work to ensure judges are less USA-centric.
 - Established an application process that has attracted applicants from a range of different races, genders, sectors, and geographies, who generally experience the competitions in similar ways.
 - Awards given through the competition model are all a minimum of US\$10 million and are spread across multiple years.

4.5. *How does the competition model compare to traditional models of grantmaking?*

Competition applicants that participate in stage one find the process clearer than in other grantmaking processes. Finalists participating in stage two have mixed feelings about their preferences for a competition versus other grantmaking. For some, the competition's value exceeds traditional grantmaking processes. For others, they struggle with some aspects of the competitions. Perspectives can be mixed even within the same team.

- **Competition applicants (those that participate in stage one) tend to find the competition process clearer and would recommend the experience to other colleagues.** A little more than half of applicants (56 percent) found the judging criteria/ process clearer than other competitions or grants. Most applicants (68 percent) would likely recommend their competition to a friend or colleague.
- **Finalists' (those that participate in phase two) perspectives varied widely on the preference for a competition or for submitting a traditional grant proposal.** Some found the competition model to be too time consuming, to have limited donor engagement, or to promote an artificial competition, while others greatly appreciated the technical assistance, increased visibility, and the shot at a larger pot of funds. Finalists consistently find the biggest benefits of the competition to be the ability to further develop their ideas or set a multi-year strategic plan, the high-quality technical assistance they receive, the increased visibility of their work, the strengthening of teams or partnerships, the validation of their work, the development of a proposal/plan to shop around, the ability to dream big, and the funding they received through the competition (via an award or planning grant).

6. Conclusion

Since its launch in 2019, Lever for Change's philanthropic model has unlocked over US\$1.3 billion through its competitions and secondary market. Thus far, the prize model has been attractive to both institutional donors and individual living donors. Participating donors have gained insights into new funding landscapes, tested new and different grantmaking approaches, and gained visibility. Donors reported that they value the support provided through the model, but still struggle with moving beyond the types of projects they are already funding.

The prize model and the Bold Solutions Network have helped surface and augment projects that present proven solutions that are ready to scale but may have fewer opportunities for funding. Participating social

sector organizations are attracting additional dollars after their competition experience. Additionally, experience as a finalist in the competition appears to help organizations gain skills that could be useful for obtaining additional funding in the future.

Applicants through the competition model have generally had an equitable experience regardless of race, ethnicity, gender, and sector. Smaller organizations, however, have a harder time presenting a project that passes to the finalist stage. Planning grants during stage two of the competition help foster an equitable experience that can be valuable for both finalists and donors. Without it, however, small organizations can be damaged by the time commitment if they don't ultimately obtain the award. The Bold Solutions Network website and capacity-building services offer an equitable way for all sizes and types of organizations to strengthen their work and have visibility amongst potential donors.

Competition applicants that participate in stage one find the process clearer than in other grantmaking processes. Finalists participating in stage two have mixed feelings about their preferences for a competition versus other forms of grantmaking. The biggest benefits of the competition for finalists are the ability to further develop their ideas or set a strategic plan, the technical assistance they receive, and the increased visibility of their work.

7. Looking Ahead

After four years of hosting competitions, Lever for Change is now reflecting on what it has learned and is revisiting its original theory of change using an emergent learning process. How have the original hypotheses, now nearly five years old, held up, and what are the best possible next outcomes?

While some of the questions about LFC's model have been answered, others remain. These include understanding what drives donors to give, how to encourage better use of philanthropic funds, and how to create more effective award processes. While these are universal questions faced by all modern grant makers, LFC is committed to continuing to dive deeper in their understanding through their ongoing monitoring, evaluation, and learning (MEL) activities. The broader goals – creating an accessible, trusted, and reliable way potential donors can confidently choose among charitable causes, organizations, and projects - remain unchanged.

More immediately, LFC is looking at new possibilities related to field building (i.e., distributing larger numbers of smaller awards), and focused on reaching a goal of driving an additional US\$1.5 billion in funding by 2025. Several promising partnerships with academic institutions – focused on economics, data sharing, and philanthropy – are in the works. If successful, Lever for Change will help unlock resources that are frozen and narrow the “aspiration gap” between what donors say they want to do with their philanthropic dollars and what they can achieve now.

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Appendix A. Methodology and data sources for the Lever for Change evaluation

Table 2. Methodology and data sources

Data Source	Data Collection Method	Frequency
Competition Applicants	Survey	Once per competition upon completion of Stage 1

Competition Finalists	Survey and Interview	Once per competition upon completion of Stage 2/award announcement
Competition Donors	Interview	Once per competition upon completion of Stage 2/award announcement
Competition Judges	Survey	Once per competition upon completion of Stage 1
Bold Solution Network (BSN) Members	Survey	Upon completion of Years 1 and 3 as part of the BSN
Bold Solution Network (BSN) Members	Technical Assistance Feedback Survey	Annually
External Experts	Panel review	Approximately 3 times per year; review of 3 competitions at a time
LFC Staff	Reflection sessions	Once per competition and ad hoc as needed
Website analytics	BSN and LFC websites	Ongoing collection; annual analysis

Appendix B. Reporting mechanisms for the Lever for Change evaluation

Table 3. Reporting mechanisms

Report Type	Description	Frequency
Dashboard	Provides a visually accessible format in which the LFC board and staff can see how the LFC “experiment” is progressing on certain key “Go/No-Go” indicators that determine if the model is sustainable to continue as a separate 501c3 organization.	Quarterly

Reflection and Learning Session Memos	These memos are created periodically to capture insights from LFC staff reflection and learning sessions. These sessions and memos are generally focused on a very specific set of questions that need to be answered in a timely manner to inform ongoing implementation of the LFC model. They may include After Action Review findings after a specific competition or Before Action Review thoughts before beginning a new type of donor engagement.	Ad hoc
Panel Review Memos	These short memos summarize the findings after each round of external panel reviews. Findings are shared on the extent to which the panelists found the applications reviewed from select competitions to be presenting bold social impact solutions, and ideas or approaches that are not commonly funded (i.e., are uncommon).	1-2 per year
Competition-Specific Memos	These memos are developed after data collection for that competition has closed. Analyses are conducted for that competition only and provide feedback to the LFC team that administered this competition.	Following each competition
Annual Reports	The annual report serves as the synthesis of all the insights and higher-level learning derived over a full year of competitions. The report allows us to make comparisons across competitions and includes an analysis of the BSN, external panel, and website data collected within the year.	Annually
In-depth Analysis Reports	These reports share more in-depth, inferential analyses that go deeper on 3-4 key questions that are of strategic importance to LFC. Some questions that have been explored so far include: What were the characteristics of competitions where additional funding (beyond the initial award) was leveraged? Are there particular types of organizations that receive more interest through the BSN? Is there a connection between active participation in BSN offerings and additional funding?	Ad hoc

Appendix C. Lever for Change Competitions

Table 4. LFC competitions

Competition Name	Thematic Area	Donor(s)	Launch	Award(s) Given	Competition Funding (\$USD)
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1	100&Change: 2021	Bold solutions to significant social challenges globally	John D. and Catherine T. MacArthur Foundation	April 2019	April 2021	\$100 million
2	Chicago Prize	Strengthen civic infrastructure to catalyze economic opportunities on the south or west side of Chicago, Illinois, U.S.A.	Pritzker Traubert Foundation	April 2019	September 2020	\$12.5 million
3	Economic Opportunity Challenge (EOC)	Improve the economic health of low-income families in the U.S.	Anonymous donor	October 2019	December 2020	\$10 million
4	Larsen Lam ICONIQ Impact Award	Transform the lives of refugees and displaced people globally	Chris Larsen and Lyna Lam, and the Sea Grape Foundation	January 2020	May 2021	\$24.25 million
5	Lone Star Prize	Building healthier, stronger communities in Texas, U.S.A.	Lyda Hill Philanthropies	March 2020	June 2021	\$10 million
6	2030 Climate Challenge	Reduce greenhouse gas emissions in the buildings, industry, and/or transportation sectors in the U.S. by 2030	Anonymous donor	April 2020	June 2021	\$10 million
7	Equality Can't Wait Challenge (ECW)	Accelerate the pace of progress toward gender equality in the U.S.	Pivotal Ventures, MacKenzie Scott and Dan Jewett, and Charles and Lynn Schusterman Family	June 2020	July 2021	\$40 million

Philanthropies

8	Racial Equity 2030	Transformative change in the global systems and institutions that uphold racial inequities	W.K. Kellogg Foundation	October 2020	September 2022	\$90 million
9	Stronger Democracy Award	Structural reforms and improved political representation in the U.S. democratic process	Additional Ventures, The Patchwork Collective, and philanthropists Cipora and Vlado Herman	March 2021	July 2022	\$22 million
10	Build A World of Play Challenge	Early childhood development through play globally	LEGO Foundation	February 2022	December 2022	approximately \$117 million (DKK 900 million)
11	Maternal and Infant Health Award	Improving maternal and infant health outcomes globally	Patchwork Collective	March 2022	June 2023	\$10 million
12	Yield Giving Open Call	Community organizations working with people of greatest need in the U.S.	MacKenzie Scott	March 2023	Early 2024 (expected)	\$250 million
