



## GETTING TO GO

Ten months from today the Pritzker Traubert Foundation will announce the winner of the *Chicago Prize*, its competition to award \$10 million to a community-led, investment-ready initiative that aims to create a better economic future for residents on Chicago's south or west side. *Getting to Go* is the first of five papers commissioned by the Foundation to document the design and development of the competition. The paper traces the origins and conceptual framework for the Prize, describes the partnership and processes that preceded its April 16 launch, and closes with comments about next steps in the evolution of the *Chicago Prize* competition.

### THE CONTEXT

The Pritzker Traubert Foundation has been in search of a compelling community investment strategy for some time. Staff and trustees have studied the literature, developed logic models, visited neighborhoods, and met with dozens of local leaders. They've consulted policymakers and philanthropists concerned about urban poverty. They've made several early grants, including two substantial investments in neighborhood revitalization, to learn through and from practice.

These knowledge development activities have been fruitful. They have affirmed the belief that investing in the built environment is both worthy and essential, and they have sparked the Foundation's interest in projects at the intersection of physical development, civic infrastructure, and local economy. Even so, the search for strategy has not led to strong confidence in, or caused the Foundation to subscribe to, a single approach for investing in neighborhoods. If anything, it has deepened the Foundation's determination to better understand what works to improve the quality of community life. It has also reinforced the Foundation's commitment to performance measurement and impact evaluation.

Several months ago, the Foundation’s staff and trustees determined that an open-call competition—one shaped by their institutional and personal values to act with care, to connect deeply, to be bold and take calculated risks, and to continuously learn and improve—could be a powerful way to invest in Chicago neighborhoods. A competition might also help the Foundation address concerns about approach and access.

Through a competition the Foundation could act on knowledge gained, but with restraint and humility, keenly aware of the complexities of community development and the limits of philanthropy. The Foundation could specify outcomes of interest, and then leave the door wide open to discover and learn from the best thinking and practice of nonprofits and their partners. Staff could create application materials to encourage thoughtful collaboration, reward evidence-informed practice, and invite innovation—and see what surfaces.

A competition might also begin to deal with inequitable access to organized philanthropy. The Foundation could cast the widest possible net, rather than rely on existing networks or grantmaking processes that favor well-known, well-resourced “usual suspects.” The Foundation could provide consistent information about the competition’s intent and selection criteria to all comers, freely sharing the principles and priorities that will inform its decisions. Foundation staff could communicate with all applicants using readily available vehicles, such as live webinars and blogs; redirect efforts to obtain individualized advice; and adhere rigorously to a web-enabled open competition. At each point along the way, the Foundation could act with care to ensure a fair and transparent process.

Importantly, through an open-call competition, the Foundation could begin to test the idea that an unexpected, significant infusion of cash in a physical development initiative—if carefully conceived, funded sufficiently, and implemented well—could visibly improve places *and* deliver economic benefits to people living there. Such aspirations derive from the Foundation’s deeply felt connection to Chicago.

Founders Penny Pritzker and Bryan Traubert are diehard Chicagoans, directly involved in efforts to strengthen the city. Through the Foundation, they will invest \$100 million dollars over a decade to make economic opportunity

possible for more Chicago residents and communities. They also contribute in myriad other ways. They influence civic and community life; in turn, they are influenced by experiences at every level of engagement.

As chair of the Chicago Park District board of commissioners, for example, Bryan quickly apprehended the importance of relying on local initiative. He recalls that “when the Park District decided to improve parks using a top-down approach, the parks were vandalized. When there was a grassroots desire, when people came to the district with requests, the experience was very different.” Bryan sees the unrealized potential in Chicago neighborhoods, as well as the spillover effects of physical improvement on community life—how, in neighborhood after neighborhood, securing local assets and restoring properties activates spaces, makes them safer, attracts other investment, and fosters social interaction and a sense of belonging. His greatest hope for the *Chicago Prize* is that it will enable “a sustainable community asset that makes a real difference in people’s lives.”

## DEEP DIVE

These experiences, along with the founders’ conviction that everyone should have the opportunity to earn and thrive no matter where they were born or live, drove the Foundation’s determination to shape investments in ways that produce economic benefits for people and places. Led by Foundation president Cindy Moelis, the staff and trustees undertook an 18-month “deep dive” to better understand place-based philanthropy and impact investing. This structured inquiry included the review of academic and market research, consideration of best practices in community development, individual and group discussions with practitioners and policymakers, neighborhood tours, and conversations with local leaders.

Urban Institute’s vice president and chief innovation officer Erika Poethig guided Foundation staff and trustees through an examination of the effects of persistent segregation and concentrated poverty. She and her colleagues described various interventions and the inconclusive evidence about their impact. Together they created logic models for several investment strategies, including one that would focus on the untapped assets in neighborhoods, such as small businesses and underutilized land and civic spaces, to jumpstart local economies and improve physical conditions.

Foundation staff also organized “a learning tour” with program officers and directors of six Chicago-area foundations to discuss neighborhood development strategies and opportunities for partnership. Funding colleagues were thoughtful about their grantmaking approaches and rationales, and candid about their experiences. They told stories of success, dissected failures, and shared misgivings. They referenced the difficulty of documenting results and measuring impact; the need for patience, cultural competence, and a long time horizon; the benefits of engaging directly with local leaders and organizations; the value of, and ambivalence about, funding through intermediaries; and, in specific geographies, the very real risk of displacement.

The Foundation also consulted leaders of community development projects underway in Chicago and a “kitchen cabinet” of local and national experts. In addition to echoing much of what funders had observed, local practitioners were quick to comment on the challenging dynamics of financing revitalization. They spoke about the mismatch between project timetables and foundation processes, and between the actual cost of development and the typical amount of grant awards. They noted that, in too many cases, the competition for funding stands in the way of free exchange of information and the full embrace of collaboration. These concerns were top of mind when the Foundation designed the competition. They influenced the Foundation’s decision not to use peer review in evaluating applications, and strengthened its resolve about awarding an unexpected, substantial increment of capital financing to the winning initiative.

In these ways, funding colleagues and grant recipients shaped the Foundation’s thinking and influenced the substance and the process of the *Chicago Prize* competition. From them, the Foundation distilled a set of core principles to be used as guidelines for action. These include standards for investing in projects that build on a neighborhood’s distinctive assets and that depend on local leadership and involvement in meaningful ways over the long term. The learning tour and other activities also affirmed the Foundation’s sense that physical development is both necessary and insufficient. To truly affect the quality of community life and generate direct social and economic benefits for residents, revitalization efforts need to be leveraged.

The Foundation’s pursuit of knowledge yielded many answers—and many questions—about what works to revitalize urban communities. Along the

way, Foundation staff and trustees clarified their interests and priorities, articulated principles to serve as decision rules, and assembled a longer-term learning agenda for themselves and others. All this has resulted in an alignment of staff/trustee intent uncommon in philanthropy, one that starts from the conviction that, in the words of trustee Bryan Traubert, “the answers have to be authentic, and of the people who are experiencing conditions in poor communities.”

## DECISION

An unusual offer from the MacArthur Foundation led Pritzker Traubert to pivot from exploration and analysis to action. For some time the MacArthur Foundation has been focused on “placing a few big bets,” most notably *100&Change*, a global competition to award “a single \$100 million grant to help solve one of the world’s most critical social challenges...open to organizations and collaborations working in any field, anywhere in world.” The success of *100&Change*, and the additional funding it attracted for a mix of applicants as well as the winner, persuaded MacArthur to develop and establish an affiliate organization.

Called Lever for Change, the new nonprofit aims “to unlock philanthropic capital and accelerate social change” through the design and implementation of philanthropic competitions. At the suggestion of Tom Tierney, chairman and co-founder of The Bridgespan Group, the MacArthur Foundation invited Pritzker Traubert Foundation to be its partner in Lever for Change’s trial run. In exchange for serving as the “guinea pig,” MacArthur would contribute staff time and work closely with Pritzker Traubert until Lever for Change was operational; help to develop content for the competition; cover the cost of technical and administrative support; and underwrite management of the competition platform by Common Pool, a vendor under contract to MacArthur.

Following six months of deliberation, in July 2018 Pritzker Traubert accepted MacArthur’s generous offer and agreed to work with MacArthur, Common Pool, and the nascent Lever for Change on what emerged as the *Chicago Prize*. The Foundation had determined that to “improve economic mobility in Chicago” the foundation “could play an important and unique role by focusing on more physical community assets and posing this question: *What will it take*

*to create economic opportunity and a sense of belonging for residents of disinvested communities by ‘activating’ vacant and underutilized spaces (land, buildings, natural assets) on the south and west sides of Chicago?”* It is the question that continues to frame the competition.

By participating as an early client of Lever for Change, Pritzker Traubert could realize several aspirations. It could “be a *leader*... helping unlock [a] substantial amount of philanthropic dollars that are not being deployed.” It could stimulate *innovation* in community development by “encouraging more ideas...reaching and inviting more grantees to apply...than we currently reach.” It could *leverage* its financial resources by requiring applicants “to identify other funds that would be used as part of their proposals.” It could help ensure *impact* by “fund[ing] a more ambitious proposal by offering a multiyear grant and providing adequate resources to solve a problem.” And it could promote *learning* by “provid[ing] a process in which everyone can present their best solutions and we can compare them based on established criteria.”

## DESIGN

Foundation staff and their colleagues have orchestrated a nearly incessant stream of activity, internally and externally, to facilitate the decision to sponsor the competition, create application materials, establish a dedicated website, and zero in on selection criteria for the *Chicago Prize*. Happily, the tremendous level of purposeful activity, sustained over several months, has produced the desired outcome—a well-conceived and well-received grant competition. It required multiple group processes that unfolded simultaneously:

- weekly status updates, referred to as uberconferences, with Pritzker Traubert, MacArthur/Lever for Change, and Common Pool. These meetings were the main venue for discussing and making decisions about the content, technical requirements, and administration of the competition platform.
- conference calls with Pritzker Traubert and Urban Institute. These conversations, which increased in frequency over time, focused on discussing relevant research and review of versions of the framing

paper. The calls also served as one mechanism for ensuring that the approach, structure, and application for the competition were evidence-informed.

- in-person meetings of Pritzker Traubert and MacArthur/Lever for Change staff. These were working sessions to manage activity and monitor progress against a fixed timetable, address administrative and logistical concerns, and anticipate and solve problems. Following the April 16 launch, The Bridgespan Group participated in the meetings to support subsequent phases of the competition.
- periodic briefings and decision-making meetings with Pritzker Traubert trustees, starting with preliminary discussions of the MacArthur invitation, through the approval of a conceptual framework and Memorandum of Understanding, to consideration of application requirements, scoring criteria, and evaluation panel members.

Early activity focused on drafting, soliciting critiques of, and revising source documents, including the rationale for the competition, a statement of intent and purpose, and a set of principles important to Pritzker Traubert. These and related documents went through many iterations between September 2018 and April 2019. Final versions were remarkably similar to earlier versions, though earlier drafts had a stronger emphasis on market conditions and local economies, with specific references to entrepreneurship, job creation, supply chain opportunities, and community wealth. In the interest of eliciting new ideas and encouraging innovation, later versions omitted such references.

Other aspects of early plans also did not survive, such as reliance on a distressed community index to determine eligible geographies, and the use of peer-to-peer review as well as expert review to evaluate and rank applications. The Foundation looked at various neighborhood taxonomies and seriously considered using the Distressed Community Index created by the Economic Innovation Group. It appreciated EIG's inclusion of positive as well as negative indicators of neighborhood conditions, its visualization capacities, and its usefulness as a tool for Opportunity Zones investing.

In the end, the staff opted to list eligible areas using Chicago’s standard community area designations. To signal flexibility about geography and preference about expected beneficiaries, they added two qualifiers: first, that an “initiative’s geographic footprint does not need to conform to community boundaries and could span from a single building to multiple community areas,” and secondly, that an initiative “should prioritize community areas with higher populations of low-income residents.”

The use of peer-to-peer review in judging applications was jettisoned on the advice of grantees and other nonprofits. They had suggested that review by other applicants could lead some participants in the competition to withhold information they considered proprietary. In some cases, it could have a negative influence on perceptions about the fairness of the competition. Foundation staff ultimately decided that review by a panel of experts would be sufficient to the task, since nearly all of the people recruited to serve as judges have community development expertise and are familiar with the Chicago context.

Other early activity focused on developing guidance for the competition. Building on its prior engagement, Urban Institute worked with the Foundation to produce a framing paper, *Catalyzing Neighborhood Revitalization Through Strengthening Civic Infrastructure: Principles for Guiding Place-Based Initiatives*, that positions the competition in the context of “years of place-based practice and research.” One benefit of Urban’s prior work with the Foundation on theories of change and logic models was that it could help delineate how the competition “could be scoped.” Common Pool wanted to “scope it very broadly...while [Pritzker Traubert’s] intent and interest were narrower.” Urban suggested that it would produce an evidence-informed brief—a framing paper—that would “help conceptualize the prize.”

Intended as guidance for applicants and judges, *Catalyzing Neighborhood Revitalization* presented six principles for “a comprehensive approach that strengthens civic infrastructure, catalyzes neighborhood economic activity, and ultimately improves economic and social outcomes for nearby residents.” The paper went through three substantial shifts in focus, with the first draft conceptualizing the rationale for a competitive prize strategy; a second draft discussing the evolution of public and private philanthropic community

revitalization initiatives; and a third version, a more utilitarian effort to offer guidance to potential applicants and judges.

Staff and trustees used the set of principles they had developed, along with Urban's framing paper, to make countless decisions about the competition's content and process. A 2018 analysis by Boston Consulting Group's Center for Illinois' Future also had some bearing on the competition's content. BCG's interviews with JPMorgan Chase Foundation and others in Chicago's philanthropic and impact investing community identified "four ways to amplify investments" and "three interventions to unlock investment" in urban neighborhoods. BCG's calls for increased collaboration with community-based organizations, and for more patient capital to "unlock growth in investment," are both reflected in the substance of and selection criteria for the *Chicago Prize*.

Source documents were subsequently reworked, and their content made publicly available at the competition's dedicated website, ([www.chicagoprize.org](http://www.chicagoprize.org)). The Foundation hopes that making source documents available through multiple venues and media will communicate its priorities widely and well; raise awareness of the competition and stimulate interest among worthy applicants; and lead to strong proposals in sufficient numbers to make selection difficult *and* doable. It hopes such guidance will surface applications for initiatives that:

- will produce economic benefits for residents, strengthen social and civic life, and have a lasting *impact*;
- are led by capable teams, ones with the skills and practical knowledge to carry out *feasible* implementation plans;
- are advanced by *community-led collaborations* that build on existing assets and plans and rely on people who live and work in the community; and
- have already attracted and are likely to *leverage* the funding and other resources needed to produce the desired results.

But getting to go—to the April 16, 2019 public launch—has not always been easy. There have been tensions and stresses along the way, some related to the sheer amount of work to be done in a short timeframe, some related to the institutional differences of the main partners. Had it been possible to sequence activities on parallel tracks from the outset, or to assign particular tasks to subgroups from start to finish, some of the work could have been accomplished with greater ease and efficiency. With the benefit of hindsight, back-and-forth sourcing, group writing and editing, and the occasional tangential input from disparate sources slowed progress and delivered little of value.

It is easy to see how, in the enthusiastic embrace of working together on an important project, little attention was directed to anticipating and reconciling differences. The leaders of MacArthur and Pritzker Traubert are longtime friends as well as colleagues, and their respective institutions share commitments to advancing social justice, to tackling the causes and consequences of urban poverty, and to improving the quality of life in Chicago neighborhoods.

Both foundations also aspire to work at the leading edge of philanthropy, albeit in different ways. MacArthur is an international foundation with global reach and perspective. Its new affiliate, Lever for Change, seeks to build on the success of *100&Change*, repeat the accomplishment with a sequel competition, and demonstrate its capacity to design and deliver philanthropic competitions across areas of interest and at every level—internationally, nationally, regionally, locally. In contrast to Lever for Change, Pritzker Traubert is a deeply rooted philanthropy that seeks to deliver identifiable benefits to, and demonstrate impact in, its hometown. The risks and rewards for the two organizations are distinctly different.

Although time-consuming, it was not difficult to execute a formal memorandum of understanding that specified roles and responsibilities; nevertheless, tensions surfaced, often the shadowy side of a seemingly mundane issue. The deliberations about registration, the very first step of the application process, are a case in point. Common Pool wanted to push traffic to the competition website, generate the greatest number of registrants possible, and convert as many registrants to applicants as possible. Not surprisingly, they argued against the two-step registration process preferred

by Pritzker Traubert, believing it to be a “high barrier to entry” that would reduce participation.

As the sponsor of the competition, Pritzker Traubert was especially sensitive to grantee perceptions and protective of its reputation. It wanted curious nonprofits to complete a simple self-assessment before investing time and resources. They considered a two-step process as acting with care, as conveying respect and appreciation of the many demands on nonprofits’ resources. As the “name partner” active in the city where the competition is occurring, Pritzker Traubert is most at risk of blowback from Chicago’s nonprofit and community leaders. A two-step registration process is a risk mitigation strategy with a low bar and little downside.

## NEXT STEPS

The competition’s registration and application phase is now underway. The partnership is stronger, potential hiccups are more predictable, and indicators of progress are reassuring. Registration numbers are up, exceeding expectation. Dozens of local and national community development experts have agreed to serve as judges. There’s a buzz about the *Chicago Prize* that’s promising.

Even so, outreach activity continues apace, as does planning for the selection of and technical assistance to the finalists. The next report in this series will look at these and other aspects of the *Chicago Prize*. It will focus on communications and discuss steps taken to ensure fairness and transparency, generate best-in-class applications, and raise the visibility of applicants and the value of neighborhood revitalization.

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