



The power of collaborative philanthropy: Giving together to advance economic mobility

The American dream seems to be receding from sight

While the United States is often characterized as a land of opportunity, over 40 percent of all households cannot afford the basics of middle class life: housing, transportation, childcare, or a cellphone.¹ In no city in the US can someone working full-time at the minimum wage afford a market rate two-bedroom apartment;² and 44 percent of Americans do not have \$400 in savings for an emergency.³

There are dramatic income and wealth gaps by race and ethnicity, rooted in a history of systemic racism and discrimination. The median income of white households is twice that of Black and Latinx households. But the wealth gap is much larger—white households have almost six times the wealth of Black households, and five times the wealth of Latinx ones. Occupational segregation and differential access to home ownership and credit have propelled the dramatically higher wealth accumulation of white families.

Even more sobering, individuals and families experiencing poverty regardless of race have historically low chances of improving their economic position given declining economic mobility. Economic mobility refers to the ability of an individual or family to improve their economic status, typically measured in income or wealth, from one generation to the next.⁴ When economic mobility is strong, individuals have

the opportunity to reach their full potential, break cycles of poverty, and be part of a more just and equitable society.

While more than 90% of children born in the 1940s grew up to earn more than their parents, only 50% of children born in 1980 have achieved the same opportunity.⁵ Nearly 70 percent of children born to parents in the bottom 40 percent of incomes will remain within or near poverty. And for historically marginalized people of color, the story is bleaker. Even for Black families who have managed to climb to the middle rung, it's still more likely than not that their children will slide back down the ladder. The data reveal that nearly seven out of 10 African Americans born into the middle class will be downwardly mobile and fall into one of the bottom two quintiles as adults.⁶

Research has elevated a range of factors that affect economic mobility, including the ability to access healthcare, education, banking, and well-paying jobs. Common challenges that may inhibit someone's economic mobility include over-policing of neighborhoods, predatory lending, and health challenges. These factors tend to differentially impact communities of color, who due to historical and current structural barriers have had restricted access to homeownership, equitable schooling, and job opportunities. In United States, of the over 30 million people living in poverty, roughly 46% are people of color.⁷

The role of philanthropy in advancing economic mobility

Given that economic mobility in the United States has declined significantly over time, many people doubt there's a better economic future for themselves and their children. Indeed, it will take a sustained effort to provide economic opportunity for all Americans. And philanthropy has a critical role to play, given the ability to provide access to capital that is flexible and adaptable.

In previous research, Bridgespan found that philanthropists have often lacked the sightlines into investments that could make a real difference in improving economic mobility and sometimes lacked the confidence that large investments would actually impact the economic lives of many people.

Historically, interventions were often siloed and targeted at alleviating the burden of poverty through emergency aid such as food banks. However, improving economic mobility requires addressing a combination of categories that both target root causes of inequality and provide individuals, families, and communities with direct resources and support. For example, a first-generation college student may receive a scholarship that enables them to pursue a four-year degree, but if their family still faces community violence or food insecurity, it may be difficult for them to realize the benefits of their education as these external challenges constrain the time, resources and focus they can devote to education

The spectrum of ways funders have addressed this complexity to advance economic mobility in the US is broad, and can be grouped in four categories:

- **Build skills and assets:** Investments that aim to help people acquire the skills and assets that will allow them to develop through early childhood, graduate from high school, prepare for college or a career, create a pathway to a career, and build wealth (e.g. workforce development, out of school activities, mentorship and coaching).
- **Confront cultural and structural inhibitors:** Investments that seek to address symptoms of exclusion and barriers to upward mobility (e.g., higher incarceration rates and divisive policies regarding

immigrants), as well as the underlying mindsets that produce inhibitors (e.g., assumptions about people in poverty).

- **Transform communities:** Investments that bring vital support systems to historically marginalized neighborhoods to build healthy, empowered communities that have access to basic resources. (e.g. improved access to basic needs and federal benefits, improved access to transportation).
- **Build the infrastructure to implement and scale “what works”:** Investments aiming to deepen our understanding of the root causes of social mobility, investing in grassroots solutions build capacity and continuously improve on past successes (e.g. research, grassroots, and policy change organizations)

Given the wide range of potential interventions, it can be daunting to know where to begin and how to have significant impact. The Economic Mobility and Opportunity Team at the Gates Foundation has invested across these areas with the goal of helping the U.S. economic system better meet the needs of those experiencing poverty and significantly increasing their opportunities to achieve economic success. Collaborative funds are vehicles that have complemented this strategy and advanced these goals. Today, there are a growing number of collaborative funds and platforms with the knowledge and experience to support donors so they can direct their money *alongside others* to drive change.

The value of collaborative giving

Donors have long worked together, from informal giving circles to local fundraising campaigns. Collaborative giving vehicles—like funds, platforms, and other intermediaries—can take these efforts to the next level, formalizing collective giving to amplify impact. They are philanthropic organizations and initiatives designed to bring donors together, provide deep subject matter expertise, and channel resources to the people and groups (e.g., nonprofits/NGOs) best positioned to accelerate progress on complex issues.

Such funds are particularly suitable to advance economic mobility because of the significant proportion dedicated to systemic change.⁸ For funders, these collaboratives can provide a ready way to tap into expertise that reflects deep engagement with nonprofits and community leaders dedicated to the transformative change needed for improving economic mobility. These vehicles enable funders to leverage their resources, mitigate individual risk, and deploy greater capital to address pressing global problems via a broader base of opportunities for impact than they might have surfaced themselves. These offer a range of options for donors to get involved—some pool money from donors but retain decision-making rights themselves, while others deeply engage donors in selecting the ultimate recipients; still others develop participatory processes to support communities in allocating dollars. The examples shared here represent a wide array of such vehicles.

Recent research conducted by The Bridgespan Group and funded by the Gates Foundation has identified hundreds of collaborative giving vehicles that collectively annually channeled between \$4–7 billion to social causes.⁹ The advantages they offer include:

- **Partnerships with other donors** who enable funding issues at a greater scale than donors could do on their own.
- **Specialized knowledge and important relationships** with community leaders and grassroots groups that would be otherwise challenging to access

- **Potential for earlier detection and faster response** to emerging issues and opportunities because more access to those who are closer to, and hold deeper relationships with, communities served.
- **Coordination** in developing targeted, networked strategies
- **Opportunities to engage** (depending on interest) with governance structures that offer a range of approaches—from hands off to deeper engagement with learning and decision making.
- **Efficiencies** that free donors from having to become experts in new fields and assure donors that priorities and realities from those proximate to the issues are incorporated.

The nonprofits funded by collaborative vehicles also can realize significant benefits—including reputation boosts, access to new and more funder relationships, non-financial supports, and streamlined reporting—to name a few. In addition to capital, collaboratives can provide grantees with enhanced visibility and reputation boosts that raise awareness or amplify reach.

Giving collaboratively to US economic mobility

There is significant momentum in collaborative funding efforts, and there is also momentum in the field of economic mobility. The authors have identified more than 50 funds that prioritize economic mobility (inclusive of education) in the United States—and there are likely many, many more. In a recent survey of collaborative fund leaders, economic mobility related work (including funds focused on education) was the third most cited primary issue for funds—with funds that report either a primary or secondary focus on this topic comprising more than 50 percent of survey respondents. These funds are collectively giving around ~\$1 billion annually and—and could absorb significantly more—in fact, these leaders have indicated they could deploy upwards of \$5 billion annually.

Most collaboratives approach this work from multiple angles. Donors may seek to invest in one (or more) of the following ways: directly building skills and assets of individuals; working at the community level; confronting cultural and structural inhibitors that limit mobility; and/or building the infrastructure to scale what works. Please note—these example funds below are included for reference and are not intended as formal endorsements.

Build skills and assets



Some collaboratives primarily focus on building the skills and assets of individuals (e.g., workforce training, educational opportunities, home purchasing support). For example:

- First Five Years Fund advocates for a smarter, stronger, healthier, and more productive America through high-quality early childhood education.
- Global Economic Diversity Development Initiative (GEDDI) is a 501(c)3 non-profit foundation seeking donations to afford its fund development arm the ability to make grants to nonprofit and for-profit recipients focused on building economic wealth for the Black community.
- National Fund for Workforce Solutions invests in a dynamic national network of about 30 communities taking a demand-driven, evidence-based approach to workforce development.
- NewSchools Venture Fund finds, funds and supports teams of educators and innovators who are reimagining public education so every student finishes high school prepared and inspired to create a good life.

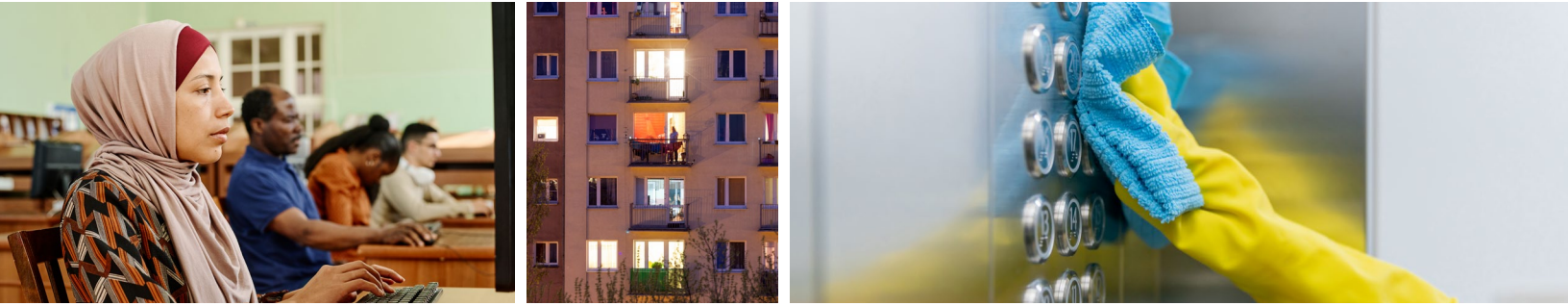
Transform communities



Some collaboratives primarily focus on transforming communities, taking a multi-faceted lens to economic mobility. For example:

- New York City Workforce Development Fund was established in 2001 to promote a robust, coordinated and effective workforce development system for low-income New Yorkers.
- Robin Hood convenes philanthropists, civil society organizations, government, businesses and community members to develop and advances programs and policies to fight poverty in New York City.
- Tipping Point Community invests in a comprehensive model of supports to create pathways out of poverty in the Bay Area.
- Women's Foundation of the South raises money and invests it in nonprofits and businesses across 13 states as the only permanent foundation dedicated to centering and investing in the collective health, wealth, and power of Black, Indigenous, Latinx, and Asian womxn and girls across the entire American South.

Confront cultural and structural inhibitors



Some collaboratives primarily focus on confronting cultural and structural inhibitors that limit mobility. For example:

- Fund for New Citizens supports advocacy for policies that benefit NYC's immigrants, capacity-building for immigrant-led groups that anchor this advocacy, and affordable immigration legal services.
- Funders for Housing and Opportunity (FHO) brings the nation's leading funders together to ensure stable housing, especially for those who have historically been denied access.
- Due to decades of philanthropic disinvestment, there is a shortage of local civil society groups in rural and small city America that could help facilitate education, civic engagement, and community building. Heartland Fund addresses this gap, connecting rural leaders with funding partners seeking investments generated by building permanent, powerful civic infrastructure in small cities and rural communities.

Build the infrastructure to implement and scale “what works”



Some collaboratives primarily focus on supporting high-impact organizations and initiatives to scale. For example:

- Blue Meridian Partners (BMP): Nationwide Solutions is one of five BMP funds; this fund makes long-term investments in bringing evidence-based solutions to national scale. Compared to an average grant size of \$35,000, BMP's Nationwide Solutions commits \$100M or more of cumulative investment in a single funded initiative.
- GreenLight Fund is a national nonprofit network matching local communities' unmet needs with evidence-based social innovation to tackle the barriers that prevent individuals and families from achieving inclusive prosperity.
- Right To the City Mass Organizing Program is a national alliance of more than 90 community-based racial, economic, gender & environmental justice organizations growing grassroots power to halt gentrification and displacement, and build democratic, just, and sustainable communities.

Illustrative list of economic mobility-focused funds

This list is likely not complete nor have the funds been independently vetted by the authors; if you know of a fund that should be added, please contact Hannah Aragon (Hannah.Aragon@bridgespan.org).

United States

Early childhood and education

- American Indian College Fund
- Charter School Growth Fund
- City Fund
- Cleveland Avenue Foundation for Education (CAFE)
- Communities for Just Schools Fund
- Early Childhood Funders Collaborative:
The Raising Child Care Fund
- Epic Foundation
- First Five Years Fund
- Global Fund for Children
- New Schools Venture Fund
- Public Interest Technology University Network Fund
- Silicon Schools Fund
- Trust for Learning

Economic mobility

- Black Global Trust Pathway Fund
- Blue Meridian Partners
- Families and Workers Fund
- Funders for Housing and Opportunity
- Funders Together to End Homelessness
- Just Transition Fund
- Last Mile Fund
- Local Initiatives Support Corporation (LISC)
- Low Income Investment Fund (LIIF)
- National Fund for Workforce Solutions
- Neighborhood Funders Group
- New Profit
- NextLadder Ventures
- REDF
- Right to the City
- The LIFT Fund
- The Solutions Project
- The Women Effect Action Fund
- Transformational Partnerships Fund

Local/Place-based

Chicago, IL

- A Better Chicago
- Chicago Community Trust: We Rise Together,
For an Equitable and Just Recovery (Chicago)

Los Angeles, CA

- The Home for Good Funders (Los Angeles)

Louisville, KY

- GEDDI

Memphis, TN

- The Assisi Foundation of Memphis

New York, NY

- Change Capital Fund
- Early Childhood Partners NYC in The New York
Community Trust
- Fund for New Citizens
- New York City Workforce Development Fund
- Robin Hood (NYC)

Philadelphia, PA

- Bread and Roses Community Fund
- Elevate 215

Phoenix, AZ

- Phoenix Fund for Workers and Communities at
New World Foundation

San Francisco Bay Area, CA

- Asian Pacific Fund (San Francisco)
- Bay Area Funders Homelessness Funders Network
(Bay Area)
- ReWork The Bay (Bay Area)
- Tipping Point Community (Bay Area)

Washington, DC

- Education Forward DC
- Women's Area Foundation: Early Care and Education
Funders Collaborative (DC)
- Youth Invest Partners (DC)

Multiple cities

- GreenLight Fund (Atlanta, Baltimore, Boston, Charlotte, Chicago, Cincinnati, Denver, Detroit, Greater Newark, Kansas City, Philadelphia, San Francisco and Bay Area, and Twin Cities)

State/Region-based

- Community Ownership for Community Power (California)
- Doyenne Evergreen Fund (Wisconsin)
- Early Milestones Colorado (Colorado)
- Evergreen Women Wealth Fund (Wisconsin)
- Hawai'i People's Fund (Hawaii)
- Heartland Fund (Rural US)
- Quality Jobs Fund (Arizona, California, Nevada)
- The Rapides Foundation (Louisiana)
- The Southern Reconstruction Fund (Southern US States)
- Women's Foundation of the South (Southern US States)

Additional vehicles for impact capital

In addition to collaborative vehicles for philanthropic giving to enhance economic mobility, there are also opportunities to deploy significant capital in ways that generate both impact and returns (e.g., loan funds with favorable terms, new ownership models).

An illustrative set of examples includes:

- Camelback Ventures
- Chicago Community Loan Fund
- Community Investment Guarantee Pool
- GroundBreak
- Seed Commons
- Unlock Ownership Fund

Notes

- ¹ "Almost Half of the US Families can't Afford Basics like Rent and Food," CNN Money, May 18, 2018
- ² Kate Gibson, "Minimum Wage Doesn't Cover the Rent Anywhere in the U.S.," CBS, June 14, 2018
- ³ Sarah O'Brien, "40% of Americans Can't Cover a \$400 Emergency Expense," CNBC, May 22, 2018.
- ⁴ Isabel Sawhill and Mark Condon. "Is U.S. Income Inequality Really Growing?" The Brookings Review. 1992
- ⁵ Bill Chappell, "U.S. Kids Far Less Likely to Out-Earn Their Parents, As Inequity Grows," NPR, December 9, 2016
- ⁶ Edward Rodrigue and Richard Reeves, "Five Bleak Facts on Black Opportunity," Brookings Institution, January 15, 2015
- ⁷ Emily A Shrider, Melissa Kollar, Frances Chen, and Jessica Semega, "Income and Poverty in the United States: 2020," US Census Bureau, September 14, 2021
- ⁸ Alison Powell and Michael John, "Releasing the Potential of Philanthropic Collaborations," The Bridgespan Group, December 14, 2021
- ⁹ "The Philanthropic Collaborative Landscape," The Bridgespan Group, March 5, 2025



To learn more

Guided by the belief that every life has equal value, the **Gates Foundation** works to help all people lead healthy, productive lives. The foundation's Philanthropic Partnerships team seeds and supports collaborative giving platforms that make it easier for donors to channel large philanthropic investments to advance equity.

Jennifer Stout: jennifer.stout@gatesfoundation.org

The Bridgespan Group is a leading social impact consultant and advisor to nonprofits and NGOs, philanthropists, collaborative giving platforms, and investors.

Kristen Loureiro: kristen.loureiro@bridgespan.org
Willa Seldon: willa.seldon@bridgespan.org

Gates Foundation


The Bridgespan Group