

blue meridian

partners

Moving from a Scarcity Mindset to an Abundance Mindset

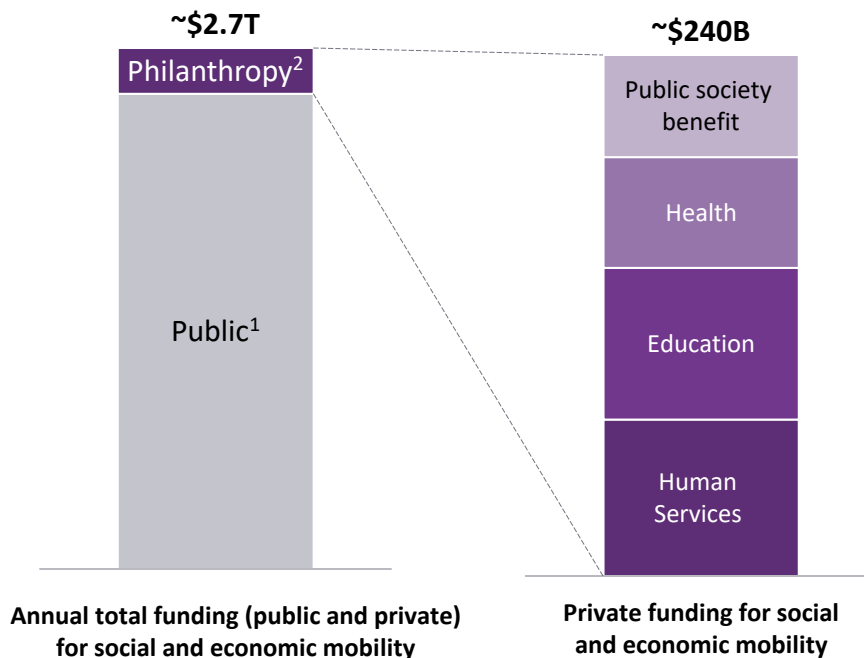
Cecilia Gutierrez
Managing Director

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Public and Philanthropic Dollars

Significant resources (public dollars and philanthropy) exists, though unlocking and aligning these resources to support “what works” remains as difficult as ever

Annual total funding (public and private) for social and economic mobility programs, 2022/23



Implications

There is significant opportunity to **unlock public capital and align philanthropic dollars** towards BMP’s investees and solutions that work:

- **Significant amounts of public funding exist, though has been largely resistant to change, leaving dollars “locked..** Some of that funding has already been “unlocked” towards our market-leading investees, though significantly more work remains.
- **Philanthropic (private) capital is highly fragmented** – and although smaller in comparison to public dollars, our work to align philanthropic capital towards promising solutions is critical to leverage and influence the flow of public dollars.

1. Public funding includes budgets for K-12 education, Medicaid, nutritional programs, CHIP, criminal justice, EITC, TANF, child welfare, and mental health / substance abuse; Reflects most recent year of data based on availability; data gathered prior to 2022 is adjusted for inflation to 2024 dollars
2. Philanthropic giving includes donations to education, health, human services, and public-society benefit
Source: Bureau of Justice; CPS; IRS; KFF; NCES; SAMHSA; USDA; Giving USA

Rapidly Growing Wealth

Further, as wealth grows, even more private capital sits on the sidelines that could be unlocked for social and economic mobility

Growth in wealth is outpacing the growth in giving. Over the past 10 years, wealth of the top 1% grew 160x faster than individual giving.

Wealth growth in top 1% (2010-2020):

\$14 trillion

Individual giving growth (2010-2020):

\$86 billion

Implications

- **Significant capital remains on the sidelines** as wealthy donors struggle to find mechanisms to deploy growing amounts of capital in performance-based ways.
- **It only takes a small increase in giving to make a dramatic change.** A 1 percentage point increase in giving among the top 1% would result in ~\$45B in additional philanthropy annually.

Together, there are **compelling opportunities to further BMP's mission of supporting philanthropists to unlock and deploy capital to advance social and economic mobility.**

Source: CCS Fundraising; The Federal Reserve; Bridgespan

Most Philanthropy is Local

These dollars are held in Community Foundations and Donor Advised Funds, yet the average grant size in this country is still \$35K.

Community Foundation

- 951 Community Foundations in the US
- **112B+** in assets in 220 community foundation

Donor Advised Funds

- **\$228B** Charitable Assets in DAFs
- **54B** Charitable Assets in DAFs at community foundations

Source: Council on Foundations, National Philanthropic Trust

Our Mission

Blue Meridian Partners seeks to transform the life trajectories of young people and families in poverty by investing in strategies that advance economic & social mobility and equitable opportunity.

We do this in two ways.

First, we identify and support successful strategies for addressing social problems confronting young people and families in poverty and help scale them.

Second, we unlock significant capital by providing philanthropists a way to pool resources to support scaling – often investing \$100 million or more in each strategy. Our Partners work collaboratively – sharing the costs, risks, and rewards of our efforts.

We believe our performance-based investing approach – combined with our model of capital aggregation – has the potential to change the funding paradigm for solving problems in the social sector.

Our mission posits two levels of impact:

- **Population-level impact on social and economic mobility** (for millions), and
- **Sector impact** on the philanthropic ecosystem.

Investing Approach + Comprehensive Frame

Our work is also anchored by Blue Meridian's time-tested investing methodology and our focus on the key milestones and impediments linked to economic and social mobility

INVESTING APPROACH

Blue Meridian:

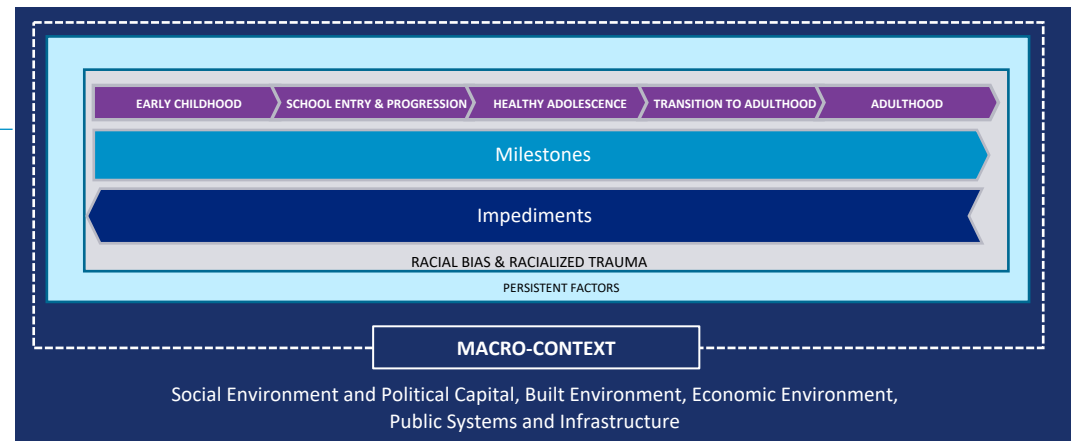
- Makes investments to scale **market-leading solutions (investees)** nationally and in place, and build a pipeline of future scaling investments
- Aggregates and deploys **transformational levels of capital** to unleash the potential of investees and scale their solutions

BMP's Investment Methodology



COMPREHENSIVE FRAME

Blue Meridian uses this framework to focus on the key milestones and impediments linked to economic and social mobility, and to guide our investing



Overview: Place Matters' Strategy

Our North Star

Eliminate the predictive ability of race and zip code on economic and social mobility-by investing in the capacity of place-based partnerships to achieve cradle-to-career outcomes, transform systems, and build community power and voice.

Overview

From the start, Blue Meridian's strategy to transform economic and social mobility has recognized the importance of investing in scaling solutions nationally and deepening impact through place-based work. With Place Matters, BMP has sought to align and compound the benefits of effective interventions across a young person's life, ultimately improving the life trajectories of that young person and their family.

The Challenge

Research shows a person's geography too often determines their destiny: the context and environment one grows up in dictates the resources and opportunities they can access throughout their life. As a result, the cascading effects of concentrated poverty and systemic racial inequity has resulted in intergenerational poverty and prevented too many from achieving their potential.

Amplifying Solutions in Place

While individual interventions have proven effective at improving specific outcomes, no single intervention is sufficient to change life trajectories at population-level scale. To address this, Place Matters helps **regional and neighborhood place-based partnerships (PBPs)** craft and execute comprehensive community-wide plans to advance economic and social mobility that center on building the capacity of residents and proximate leaders to shape their destinies and address their specific needs. To further accelerate regional and neighborhood impact, Place Matters is also investing in the creation and scaling of a national ecosystem of Catalytic Supports that enables the field of place-based partnerships to move more swiftly and become even more effective.

Place Matters' Theory of Action

Our strategy employs three mutually reinforcing levers to help communities across the US develop, execute, and sustain place-based partnerships to drive mobility.



Place Matters aims to...



Accelerate the ability of place-based partnerships to achieve population-level outcomes by:

- Making follow-on, large-scale investments in regional and neighborhood place-based partnerships (PBPs) to demonstrate success and build proof points.
- Exploring investment in early-stage and emerging high-potential PBPs (*for future investment by BMP and others*).



Create the context for place-based partnerships to move more quickly and succeed at scale by:

- Investing in national intermediaries to increase nationwide availability of effective supports.
- Strengthening the field of place-based partnerships so that more communities can catalyze change.



Unlock new public and private funding by leveraging BMP's national capital to:

- Spurring regional capital aggregation to support community-wide plans pursuing population-level impact.
- Help communities shift public systems and funding towards equitable and evidence-informed strategies.

More than Just a Vision

Movement 2030 is a grassroots, neighborhood-driven plan with bold ideas and specific strategies to drive economic mobility in Spartanburg.

Supported by local, regional, and national partners, our goals are to:

- Advance outcomes by 65% in early care and education, helping them enter school prepared for success.
- Increase the number of Spartanburg County high school graduates enrolling in postsecondary education within one year to 70%. With an additional 1,000 degrees and 500 certifications received by the 2030-2031 school year.
- Increase school readiness and academic progress.

comprehensive collection of statistical data, policy, social research, and insights from people living in our community.

All strong cities excel in 6 major areas: education and youth, culture and arts, health and well-being, justice and safety, community development, and economic development. These 6 focus areas were used as a guide for how the plan was organized and developed.



Education & Youth



Arts & Culture



Health & Well-being



Justice & Safety



Community Development



Economic Development

Using research and data, the plan identifies key issues residents face in these 6 focus areas and proposes several key strategies to address those pressing issues.

Investable Plan

GET INVOLVED

Search the Commit website

READY

BEXAR COUNTY

70%

OF HIGH SCHOOL GRADUATES

IN POST-SECONDARY BY

2030



Opportunity 2040 represents the collective efforts of regional education and anti-poverty advocates to reduce child poverty by half while doubling the number of young adults attaining a living wage within Dallas County. It is a strategic roadmap, in full alignment with key partners, for building strong schools and communities while leveraging substantial and sustainable public resources to benefit children and families in the 8th largest county in the nation.

This plan's aspirational yet achievable goals will be transformational, resulting in 150,000 additional Dallas County students being on the path to true economic mobility.

One Deal Structure

“One Deal” Principles/MOU

- A key part of Blue Meridian's strategy is **influencing philanthropic capital to flow more efficiently** to the highest performing social sector leaders.
- In connection with Blue Meridian's place-based work, we are encouraging other funders who invest alongside Blue Meridian to **adopt a "one deal" structure**.
- This “one deal” structure benefits investors coming in alongside a multiyear plan **aligned with shared expectations, performance milestones**, and providing more **seamless coordinated support of capital** and other resources to support SAM's objectives.
- Investors in the Movement 2030 Plan will **align the terms of their grant agreement under a Collaborative Funding MOU**.
- By doing so, **funders are committing to align their capital** in support of the goals of the Movement 2030 Plan and agrees to adhere to the same set of principles.

Draft One Deal Principles

- 1) Performance Milestones and Outcomes
 - a) Under the terms of a Collaborative Funding MOU, all investors in the Movement 2030 Plan will adhere to the agreed upon milestones and outcomes outlined in the plan.
 - b) Funders are asked to align reporting requirements with approved milestones (see Reporting).
- 2) Reporting Requirements
 - a) Under the terms of a Collaborative Funding MOU, SAM will provide standard reporting to all Movement 2030 investors with updates on budgeting and progress against milestones.
 - b) SAM will share standardized reporting to all funders twice a year.
- 3) Budget
 - a) SAM will synthesize working group priorities and recommend a Movement 2030 budget, seeking guidance from the Community Advisory Group.
 - b) The SAM Board will approve the Movement 2030 and organizational budget given fiduciary duty.
 - c) In consultation with the Community Advisory Group, SAM will inform all investors on significant changes to the overall plan strategy and budget.

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477 Madison Avenue Sixth Floor
New York, NY 10022

bluemeridian.org

Thank You