



MAKING HARD CHOICES

Making Hard Choices is the third in a series of papers about the *Chicago Prize*.

Sponsored by the Pritzker Traubert Foundation, the *Chicago Prize* is a grant competition to award \$10 million in capital funds to a single community development initiative in Chicago.¹ Earlier papers discussed the Foundation's investigation of community investment strategies and subsequent decision to underwrite a competition; the development of the application, scoring criteria, and website; the launch of the competition and outreach to potential applicants; and the naming and celebration of six finalists in December 2019. The papers also described the partnership of the Foundation with the MacArthur Foundation and its affiliate, Lever for Change, in the design and implementation of the *Chicago Prize* competition.

This report examines the two-step assessment process—panel review, followed by committee selection—that advanced the finalists to the second phase of the *Chicago Prize* competition.² It considers how 67 external reviewers evaluated 86 applications to narrow the field to 20. How three technical experts provided additional contextual information about the top-ranked applications, including demographic profiles of neighborhoods, analyses of leadership capacity and the proposed initiatives, and descriptions of community conditions that could affect execution and the prospects for success. And how a five-person selection committee, comprised of the Foundation's trustees and two highly regarded civic leaders, chose the finalists.

Making Hard Choices begins with background about the *Chicago Prize*, then describes the initial assessment of applications. It considers whether the first phase of the competition achieved its goals of fairness and transparency, and whether the review by a panel of external advisors proved effective. The paper closes with a few comments about the competition's first phase, what worked well, and what didn't.

¹ For more information about the *Chicago Prize*, visit www.chicagoprize.org. See also www.ptfound.org and www.leverforchange.org.

² The finalists were well into the competition's second phase when COVID-19 emerged in Chicago. Their efforts amid this and other extraordinary circumstances will be discussed in future reports.

CONTEXT

In July 2018 the trustees of the Pritzker Traubert Foundation decided to sponsor the *Chicago Prize* competition. Previously, the Foundation had undertaken a months-long inquiry into place-based grantmaking and community investment. This structured “deep dive” had directed the Foundation’s attention to “the lack of capital in communities of color” as a significant barrier to improving conditions in many of Chicago’s neighborhoods. As a philanthropy driven by entrepreneurial leaders, Pritzker Traubert framed its emergent place-based grantmaking around a question, asking:

“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?”

In the *Chicago Prize*, the Foundation saw an opportunity to test whether “philanthropic investment would unleash private investment” to improve neighborhoods on Chicago’s South and West Sides. An open-call competition would facilitate the Foundation’s aspiration to fund physical development that would visibly improve and enliven neighborhoods, fuel social networks and local organizations, and produce direct economic benefits for area residents. A competition would also allow the Foundation to be “opportunistic” and cast a wide net. It would “put community leaders in the driver’s seat” to define local assets and the geography of interest and, within the Foundation’s intentionally-expansive set of priorities, their objectives and measures of success.

From the outset, the Pritzker Traubert Foundation recognized and sought to accommodate the complexities of community development and the limits of organized philanthropy—and its own shortcomings. Nevertheless, it wanted to invest in Chicago’s neighborhoods in a way and at a scale likely to produce discernable benefits for people and places. The Foundation also wanted to learn through practice. It had assembled a longer-term learning agenda, comprised of both strategic and operational questions, in an effort to gather new knowledge about what works to promote economic mobility and revitalize neighborhoods.

In this context, an invitation from the MacArthur Foundation to co-create a grant competition offered an appealing alternative, one that would allow Pritzker Traubert to

learn alongside colleagues. MacArthur staff would furnish competition expertise, drawing on its high visibility, high stakes *\$100&Change* global grant competition as an example of “big bet” philanthropy. MacArthur would also supply operational support through its new nonprofit affiliate, Lever for Change, and contribute the technical services of Common Pool, a competition management vendor. The Pritzker Traubert Foundation would devote staff time and substantial financial resources to an open-call competition conducted at the local level.

Together the colleagues created content for the *Chicago Prize* platform and application; publicized the website and availability of funds; used multiple media and social networks to encourage nonprofits to learn about the competition and self-assess readiness; assembled a straightforward application that asked the usual questions; and, in the interest of fairness, delivered consistent guidance to all comers.³ By working with Lever for Change on its inaugural competition, Pritzker Traubert affirmed MacArthur’s effort to “unlock philanthropic capital and accelerate social change.” By pledging \$10 million to neighborhood revitalization through the *Chicago Prize*, the Foundation demonstrated faith in—and a willingness to place a big bet on—Chicago’s community developers.

PROCESS

The assessment process for the first phase of the *Chicago Prize* competition was straightforward, its elements familiar to applicants and reviewers alike. It relied on standard practices used to ensure fairness and transparency, such as well-defined scoring criteria, multiple assessments by qualified reviewers, and rank ordering of applications. Grantseeker guidance was similarly direct, consistently drawing attention to the attributes that would characterize the top contenders.

Scoring criteria. Limited to four criteria by the competition design process, Pritzker Traubert determined that the best applications would: come from *community-led collaboratives* whose initiatives had *feasible* implementation plans that would *leverage* additional investment and

³ Among the materials on the *Chicago Prize* website were informational webinars, a framing paper, a list of principles, answers to frequently asked questions, the scoring criteria, and the names and qualifications of reviewers.

produce lasting *impact*. These attributes, or traits, were the four criteria used to rate and rank-order applications. They were readily available and exhaustively delineated, on the *Chicago Prize* website, in presentations and materials for the competition, and in the training of reviewers.⁴

Review panel. The competition process required that 70 or so individuals be enlisted to serve as independent reviewers. Pritzker Traubert recruited a wide range of highly qualified professionals to fill the role, believing that their diversity would bring new perspectives, a level of objectivity, and “gravitas and great value to the selection process” for the *Chicago Prize*. Some panelists were already aware of the competition; others were new to the overall enterprise. Some had urban development expertise; others were experienced in other fields. Among the 67 volunteers were national and local foundation leaders, nonprofit executives, artists and architects, business leaders, lawyers, impact investors, and public servants. Many competition participants and observers saw the caliber and diversity of the panel as significant strengths, believing that the group gave credibility to the assessment process. Reviewers participated in group training that focused on how to: apply the criteria and use a scoring rubric; identify and resolve conflicts of interest; and recognize and deal with implicit bias.

Rank ordering. Each reviewer was assigned five applications, and each application received at least five reviews. Differences between “easy” and “hard” reviewers were mathematically adjusted to “level the playing field.” Reviewers assigned numeric scores to each criterion and provided written comments to support their scores; in this way, they supplied constructive feedback that was specific enough to explain their scores, and likely to be perceived as both useful and fair. Ratings were used to list the applications in rank order; the data were examined for natural breaks; and the list divided into tiers. The full complement of

⁴ A series of questions clarified the definition of each criterion, and each was further defined using a five-point scale called the scoring rubric. Each point on a scale was pre-populated with descriptors that helped distinguish between ratings. Key words anchored each end of the scale, providing a qualitative sense of the range of possible scores, from worst to best.

applications, the scores and comments of all reviewers, summary statistics, and the list of the top 20 applications were delivered to the Foundation.

These assessment practices are not particular to open-call competitions; they are used often to sort respondents to a Request for Proposals and other solicitations. Competitions and RFPs are similar, but not the same: “RFPs are a way of *bringing proposals in*; competitions are a way of *selecting among proposals once they arrive*.”⁵ The first phase of *Chicago Prize* competition was a hybrid, organized to attract a sufficient number of applicants to make the selection of the winner a hard choice *and* to assess and rank-order proposals. The *Chicago Prize* website sought to provide the kind of information applicants would need to determine whether to participate, while the application itself sought to elicit the kind of information reviewers would need to judge the relative merits of different proposals.

OBSERVATIONS

To be effective, the reviewers would need to evaluate the applications and accompanying videos and, based on the aggregate scores, single out the best. Given the scoring criteria, the strongest applications would have provided: documented histories of *community-led collaboration* grounded in strong, resilient relationships; evidence of, or potential to, *leverage* a \$10 million infusion of capital for physical development; a context-specific and data-driven rationale for the *feasibility* of a proposed initiative, given local conditions and available resources; and a compelling argument, grounded in theory and practice, for the relationship of activities to outcomes, and of outcomes to indicators of beneficial economic *impact* on people and place.

For the most part, the first phase of the *Chicago Prize* unfolded according to plan: 163 nonprofit organizations self-assessed their readiness and decided to compete; of these, 86 submitted complete applications. Using a fair and transparent process, reviewers scored and provided written feedback to applicants. They narrowed the field of contenders from 86 to 20, and identified the top candidates for consideration by the Foundation’s selection committee. The reviewers’ scores and comments, along with

⁵ *Using Competitions and RFPs, Requests for Proposals in GrantCraft*, Foundation Center, p. 3, undated. Italics in the original.

material prepared by MacArthur and Lever for Change (e.g., summary statistics, brief overviews of the top applications) were forwarded to the Foundation's staff.

At the same time, the application and assessment process did not yield all of the information considered crucial to the Foundation's determination of the *Chicago Prize* finalists and ultimately, the winner of a \$10 million grant. As noted earlier, the Pritzker Traubert Foundation chose not to narrow eligibility by geography or type of applicant. It also avoided signaling preferences about theories of change, or kinds of approaches or initiatives. As a result, *Chicago Prize* applications varied tremendously in scope and complexity, "from a simple proposal to retrofit a single building for a specific purpose, to a complex [proposal for] an initiative with lots of moving parts, covering a big area, with lots of leverage, and all the usual people." Some applicants were discomforted by the resulting ambiguity. Others wanted "better guidance about the Foundation's goal of community transformation" and its thinking about the "drivers of [community] change."

Applicants reported that it was difficult to respond to all aspects of questions, or to include all of the information they considered pertinent, within the allowable word count. Reviewers mirrored this concern about length, wondering: "Did [applicants] just not have space to say more, or did they just not have more to say?" Like applicants, reviewers wanted more information. They noted that applications "didn't give me enough to go on" or provide the "right kind of information needed to form an opinion." In particular, they wanted to see evidence that applicants understood neighborhood development and market dynamics, and that their choice and sequence of projects made sense. They wanted to ascertain whether a proposed initiative was "the right action in the right place at the right time."

Different sections of the *Chicago Prize* website and application were developed simultaneously, using group processes, on tight timelines—factors that, individually and collectively, complicated the matter. At one point, concerned about consistency, Foundation staff contracted for an independent review of all the text to ensure that the language and content were uniform across eleven different sections. Another analysis—one that asked whether the application's questions (and format) were likely to produce the kind and quality of information reviewers would need to apply the scoring rubric—might have been useful as well. Critique by one or two community practitioners, or by a focus group of grantwriters, might have wondered about the

equivalency of the four criteria, especially in light of the kinds of information applicants could be expected to have on hand and be able to recount.

Community-led collaboration and leverage might be more easily described in 150 to 250 words than feasibility or impact. Applicants could document community-led collaboration and leverage by recalling the details of Quality of Life or other community planning activities; discussing the origins and evolution of strong local relationships; listing commitments, current and pledged, to the proposed initiative; and describing past success in securing financing for similar efforts. Feasibility and impact will be evident at some future time; as such, applicants would need to anticipate and assemble persuasive accounts of the viability of their initiatives, supported by reasoned forecasts, detailed plans, likely scenarios, and probable results. More precise questions, space for longer responses to some of the questions, and weighted criteria might have elicited better information about, and stronger arguments for, the feasibility and impact of proposed initiatives.

A separate but related issue, to be explored in a future report, concerns the focus of open-call competitions and the role of substantive knowledge in their design and execution. Some managers of open-call competitions claim that a sponsor “without expertise will be a better [sponsor] than one that has an idea of what it wants to do” because the “case for a competition is openness.” They suggest that competitions are best suited to three situations in which a sponsor:

- seeks to support social change, broadly defined, looks to applicants to define the problem and the solution, and uses the competition to “do the selection”
- wants to fund in a particular field, or to solve a particular problem, and is “open to a range of possible interventions”
- narrowly defines what it wants to fund and uses the competition to “identify a big group” of applicants.

In all three situations, the open-call competition model “assumes there’s no need for content expertise.” The *Chicago Prize* does not conform to any one of the descriptions; it has aspects of each. The Pritzker Traubert Foundation wanted to invest in

neighborhood revitalization; it wanted to address the lack of capital in communities of color on the city's South and West sides; it wanted to see whether an investment of capital funds could be catalytic and attract the investment of others; and it wanted to fund an initiative that would result in physical improvements, deliver economic benefits, and strengthen civic and community life. Given these priorities, an RFP process might have served the purpose as well or better, but at the expense of encouraging newer ideas and other field- and capacity-building benefits of the *Chicago Prize*.

To augment the assessment process, the Foundation organized a three-person technical review team to “develop community analytics snapshots and project impact assessments” of the top applications. Together with Foundation staff, the technical team compiled data about the geography where applicants proposed to locate; interpreted and forecasted the likely impacts of their initiatives in the context of neighborhood dynamics; gathered community intelligence about the applicant teams and proposed developments; and analyzed the financial plans. The team presented the analyses and underlying data to the selection committee; it also supplied summary evaluations to supplement the panel review results and contextualize each of the top applications.

The five members of the selection committee—three trustees of the Pritzker Traubert Foundation, plus two external advisors who brought diverse perspectives—were charged with making hard choices. Over the course of two half-day meetings, they reached consensus on the finalists, choosing six community-led collaboratives of people who work and often live in the neighborhoods they seek to revitalize.

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