

CONNECTS

CASEY

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Reflections on Doug Nelson's 20 Years of Leadership: PART I



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Douglas W. Nelson retired as president and chief executive officer of the Annie E. Casey Foundation in April 2010 after serving for two decades. Michael L. Eskew, Chair of the Foundation's Board of Trustees, sums up his service this way:

"Doug Nelson enlarged the Casey Foundation's mission from a narrow service focus into a broad-based reform portfolio that has transformed the way this nation understands the needs of our most vulnerable children and families."

After an extensive search process, the Trustees named Patrick T. McCarthy, the Foundation's senior vice president, as Nelson's successor. McCarthy, who joined the Foundation in 1994, has played a broad role in overseeing practice and system reform activities at the Foundation. He brings more than 25 years of experience in the field of children's well-being to the position.

This two-part issue of *Casey Connects* reflects on some of Nelson's key contributions to the Foundation and the field in his 20-year tenure.

"In my very first interview for the job of Casey President with the Board, I remember the Board Chair asking me: What do you think we ought to do with all this money?" Nelson recalled in a recent interview. "And I said, the first thing that we should do is to recognize that it actually isn't so

much money." Armed with good data in typical fashion, Nelson informed the Trustees that "all of our endowment at that time back in 1989 was about enough to run the New York City Public Schools for six weeks."

Nelson argued "that the function of Casey, and other child-focused philanthropies, is to help convince others—the public sector, the private sector, the philanthropic sector, volunteers, citizens, communities, individuals—to do what they need to do to make a bigger difference in what happens to kids in the future. "The only way to make Casey significant," he proposed, "was to spend its money in a way that produced lessons and arguments about how other people ought to think differently, act differently, and invest differently."

Some of the most influential ways the Foundation, under Nelson's leadership, has put this knowledge to work are captured in the following articles and in excerpts from this interview. Part II of this issue will further explore Nelson's commitment to work and wealth, permanent families for all children, and leadership development through efforts such as the Centers for Working Families, the Children and Family Fellowship, and the work of Casey Family Services.



PANEL PLAYS PIONEERING ROLE IN CHILD WELFARE LAWSUITS



Lawsuits against child welfare systems can drag on for years, and the remedies that result often aren't conducive to comprehensive, long-term reform.

"You can get a court order saying the system has to do a bunch of things, but they often aren't able to do those things any better after the lawsuit than they were before," notes Steve Cohen, interim vice president for the Casey Foundation's Center for Effective Family Services and Systems. "You could end up chasing the 78 things in the order, and it might turn out later that not all of them were the right things and that other things might be just as important or more.

"This was a problem no one knew how to solve," Cohen notes—until Doug Nelson "dreamed up an idea that would allow all the parties to get the benefits of the lawsuit without all the drawbacks."

That idea was the New York City Special Child Welfare Advisory Panel, formed in 1998 in response to the *Marisol v. Giuliani* lawsuit, triggered by the 1995 death of a six-year-old girl beaten by her mother.

Hoping to stave off an impasse, Nelson proposed an alternative approach that would enable key players to work together constructively. This led to the

formation of a five-person panel that issued five reports offering extensive recommendations and timetables that became the basis for sweeping reforms.

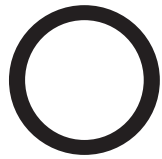
"If the plaintiffs had prevailed, the result might well have been a detailed list of requirements, some of them conflicting with reforms already underway—and the strong management team the city had put in place could have been undermined," notes Cohen, who served as full-time staff director of the panel from 1999 until its concluding report in 2002. "If the city had prevailed, its support for reform might have faded away with the next budget crisis."

"Given that Doug Nelson was the president of the Foundation and had tremendous responsibilities, the fact that he would pause and spend so much of his time getting into the weeds of one agency made us feel very invested in," says Linda Gibbs, deputy mayor of New York City. "It increased the stakes for making sure our reforms were successful."

"I have used lawsuits throughout my career to reform failing child welfare systems, and I am quite aware of their strengths and limitations. They are truly a blunt instrument," observes Marcia Robinson Lowry, founder and executive director of Children's Rights,

I offered to personally get involved in the **hopes** that my presence would signal to all parties the **seriousness** of the Casey Foundation's conviction that there were ways of expediting **real solutions** to these often complex and difficult system problems.

DOUG REFLECTS:



One of the observations that a number of us have made about systems embroiled in class-action lawsuits

is that the issue of litigation itself and of compliance with legalistic benchmarks often became an overwhelming distraction that got in the way of making real change for kids. Both sides wanted to improve outcomes and rights for children, but there was no real informed dialogue about the key question, and that was “how do we do it?”

We concluded that often the lawyers for advocates—and for the defendants—were not well enough informed about the complexities of systems or the state of best practice to be able to identify enforceable benchmarks that really could move a human services system coherently and effectively forward. And we were convinced of this, even though lots of the systems that were under the weight of class-action lawsuits were

sincere in wanting to improve their performance.

We felt that a third party, who was not an interested stakeholder in either side of this adversarial process, could serve as a neutral source of guidance about the process of system reform, the state of best practice, the kind of realistic timeframes and benchmarks that an actual, real-world system could potentially meet in a constructive way. That third-party voice might provide a middle ground in which you could make genuine progress with the interest of kids at the center of that progress, not just the technical provisions of the lawsuit or of the settlement.

And so we offered to play that role in New York City between Children's Rights, which was the plaintiff, and the Administration for Children's Services and the City of New York, the defendants, around a couple of major, long-lasting lawsuits lodged against the city. I offered to personally get involved in

the hopes that my presence would signal to all parties the seriousness of the Casey Foundation's conviction that there were ways of expediting real solutions to these often complex and difficult system problems that had been the cause for litigation in the first place.

I think it's fair to say that, in part, as a result of this intervention and the recommendations and support of the panel I chaired, we not only ended those lawsuits, but the New York City child welfare system is today a far stronger system with far more promising outcomes and performance statistics than when we first came. It also has helped people think about partnering with sources of expertise in the crafting of other class-action cases and settlements, so that we're now actually more likely to produce progress rather than stalemate.



a national advocacy group. The panel's approach "played out in a much more subtle and collaborative way behind the scenes and Doug played a huge role in that."

The panel's work has brought a focus on community and family engagement to issues ranging from criminal justice to the over-institutionalization of people with mental health issues, and influenced practices like collaborative case planning and community-based services. "Those ideas permeate across all agencies and disciplines in the city," says Gibbs.

Nelson "put his leadership on the line by taking stands and making clear recommendations, which in this business is always fraught with error and mistakes with tough consequences," notes John Mattingly, a former Casey staffer who served on the panel with Nelson and now heads New York City's Administration for Children's Services.

The panel drew on Casey's Family to Family initiative, then led by Mattingly, which seeks to reform child welfare systems through a family-centered, neighborhood-based approach and an increasing emphasis on finding permanent family connections.

The panel's approach helped shape the development of the Casey Strategic Consulting Group, an effort to help state and local systems struggling to reform in the wake of child welfare crises. Its work in a similar case in Maine had a "dramatic impact on improving child welfare outcomes," notes Mark Millar, founding director of the Maine Division of Casey Family Services, the Foundation's direct services agency. Improvements included a 34 percent reduction of children in out of home care, a 50 percent reduction in residential care, and a 30 percent increase in kids in kinship foster care between 2004 and 2009.

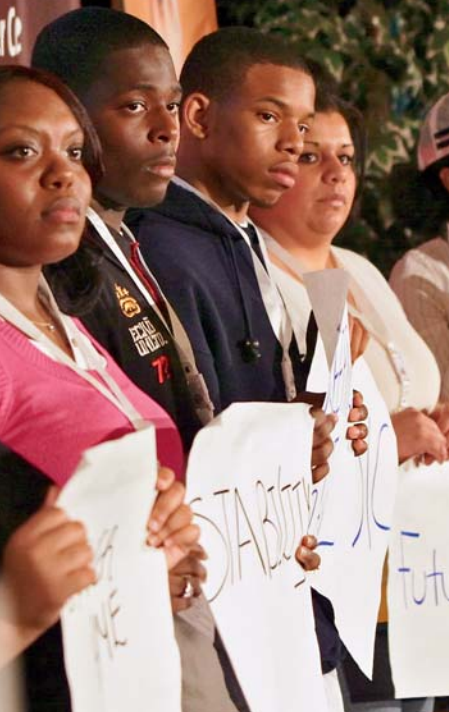
Nelson's emphasis on using data to understand who enters the system, how long they stay, and how money is spent galvanized efforts to reduce the number of children in expensive, restrictive group settings and move them toward permanent family connections, notes Raymond L. Torres, a vice president of the Casey Foundation and executive director of Casey Family Services.

Nelson has worked to tap the frontline perspectives, lessons, and successes of Casey Family Services. "Doug appreciates that as a national foundation, we are unique in having grant making and direct services, and that we have an opportunity to showcase best practices with the very same families we are trying to impact," says Torres.

Casey's work to combat poverty issues that are at the root of many family disruptions and to highlight the disproportionate number of children of color in the system have also been critical, notes Sania Metzger, Casey's director of state child welfare policy.

"Doug has brought to the whole field his ability to see how the problems that affect all vulnerable families are interrelated," says Lee Mullane, interim director of communications and media relations.

"He could really envision what a different public system should look like and how best to do that," notes Kathleen Feely, Casey's vice president for innovation and founder of the Casey Strategic Consulting Group.



INITIATIVE OFFERS SUPPORT FOR OLDER FOSTER YOUTH

For many years, the conventional wisdom was that if young people in foster care reached their late teens with no prospects of returning to their families or finding a stable home, the best the system could do was prepare them to live independently.

For Doug Nelson, that was not good enough. When UPS founder Jim Casey launched the Annie E. Casey Foundation with his siblings to honor their mother, the philanthropy was shaped by his observations that youth growing up without family support fare much worse than their peers. Nelson has worked steadfastly to improve those odds.

A prime example is the Jim Casey Youth Opportunities Initiative, a multi-state demonstration designed to help young people who leave foster care make successful transitions to adulthood. Their success is measured by improved outcomes in education, employment, health care, housing, community engagement, and lifelong connections to supportive adults. Nelson approached Casey Family Programs, a Seattle-based philanthropy that focuses on foster care reform, about launching a joint effort to address youth in transition at a time when UPS stock went public and the endowments of both organizations had grown. The program was launched in 2001, with representatives of both organizations on its board.

Nelson sought an investment “that would directly benefit this population that had grown up in foster

care and had originally triggered Jim Casey’s interest,” notes Patrick McCarthy, Casey’s new president and CEO.

A centerpiece is the “Opportunity Passport,” a special savings account that matches participants’ savings dollar for dollar for investments such as a car or housing deposit. The initiative also provides “door openers,” such as help with college registration, access to job training, scholarships, and referrals to local resources. Another key strategy has been equipping young people to advocate for foster care reforms. Many state policy changes—as well as the federal Fostering Connections to Success and Increasing Adoptions Act of 2008—reflect Jim Casey concepts like extending foster care support beyond age 18, keeping siblings together, and involving extended family in making decisions and providing permanence for children.

“Doug’s particular contribution has been in focusing attention on the missing piece—permanence,” notes McCarthy. He championed the idea that if the goal is helping these youth be more economically successful, more connected to their communities, more likely to have stable housing and to avoid dropping out of school or early pregnancy, “the best path to success is a permanent family—and it’s never too late.”

The initiative collects extensive data to track its progress, surveying 1,500–1,800 youth twice a year.

“Local and regional funders are so impressed by the focus on results that they’re willing to put up their own money,” notes Shannon Brower, a Michigan-based consultant to the initiative. “We’re still getting a number of inquiries and interest from a number of states, which is striking in this economy.”

The data show that “when you start looking at those who have only nonfamily support or no supportive connection, you don’t get the same outcomes as those who have a connection to family,” notes Gary Stangler, executive director of the initiative, who calls Nelson the “animating spirit” behind the initiative. “It was not just his willingness to take a risk, but to have a long-term vision and stick with that.”

Nelson helped Casey Family Services shift from focusing on quality long-term foster care to providing an array of services that center on ensuring a strong, lifelong family for every child of any age. The

Jim Casey initiative has helped reinforce how critical that is for older youth.

Nelson “was able to articulate the importance of permanence for older teens in a way that compelled people to take it seriously,” notes Carol Behrer, executive director of the Youth Policy Institute in Iowa, a Jim Casey grantee. A 2004 KIDS COUNT essay, “Moving Youth from Risk to Opportunity,” also galvanized policymakers.

“Through their leadership, this whole issue of teens aging out started to get the kind of national attention that it had never received,” says Marty Zanghi, director of youth and community engagement at the Muskie School of Public Service, the Jim Casey grantee in Maine, which collaborates closely with Casey Family Services’ Maine Division. “The Casey family together has shaped practice and policy reform in a way that has added great value to the field.”

DOUG REFLECTS:

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The population of kids involved in the child welfare system is, in general, a highly vulnerable population. But in the course of understanding and evaluating the weaknesses of child welfare as it was currently being practiced in the country, we concluded that no group of kids, even within the larger universe of the child welfare population, seems to face greater risks of terrible life outcomes than the kids who were exiting foster care systems without the resources, the connections, the support, the guidance, and the opportunities to become successful adults.

Even when kids had what we used to call a successful experience in the child welfare system, when they left that system, they still faced much higher odds of ending up homeless, ending

up pregnant, ending up in trouble with drugs and with the law. We knew that something was missing for those kids who were being asked, at a young age, to make an overnight transition from a dependency system to independent adulthood.

And so we began to sort the best ideas, the best programs, find out their limits and their strengths, and put together an initiative to demonstrate how we could really make a difference in terms of life outcomes for transitioning youth.

In the course of figuring out how you equip kids with financial literacy, with job readiness, with the opportunity to finish school, with mentoring advice, we also came face to face with what’s really been a pivotal acknowledgment of the Annie E. Casey Foundation in the last several years. And that is, while

skills are important, job opportunities are important, savings are important, mentors are important, what really determines whether a child is going to have a successful adulthood is whether we succeed in returning that child to a lifelong family, whether that’s through reunification, through kin placements, through adoption, or through legal guardianship.

There have been multiple, important lessons from the Jim Casey Youth Opportunities Initiative—lessons that have been very influential in the field. One is that young people themselves must have a powerful voice in deciding what will work for them, what will help them achieve permanent security, stability, and a better shot at life. This contribution reinforced the obligation we have to give kids a far bigger role and voice in their own destiny.



DETENTION REFORM WORK SETS STANDARD FOR THE FIELD



Vincent Schiraldi remembers how he reacted when the Casey Foundation's Bart Lubow first approached him about the Juvenile Detention Alternatives Initiative (JDAI), a pioneering effort to safely reduce unnecessary confinement of youth—particularly of color—in juvenile detention.

"I told him what an idiot he was," says Schiraldi, a veteran system administrator who is now commissioner of New York City's Department of Probation. He recalls thinking, "Who is going to walk into jurisdictions throughout this country and convince people through consensus to lock up less black kids? Do they think they're going to drink tea and sing Kumbaya and that people are going to listen?"

Through Lubow's expertise and Doug Nelson's leadership, Schiraldi gradually saw that "there is a combination of pressure, best practices, and data that you can bring to bear if you can get people in the room who are willing to give it a shot," he says. "They pulled it off. In urban, rural, and suburban areas, people are doing JDAI and following its core tenets. It's the standard now by which things get done."

Launched as a modest demonstration effort in 1992, JDAI is now practiced in some 100 sites in 27 states and the District of Columbia. It has won over disbelievers through results ranging from significantly lower detention rates and reduced juvenile crime in

project sites to decreases in disparate treatment of minorities and broader support for juvenile justice reforms.

This didn't happen overnight. JDAI "was always a high-risk endeavor," but never more so than when the Foundation took it on, says Lubow, Casey's director of programs for high risk youth. "In the early '90s, the country was on the warpath with early adolescence and had decided that a lot of our problems had sprung from youth violence," he reflects. "It would have been much safer to focus on prevention and early intervention alone, but Nelson embraced Dostoyevsky's notion that the degree of the civilization of a society can be seen in its prisons. He was one of those unique leaders willing to take on the cause not just of disadvantaged kids, but of unpopular kids."

"JDAI is the largest juvenile justice reform effort in American history—there's been nothing of its scope and size before and there may never be again," notes Barry Krisberg, former president of the National Council on Crime and Delinquency and now a senior fellow and lecturer at the University of California, Berkeley School of Law. "That Doug had the vision to not just continue tinkering away with little demonstration projects but to fundamentally reform the system, and sustain that support for over 15 years, is remarkable."

While leaving the tactics of JDAI's successful approach to Lubow and his team, Nelson consistently lent support. "JDAI would convene the key grantees for an annual meeting, and invariably Doug would be there signaling its importance to him and would give a very thoughtful talk to the group, getting people to push their thinking forward," notes Krisberg.

JDAI also paved the way for an understanding that "race, youth, crime, and justice come together in a particular way that requires an intentional focus," says James Bell, founder and executive director of the W. Haywood Burns Institute, a San Francisco-based national nonprofit working to reduce the overrepresentation of youth of color in the juvenile justice

system. Casey's credibility "gives us an ear that is really important and compels people to listen."

The publication of the 2008 KIDS COUNT essay, authored by Nelson and entitled, "A Roadmap for Juvenile Justice," was another turning point. It typified "his understanding and use of research and data to support the Foundation," Krisberg says.

The essay advanced the notion that many juvenile incarceration facilities are wasteful and harmful and disproportionately affect kids of color, notes Lubow, and signaled that Nelson "was committed to these ideas, was willing to invest in them, and had the patience to stick with them long term and champion them in a variety of ways."

DOUG REFLECTS:

Juvenile justice reform was one of the earliest of Casey's system change initiatives. We worked with Broward County in Florida and with a progressive judge and detention administrators who had come to the conclusion that their detention system wasn't producing good results, and was increasingly expensive. They wanted to look at and figure out how to come up with a more rational system. Before my tenure, Casey had provided some support to that early effort.

Juvenile justice reform probably wouldn't have seemed so important to me, had I not had the experience of running a human services agency in Wisconsin that included juvenile justice. The simple truth—which I wished I could have denied, but which was too obvious to ethically ignore—was that the kids we detained in the counties and the kids we incarcerated in the state training schools were being helped to fail. Instead of being an

environment for rehabilitation or correction or reflection or reversing the directions of troubled kids, it actually accelerated kids' involvement in trouble.

In Wisconsin in the 1980s, there were very few neighborhoods that had gangs and there was very little gang recruitment in the state. But the one place that you could count on gangs forming and gang allegiances being fostered was in our state training schools. There was something utterly counterproductive about these environments, even when they were administered by well-intended, competent people. They imposed artificial constraints on the development of children, and for any kid who didn't need to be under such constraints for public safety purposes, it was painfully clear we were not helping those kids, we were harming them.

Bart Lubow and others who were encouraged to join the Foundation shortly after I did were quite convinced

that despite popular opinion that getting tough with juveniles was the safest way to go, we could successfully provide interventions that reduced detention or incarceration, while still protecting public safety, hurting fewer kids, and, in fact, saving some kids from the downward spiral that unnecessary incarceration tended to produce.

Over time, the places that took on Casey's approach actually had fewer kids in care, more kids staying out of the system, less recidivism for those kids who had been in trouble, and no deterioration in public safety.

The data have now been so overwhelming in so many jurisdictions, that detention alternatives are no longer a radical notion or kid-coddling notion or public safety-insensitive notion. Instead, JDAI principles have become the common-sense way to try to do better by kids and better by communities and taxpayers.



INFORMING AND INFLUENCING PUBLIC POLICY



Several years after the 1996 overhaul of the nation's welfare system, researchers discovered an unintended consequence: Many low-income people lost their food stamps. Casey Foundation President Doug Nelson played a key role in ensuring that policymakers received data documenting the problem, and the issue was resolved.

The project that made this possible, *Assessing the New Federalism*, is one of several multi-foundation initiatives Nelson has put his leadership behind to help develop a swift response to policies or proposals that could adversely affect disadvantaged children and families.

Led by the Urban Institute, the project used data from its National Survey of America's Families to track the effects of new policies such as the welfare overhaul on children and families.

"Because we had set up this capacity, we were able in very short time to capture the data and put it in the hands of researchers who used their analysis to inform policymakers, and policies were changed," says Michael C. Laracy, Casey's director of policy reform and advocacy. "Doug led quietly and behind the scenes. He saw emerging political policy changes and put in place exactly the right mechanism to protect kids and families."

Urban Institute President Robert D. Reischauer says that without *Assessing the New Federalism*, "the debate about whether this was a constructive redirection of policy would not have been an evidence- and fact-based debate." The project, which ran from 1996 to 2006, had a "substantial impact," resulting in modifications to a policy affecting low-income families, he says.

Other initiatives Nelson has pushed for to inform policymaking include:

- The State Fiscal Analysis Initiative, a network of state groups that monitors the effects of budget and tax policies on low- and middle-income families. It is coordinated by the Center on Budget and Policy Priorities.
- The Tax Policy Center, which provides independent analysis and facts about tax policy to policymakers, journalists, citizens, and researchers. It is run by the Urban Institute and Brookings Institution.

The State Fiscal Analysis Initiative has spread from 10 to 32 states, garnering support from multiple foundations. The initiative enabled many state groups to get involved for the first time in state budget and tax issues, doing analysis and forming

coalitions to advocate for policies that benefit poor children and families, says Robert Greenstein, director of the Center on Budget and Policy Priorities.

The Tax Policy Center, launched with a small Casey planning grant, now has a multi-million dollar budget and multi-foundation support. It estimates the real-world effects, for various segments of the population, of federal tax proposals or changes. The Center illustrates how Nelson's leadership has helped blend research, analysis, demonstration projects, and advocacy to produce "pragmatic, effective ways to actually change policies and change lives," says Greenstein.

Ron Haskins, a former White House and congressional advisor on welfare issues who co-directs the

Brookings Center on Children and Families, says making sure all voices in the debate are heard is a hallmark of Nelson's approach. One example he cites was a Casey-sponsored conference on welfare, held after the controversial overhaul. "It was exactly a Casey event—perfectly fair, all sides represented, an open forum."

Also critical has been Nelson's persistence in ensuring that those most affected by policies play a role in shaping them. "He recognizes that the people, families, youth, consumers, and advocates closest to the work are the best informants about the urgency of the policies needed," says Sania Metzger, Casey's director of state child welfare policy.

DOUG REFLECTS:

You have to know something to be influential. You have to believe deeply in something. You have to have some evidence and arguments and data.

Over the past two decades we have worked to build a good deal of knowledge and some hard evidence that things can change, that systems can improve, that markets can work differently. But we still need to get better,

and smarter, and more critical in our analysis of data.

We need to better capture lessons learned, better identify the evidence-based programs that make a difference, and better promote the policy changes that accelerate positive change for kids and families and communities. We need to harvest those lessons and make them the agenda for our advocacy with anybody who will listen—not because we're smarter, or

wiser, or better intentioned than anybody else, but because we've had the good fortune to accumulate a lot of learning that has been filtered through our grantees, our partners, our consultants, and our staff, and we are obliged to put that learning, that knowledge to work.

Over the past two decades we have worked to build a good deal of **knowledge** and some **hard evidence** that things can change, that systems can improve, that markets can work differently. But we still need to get better, and **smarter**, and more critical in our analysis of data.



KIDS COUNT SPURS DATA-DRIVEN REFORM

When Casey's *KIDS COUNT Data Book* was first released, it proved to be a groundbreaking new tool not only for providing new state-by-state data on the status of children, but for focusing public attention on issues of Casey concern.

"It really was a clarion call that this country has vulnerable children, that our future is jeopardized if we don't address those vulnerable children, that there are variations by state, and that these issues need to be a public policy focus," says Charles Bruner, executive director of the Child and Family Policy Center, an Iowa research group.

Twenty years later, KIDS COUNT provides a wide range of resources in print and online, helping advocates and policymakers use data to inform discussion and decision-making on behalf of children.

KIDS COUNT was first developed at the Center for the Study of Social Policy (CSSP) in Washington by then-staff members, including Doug Nelson, Frank Farrow, Tom Joe, and Judy Weitz, with Casey Foundation support. Nelson, who was deputy director at CSSP, championed KIDS COUNT when he became Casey president and KIDS COUNT moved to the Foundation. William O'Hare, who had worked on the project while at the Population Reference Bureau, was hired by the Foundation in 1993 to lead and implement KIDS COUNT.

"Doug was able to maintain and sustain the idea behind KIDS COUNT and grow it into an important national resource, providing both the leadership and resources," says Judy Meltzer, CSSP deputy director.

The annual *Data Book* includes national profiles, state profiles, and state rankings on statistical measures of child well-being. The state data have attracted significant media interest and helped mobilize states to address indicators on which they are doing poorly.

Harnessing that attention to highlight a wide range of Casey priorities, Nelson came up with the idea of developing an accompanying essay each year. The essays offer an in-depth look at critical issues, from child welfare and juvenile justice reform to early childhood care and the high cost of being poor. These essays have become a focal point for state advocacy and policy influence over the years.

For example, shortly after an essay was released on the challenges faced by youth transitioning out of foster care in 2007, that issue topped the list of requests for technical assistance and information received by the National Conference of State Legislatures and the National Governors' Association.

"Taking an issue that is important, marshaling the evidence, and bringing it to the attention of policymakers and the public has been critical," says Patrick McCarthy, Casey's new president and CEO.

The Child and Family Policy Center in Iowa, which is the state's KIDS COUNT grantee, used a KIDS COUNT essay on the high cost of being poor and other Casey support to give "credibility" to its effort in Iowa to end an emerging form of predatory lending—car title loans. A new Iowa law in 2007 capped the interest car title lenders can charge consumers, effectively eliminating the business.

"The essay demonstrated the impact that predatory lending and resulting debt has on children as well as adults" and "offered illustrations of exemplary state practices" to address it, notes Bruner.

In addition to the annual *Data Book*, the online Data Center (datacenter.kidscount.org) provides national, state, county, city, and community-level data on hundreds of child well-being indicators. A network of state organizations supported by Casey helps disseminate *Data Book* information and prepare a more detailed community-by-community portrait.

Nelson's KIDS COUNT legacy also includes supporting a network of politically savvy organizations in every state and helping them build capacity to monitor the progress of children and families and use those data to advocate for new resources, best practices, and policy reforms.

"Doug recognized earlier than a lot of people that the states are a centerpiece for children's policy," says Matthew Stagner, executive director of Chapin Hall, a Chicago-based research organization. "He saw the value of investing in organizations and people in every state," adds Kristin Moore, a senior scholar at Child Trends, a Washington research center.

KIDS COUNT's visibility has spurred other groups, here and abroad, to mount similar data campaigns. "Nobody would think today about trying to make a case for a policy change without data," notes Meltzer.

DOUG REFLECTS:

KIDS COUNT really was a shared vision. Before I came to the Casey Foundation, I worked for the Center for the Study of Social Policy and we were trying to figure out how to provide some critical assessment of states' human services systems and what they were accomplishing or not accomplishing for children and families. Frank Farrow suggested that if we could put a chart together that would compare state high school dropout rates or infant mortality rates, we could create a baseline for how states were doing. And I think it was Tom Joe's notion that states are naturally competitive, and if you could rank or rate states compared to each other, you'd have a tool to get the public's attention and maybe create an environment in which state policymakers would be more challenged to do better.

We decided to commit to putting a book together that would take the variables or the measures of the conditions of kids that were available to us in 1989 and rank all the states. We really had no certainty at that time about what the response was going to be.

When we published that first report, the media interest in it, the governors' interest in it, advocates' interest in it—all indicated that this really was a powerful tool to compel people to stop and think about how states were doing by kids, how to set realistic goals, and how you could learn from other states that were handling things better. We thought we were onto something—not a magic bullet—but something that could alter the environment for stronger results-oriented advocacy for children and families.

I thought this national effort might be effectively complemented by supporting state organizations that would look at the condition of kids in their state. We provided grants to people who knew state networks, knew the legislature, knew the governor, knew the politics, and could use these data about their state—comparing counties, comparing cities, comparing what happened to black and Hispanic and white kids—to fuel advocacy for state-specific improvements.

We wanted to create the capacity for every state to keep track of the progress of its children and families. With the exception of the current recession, most of the last 20 years has seen progress on 10 key measures of family and kid status. And I believe KIDS COUNT has been a big factor behind the actions that have led to that progress.



LIVING CITIES SPARKS INNOVATIVE COMMUNITY INVESTMENTS



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In spring 2009, as officials from 16 cities rushed to meet deadlines to draw federal stimulus money for energy-saving programs, they sought expert guidance at a “Green Stimulus Boot Camp” held in Cambridge, Massachusetts.

The boot camp, attended by 140 senior city and state officials, was hosted by Harvard University’s Kennedy School of Government and Living Cities, a collaborative of 22 of the world’s largest foundations and financial institutions working to improve the lives of low-income people in the neighborhoods of 23 cities.

Guidance came from “some of the country’s smartest workforce funders,” who happen to be members of Living Cities, illustrating one of the group’s key purposes, says Ben Hecht, the group’s president. Rather than just serving as funders, senior leaders of Living Cities’ member organizations—including Doug Nelson—have helped craft and implement its agenda.

Living Cities’ members serve as long-term and innovative investors in community development efforts. Since its founding in 1991, the group has invested over \$600 million, which in turn, has leveraged over \$16 billion to help build homes, stores, and schools, as well as child care, health care, and job-training centers.

An early member of Living Cities, Casey joined in 1993 under the leadership of Nelson, who was attracted by the group’s mission and the unique collaboration between foundations and financial services companies. Nelson is widely credited with reviving the organization by helping orchestrate a major reorganization when he served as board chairman from 2005 to 2008.

“He saw that there was an affinity between Casey’s commitment to community revitalization and what Living Cities was established to do,” says Roger Williams, a Casey Senior Fellow and director of responsible redevelopment. Nelson pushed the group to pursue a new approach to community development by combining different kinds of capital—philanthropic, private, and public—to spur investment in poor neighborhoods.

Living Cities’ “ability to endure and challenge itself continually owes a large debt of gratitude to Doug,” says Gary S. Hattem, the current board chairman, who is president of Deutsche Bank Americas Foundation. “It is incredibly difficult to hold together a collaboration of so many prominent institutions and strong-willed individuals. He has always kept us on task, gotten us back to core values, and been a voice for taking risk and not accepting the status quo.”

I decided to urge my colleagues, instead of folding up, to “up the ante,” enlarge our vision, enlarge our ambition, and try to figure out ways of taking greater advantage of what I thought might be the secret of the next generation of community development.

DOUG REFLECTS:

Living Cities, which used to be called the National Community Development Initiative, wasn't a Casey idea. Back in 1990, the Surdna Foundation and the Rockefeller Foundation recognized that there was a whole field of community development out there that wasn't getting much foundation support, and there were cities working in poor neighborhoods—trying to make them stronger places—who needed some amped-up resources and credibility and legitimacy. So they formed this collaborative, and Casey joined early because I felt there was a merit in pooling our influence and resources on behalf of more effective community development.

This collaborative of foundations worked for 10 years helping the Enterprise Foundation and LISC (the Local Initiatives Support Corporation) become good solid intermediaries in supporting the community development field. But when organizations work together, sometimes with the stress of suppressing their own institutional priorities in favor of shared,

common collaborative priorities, you can suffer from a kind of collaboration fatigue or process fatigue. In 2006, Living Cities was about to die of that fatigue despite having a good 10-year track record.

I, however, remained convinced that there was still enormous potential in the willingness of major foundations to work together and in our partnerships with banks and insurance companies. I believed we could become a much-stronger force for field-changing leadership in community development, in neighborhood revitalization.

I decided to urge my colleagues, instead of folding up, to “up the ante,” enlarge our vision, enlarge our ambition, and try to figure out ways of taking greater advantage of what I thought might be the secret of the next generation of community development. That “secret,” I thought, lay in new ways of combining private sector money, philanthropic money, and public money—all aimed at making poor neighborhoods more investable, more

likely to get the resources they needed to rebuild and to strengthen themselves.

Three years ago, Living Cities embraced a renewed commitment. With support from 22 organizations, we found the executive and management leadership who understood a vision of collective action, of combining different kinds of capital, of applying them to the most proven strategies. I think it's fair to say we have created an organization that is more vital, more energetic, more creative, and more influential than it has ever been.

Living Cities has become a great learning laboratory, not just for Casey but for all its members. We've all learned a great deal about how the private market creates environments that make all the difference for low-income people and low-income communities. This has been very promising, and we're only beginning. Living Cities is going to become really one of the important philanthropic institutions of the early 21st century.

Leaders, including Hecht, were selected to help Living Cities broaden its focus and become a more member-driven partnership that could respond to pressing issues and influence national debate about urban revitalization.



Moving beyond its original approach of providing grants to two major intermediaries to help community development corporations expand affordable urban housing, Living Cities began making loans to leverage other types of capital in order to boost investment in poor neighborhoods so they can rebuild and strengthen.

In 2007, Living Cities launched the Catalyst Fund, a vehicle to pool and invest capital through program-related investments (PRIs) that provide below-market rate loans and guarantees to nonprofits aligned with Living Cities' mission, enabling the nonprofits to leverage other sources of capital. PRIs are a type of social investment, a tool designed to provide a societal or mission-related return as well as a financial return.

"Three years ago, there was no vehicle for foundations to bring other capital besides grants to the table," says Hecht. Within eight months, there was "\$22 million in loan dollars that we were investing alongside grant dollars—almost all of it from foundations who had never done lending before. That was all because of Doug."

Nelson was "unapologetic that the Casey view was the reason he was at table," says John Monahan, a former Casey Senior Fellow who assisted Nelson with Living Cities and is now Counselor to the Secretary and Interim Director of the Office of Global Health Affairs for the Department of Health and Human Services. "None of it—more affordable housing, better-designed neighborhoods—mattered unless it resulted in improved outcomes for kids and families."





SOCIAL INVESTING EXPANDS REACH OF PHILANTHROPY

Casey has long worked to empower families and create economic opportunity in a struggling Oakland, California neighborhood, but in 2005, it started using an additional philanthropic tool—by making a social investment as well as grants to further its mission.

With affordable housing a key challenge in the Oakland neighborhood, Casey's \$2 million program-related investment (PRI) and \$250,000 grant to the nonprofit Northern California Community Loan Fund were earmarked to finance 300 housing units that low-income families could afford to rent.

"Increasing the inventory of affordable housing is an essential component of the Foundation's efforts to create opportunities for families in Oakland's Lower San Antonio neighborhood," explains Christa Velasquez, Casey's director of social investments.

Designed to provide a societal or mission-related return as well as a financial return, social investments include two types: PRIs and mission-related deposits. PRIs are generally below-market rate loans, loan guarantees, or equity investments that support charitable purposes aligned with a foundation's mission. Mission-related deposits—typically structured as market rate insured certificates of deposit or share certificates—are made to financial institutions.

Under Doug Nelson's leadership, Casey has boosted social investing externally and internally, says Sharon B. King, president of the F.B. Heron Foundation in New York. "Doug has been enormously helpful to the mission investing movement," says King. "He took on a very public role in presenting the rationale for mission investing—and he took Casey beyond talk to tangible."

In 2007, Casey joined with Heron and Meyer Memorial Trust, of Oregon, to launch the More for Mission Campaign, which challenged foundations to increase "social investing" by \$10 billion within five years.

Casey also helped build the field by co-founding the PRI Makers Network, an affinity group of foundations that make social investments. And Casey, along with Meyer and Heron, provided support when a leading investment consultant to foundations—Boston-based Cambridge Associates—created a mission-related investing group in 2007.

Internally, Casey's allocation of the endowment for social investing has grown from \$20 million in 1998 to \$125 million in February 2010. Casey developed an expert in-house social investing team and to date has invested \$64 million.

There are huge, unrealized opportunities to put more of the resources within the endowments of foundations to work in socially positive investments that could be as crucial in advancing the mission of foundations as has traditional grant making.

When we talk about trying to change and strengthen communities, it is as much about how you make markets work for disinvested neighborhoods as how you fund charitable services for vulnerable people. How do you encourage the private sector to create opportunities and supports and enterprise and affordable goods and services in poor communities?

I think part of the answer lies in using more of our endowments to co-invest with the private sector in a way that really translates into significantly accelerated social change. In Casey's case that means making a difference for poor families and their kids; in the case of foundations that are interested in the environment, it may mean accelerating

the commitment to green economies or recycling; and for those interested in the arts community, it may mean opportunities to expand cultural and recreational resources.

I think we have the potential to double, triple, quadruple the amount of change that American foundations—small, medium, and large—can achieve if they think of their endowments not just as a basis for their grant making, but as a tool for leveraging investment in their social goals and charitable objectives.

What's exciting about the field is we are learning a lot about where there are mission-related investment opportunities and how we create vehicles for greater social investing. Part of the "More for Mission" campaign and Casey's own commitment eight years ago to set aside \$100 million has been to learn how to put more of our endowments to work and how to create new investment vehicles to make social investing more efficient.

It's hard, for example, to make small investments if you're a small family

foundation. So we're in the process of creating pools in which multiple institutions can come together and invest together on a meaningful scale—whether the goal is neighborhood development; the promotion of charter schools; or increasing the availability of affordable high-quality child care for working families.

Living Cities has created something called the Catalyst Fund to enable our members and others to join together to make investments on a significant scale to help communities bring about neighborhood transformation and increase the stock of affordable, green housing.

We set out four years ago in More for Mission to try to increase to 2 percent the amount of all the collective endowments in American foundations that go to social investing. I think in 10 years, 2 percent will be far exceeded in the actual performance of foundations.

We have the potential to double, triple, quadruple the amount of **change** that American foundations—small, medium, and large—can **achieve** if they think of their endowments not just as a basis for their grant making, but as a tool for **leveraging investment** in their social goals and charitable objectives.

“Doug emphasizes that we use our social investments to make markets work,” says Velasquez. “We often go in and either fill the gap by providing the last piece of financing needed to make something happen or sometimes we’re the very first ones, providing credibility, kind of like the Good Housekeeping Seal of Approval. Or we’ll finance a project and hope that if it proves successful, our funds will eventually be replaced by the traditional capital markets.”

Nelson’s passionate advocacy of social investing as a way for foundations to spend more of their wealth to do good and to encourage private markets to do good has encouraged more foundations to take some risk, by marrying investments with grants.

“Doug has always recognized the limitations of philanthropy, that its resources are finite, and that if we really want to be a game changer, we have to leverage more sources of capital from the markets themselves,” says Gary Hattem, chair of the board of Living Cities, a philanthropic collaborative that includes Casey.

For Meyer Memorial Trust, a 2006 speech by Doug Nelson at the PRI Makers Network’s first conference, urging foundations to not only spend more of their assets but to spend differently, was a turning point.

“I remember being struck by his clear commitment to going well beyond traditional grant making and utilizing all assets of the foundation to the greatest extent possible,” recalls Douglas Stamm, Meyer’s chief executive officer. “It had a significant impact on me and my trustees in the audience as well as on other foundations.

“I give Doug, personally, and the Foundation, within the industry, tremendous credit for moving mission-related investing—which is all about having greater impact in what we do—from a very nascent stage just a few years ago to the mainstream,” says Stamm. “It is now one of the most consequential topics in the field.”





GOING AFTER AN AMBITIOUS AGENDA IN ATLANTA

During a visit to Casey's Baltimore headquarters in 2008, two Atlanta-based Casey staff members were having a conversation with Doug Nelson and mentioned the alarming rise in home foreclosures, mortgage fraud, and abandoned property in Atlanta's Pittsburgh neighborhood.

Out of this encounter came an innovative 2009 Casey-supported project to respond to Pittsburgh's foreclosure crisis by buying derelict homes to renovate and repopulate.

"Doug has always, once he understood it and believed in it, been our cheerleader," says Mtamanika Youngblood, president of Sustainable Neighborhood Development Strategies, a nonprofit launched by Casey to oversee the project, in partnership with the Pittsburgh Community Improvement Association.

The "Preservation of Pittsburgh" project is the latest outgrowth of a multi-pronged effort by Casey to strengthen five Atlanta neighborhoods, including Pittsburgh, where many of the city's most vulnerable children and families live. The Foundation has made a long-term commitment to its Atlanta "Civic Site"—the headquarters of UPS, whose founder Jim Casey launched the Annie E. Casey Foundation.

"Doug said, 'We've got to be really ambitious here. We've got to put together an agenda that can really transform the lives of kids and families.' He really wanted us to do it all," says Gail Hayes, manager of the Atlanta Civic Site.

The site's wide-ranging agenda focuses on producing results in three areas. Some strategies pursued, to date, include:

- **Educational Achievement**—A school-based child care center, opened in January 2010, is at full capacity with 193 children enrolled and a "failing" middle school has been transformed into the district's second highest performer.
- **Family Economic Success**—The Center for Working Families opened in 2005 to help families find family-supporting jobs and move toward homeownership. At the Center, 1,820 people have enrolled, with 947 job placements.
- **Neighborhood Transformation**—Sixty Pittsburgh homes have been purchased with funds from Casey and a U.S. Department of Housing and Urban Development grant administered by the city of Atlanta, with 30 more purchases expected by May. And in 2006, Casey purchased 31 acres of

neighborhood land with the goal of creating a mixed-income, mixed-use development.

“This is all connected,” explains Hayes. Work to stabilize Pittsburgh’s housing market—where four out of 10 homes had a foreclosure filing in 2009—flowed from concerns voiced by participants at the Center for Working Families who were getting jobs but being evicted from their rental homes. Pittsburgh is also home to improved schools—valuable community assets that needed to be protected.

Nelson’s support for the bold Pittsburgh project came only after he challenged staff to develop a detailed plan backed by research data. “He’s always been very supportive—and probing,” notes Youngblood. “He asks tough questions and is not easily swayed.”

Other elements that have distinguished Nelson’s approach, she says, include the way he focuses on

community residents, his support for “measured, calculated risk-taking” for the benefit of low-income families, and his commitment to finding the “resources to invest in people in a meaningful, long-term, and sustainable way.”

“We knew Casey would be successful, would have high standards, and would work effectively to cobble together all the partners necessary to build a high-quality and sustainable early childhood education program to serve kids who couldn’t afford it otherwise,” says P. Russell Hardin, president of the Joseph B. Whitehead Foundation, which worked with Casey to develop the new school-based child care center.

The Atlanta Civic Site has not only worked effectively in direct services at the community level, says Hardin, but at the state capital and with state agencies overseeing services to children and families. “That’s a rare balance.”

DOUG REFLECTS:

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Atlanta has also had a special importance to us because our Trustees are there, because we’ve had a long history of grant making around families and children and neighborhoods in Atlanta, and because our relationship to UPS gives us a special kind of local credibility.

Atlanta is UPS’s headquarter town. We are determined to take advantage of

their presence, of our influence, of the work that we’re doing to make our civic sites into laboratories for finding breakthrough and transforming approaches to tough neighborhoods.

These places present different kinds of challenges that are not just limited to East Baltimore and South Atlanta, but reflect the range of urban neighborhoods that are producing unacceptable outcomes for poor families and their kids.

Through this civic site work and our efforts in other places (and in our system reform work), we’re learning things about resident organization, about issues of relocation, about how to shape urban policy and urban markets—lessons that are producing practices for strengthening cities and communities all over America.

We’re **learning** things about resident organization, about issues of relocation, about how to shape urban policy and urban markets—**lessons** that are producing practices for **strengthening cities** and communities all over America.



BALTIMORE WORK MODELS RESPONSIBLE REDEVELOPMENT

When the city of Baltimore and the business community sought Casey's support for an ambitious project to revive a long-troubled East Baltimore neighborhood, Doug Nelson made it clear that the Foundation was not interested in urban renewal as usual.

Too often urban renewal projects force longtime residents out or do little to improve their life prospects. Nelson saw the East Baltimore project as a unique opportunity to pursue "responsible redevelopment" in partnership with residents to ensure that they benefit.

"I'll never forget his words: 'If all we've done is build brick houses or structural facilities and have not touched the lives of individuals who have been a part of this community for generations, we have failed,'" recalls Joseph Haskins, Jr., Harbor Bank of Maryland president. "I said 'Doug, I need your voice at the table to remind me and others of the importance of the human side.'"

Begun in 2001, the \$1 billion-plus East Baltimore redevelopment, led by a public-private coalition, is designed to physically transform a distressed 80-acre neighborhood into a mixed-income community anchored by a life sciences technology and research park.

It also aims to transform the lives of about 800 families, helping them find housing, educational and career opportunities, health services, transportation, and other supports.

As a board member of East Baltimore Development, Inc. (EBDI), the nonprofit organization managing the project, Nelson provided "great insight and input," says Haskins, former EBDI board chair. He also met "evenings with community leaders, mornings with business people, and afternoons with political leadership."

Nelson made a strong commitment to residents who had mobilized to have a voice and role. He sought their involvement, from sharing ideas at meetings to making policy as key committee members. He attended many gatherings with residents, some wary and frustrated.

"It was a risk for him to sit in those meetings and initially have residents telling him off," says longtime resident Nia Redmond. "But he explained that he respected residents and what he was trying to do, and he hoped that the residents would respect him too. Some things residents said weren't very kind. But he weathered the storm with us." Gradually, she says, "residents bought into Mr. Nelson's message—that people are going to be all right."

Nelson invited young reporters from an East Baltimore children's newspaper to interview him about the project, and spent much of the time interviewing the reporters about what they want for their neighborhood. He ensured that residents helped plan a long-desired new school. "We felt like our opinions were being heard," says Redmond, who became a resident representative to the EBDI board.

Among the project's results to date, 730 households have been relocated to neighborhoods with lower crime rates, better schools, more economic diversity, and better housing. "Those residents are being tracked and are reporting that they're quite satisfied," says Tony Cipollone, Casey's vice president for civic sites and investments.

And many residents who relocated—and got first dibs to return—are returning. Many are taking advantage of the project's job training.

"Most of the things that Mr. Nelson said would happen have panned out," says Redmond. "It let us know that perhaps residents in blighted neighborhoods can work with the Establishment. We never experienced that."

The project also is bolstering the work of Casey Family Services, the Foundation's direct services agency, which has increasingly focused on providing support services and seeking permanent family connections for children at risk of entering or already involved in foster care.

DOUG REFLECTS:

In Baltimore, we've tried to deal head on with the fact that revitalization of blighted neighborhoods has too often resulted in preparing tough places for a whole different population, while we disperse the former residents who had been victimized by years of disinvestment.

What struck me when Casey was invited to look at playing a role in East Baltimore was the potentially paradigm-breaking opportunity to pilot a more equitable, more just, and ultimately more responsible way of thinking about urban renewal.

The challenge of redirecting the normal urban renewal trajectory toward gentrification struck me as a challenge that

we couldn't resist trying to address. And I've found a receptive audience in the city and in the community residents who were willing to endure all this trauma in the hopes of finding a new model and a new understanding of what redevelopment ought to mean for low-income families, and what it ought to teach us about the possibility of creating truly mixed-income communities that remain welcoming to low-income working people.

We knew from the beginning that this would be a long haul to convince residents that we're in it with them, instead of against them or in spite of them. And I couldn't think of a way to try to make that case seem more convincing and

more sincere than by being personally involved and being in the neighborhood two nights a month for the last several years, until I got to know as many people in that neighborhood as I possibly could.

If you're really building a relationship, a coalition, an alliance across class and race and geographic and background boundaries, it is not something that happens overnight, and it is not something that happens without people on all sides of that chasm speaking the truth to each other. I'm proud of how much I learned, and I'm proud of the strength of the relationships Casey has forged with East Side leaders.

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“Our site is in East Baltimore and the residents we serve are in a better position because of the EBDI work,” says Doreen Jordan, director of the Baltimore Casey Family Services Division. Casey’s support for a state initiative to provide permanence for foster care youth created a favorable climate for a program that ensures young mothers in foster care are placed with their babies in their community, Jordan notes.

Casey’s support for Baltimore through a combination of grants to support local organizations and services to work directly with families through Casey Family Services has been critical, Jordan says. “The intersection between work being done on the ground and through grant making is key.”



CASEY CONNECTS

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The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. The primary mission of the Foundation is to foster public policies, human-service reforms, and community supports that more effectively meet the needs of today’s vulnerable children and families. In pursuit of this goal, the Foundation makes grants that help states, cities, and neighborhoods fashion more innovative, cost-effective responses to these needs.