

New Sun Rising Scaling Analysis and Recommendations

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Table of Contents

Table of Contents	2
Introduction	4
New Sun Rising	4
Scaling in 2021 and Beyond	5
Overview	6
Business Model Summaries	7
Black Community Development Corporation	8
Center for Neighborhoods (Louisville Community Design Center, Inc.)	9
National Centers for Art and Technology	10
Community Development Advocates of Detroit (CDAD)	11
The Harwood Institute	12
Center for Neighborhood Technology	13
Tamarack Institute	14
Living Cities	15
Community Partners	16
Local Initiatives Support Corp (LISC)	17
BakerRipley	18
Methodology	19
Analysis & Recommendations	20
Recommendation #1: Adapt the Current Process-Bound Framework to a Hybrid Framework	22
Recommendation #2: Narrow the Issue Focus	22
Scaling Pathway Insights: Living Cities	22
Scaling Pathway Insights: National Center on Arts and Technology	23
References	25

DELETED FOR CONFIDENTIALITY PURPOSES:

Recommendation #3: (change XX product)

Scaling Pathway Insights: Community Partners

Scaling Pathway Insights: LISC

Recommendation #4: (change YY product)

Scaling Pathway Insights: Center for Neighborhood Technology

Scaling Pathway Insights: Living Cities

Recommendation #5: (Begin Building XX expertise)

Recommendation #6: (Begin building YY expertise)

Scaling Pathway Insights: Tamarack Institute

Scaling Pathway Insights: Center for Neighborhood Technology

Recommendation #7: (Evaluate Your Appetite for XX)

Scaling Pathway Insights: LISC

Scaling Pathway Insights: Community Development Advocates of Detroit

Recommendation #8: (Deepen Service to XX)

Scaling Pathways Insights: Living Cities

Scaling Pathways Insights: BakerRipley

Scaling Pathways Insights: Center for Neighborhood Technology

Scaling Pathways Insights: BakerRipley

Potential Organizations to Include in Additional Research

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Introduction

This report prepared for New Sun Rising provides background, rationale, and recommendations for scaling its impact, or achievements in social, environmental, economic, and/or cultural improvements, primarily focusing on scaling its main “product,” the Vibrant Communities Framework.

The persistence of complex, dynamic social problems such as hunger, poverty, environmental degradation, social injustice, and childhood obesity that have plagued us for hundreds, if not thousands, of years—despite the resources poured into trying to solve them—set the stage for the rise of a new form of organization to try to do just that—solve them: the social enterprise. (Lada, 2015)

Though many definitions exist, most contain the elements of the definition proposed by Kickul & Lyons (2012): a social enterprise is generally one which applies the “mindsets, processes, tools, and techniques of business entrepreneurship to the pursuit of a social and/or environmental mission.” A social entrepreneur, therefore, is a “major change agent, one whose core values center on identifying, addressing and solving societal problems.” (Drayton, 2002)

New Sun Rising

[New Sun Rising](#) (NSR) is a 501(c)(3) U.S.-based nonprofit social enterprise organization located in Pittsburgh, Pa. It was formed in 2005 in response to Hurricane Ivan, which produced devastating flooding and destruction in Pittsburgh, Pa. and Hurricane Katrina, which had hit New Orleans, La. and required massive, coordinated effort to clean up. For brothers Brian and Scott Wolovich, numerous visits to New Orleans and a multi-generational history in Millvale, PA engendered a deep appreciation for the role of art and food in building community. Feeling a personal connection to those trying to rebuild, New Sun Rising was launched as an immediate response to help other passionate leaders to create culture, sustainability, and opportunity in their neighborhoods.

For the first several years of operation, the organization primarily operated in Pittsburgh, Pa., eventually expanding first to more of southwestern Pennsylvania and then to relationships outside of Pennsylvania and the U.S. Its initial projects included establishing [Launch Millvale](#), which evolved into an Ecodistrict Collaborative; [Launch Sto-Rox](#), which evolved into an equitable wealth building collaborative in McKees Rocks, Pa.; and [Launch Hilltop, which evolved into a workforce development ecosystem](#). Each of these initiatives started with a collective of passionate, driven neighborhood citizens challenging perceptions to create vibrant communities, combat social injustice, and create an inclusive economy. NSR’s other “product lines” include fiscal sponsorship, capacity-building assistance, increasing access to funding, and an Enterprise Data Management (EDM) technology tool to help collect, analyze, report, and collaborate through data.

Through over a decade of practical experience running these social experiments, building new iterations based on community feedback and project success, NSR leadership realized that most community economic development initiatives are planned and implemented without respect to the development stage – or readiness – of the people who make up the community itself. That’s when it created its Vibrant Communities Framework.

Scaling in 2021 and Beyond

Bloom (2012) defines scaling as “achieving more efficient and effective adoption of your innovation (p. 1). Scholars define “scaling” in numerous ways. Many scholars have come to view scaling as spreading the social, economic, or community innovation rather than growing the size of the enterprise (Bloom, 2012; Bloom & Chatterji, 2009; Bradach & Grindle, 2014; Dees, et al., 2004; Kickul & Lyons, 2012).

Choosing when, where, how, and who will be involved in scaling an effort are critical questions. There are two areas social entrepreneurs who wish to scale their enterprises should evaluate: management questions and context (embeddedness) concerns (Wei-Skillern, et al. 2006; Kickul & Lyons, 2012; Bloom, 2012; Bloom & Chatterji, 2009).

Social enterprises, just like any other enterprise, need to manage growth and scaling strategically, and establish clear outcomes, or the results will be poor—or dire. “Poorly managed growth can detract from an organization’s ability to create greater social impact over the long term, or, worse, can even threaten the viability of the social enterprise itself” (Wei-Skillern, et al., 2006).

On the management side, just as in traditional business, the social entrepreneur must consider both tangible and intangible assets available (Bloom, 2012; Bloom & Chatterji, 2009; Wei-Skillern, et al., 2006, Kickul & Lyons, 2012). Those assets include, of course, capital, both in the form of cash as well as social and political capital, and labor (Bloom, 2012; Bloom & Chatterji, 2009). Social entrepreneurs wishing to scale their enterprises need to focus on the internal factors that need to be addressed, such as staying on-mission, having the appropriate leadership, and organizational culture (Wei-Skillern, et al., 2006) as well as external factors – the context, culture, economy, political structure, etc. (Bloom & Chatterji, 2009; Bloom, 2012; Lada, 2015).

Several established pathways exist to scale social enterprises and both internal (organizational) and external factors must be considered in building a plan to scale a social enterprise. (Bloom & Chatterji, 2009; Kickul & Lyons, 2012; Lada, 2015) Successfully scaling requires, in part, adapting the impact model to each project or community by responding to differing types and levels of embeddedness of the social problem(s) to be solved.

Embeddedness encompasses the geographic, political, economic, cultural, institutional, temporal, historical, and other factors that make up the “context,” or “ecosystem” in which the entrepreneur (commercial or social) works in order to understand the social enterprise (Bloom, 2012; Hutschemaekers, 2012; Kickul & Lyons, 2012; Lada, 2015; Mair & Martí, 2006; Wei-Skillern, et al., 2006). “Building and growing a [social enterprise] venture that doesn’t fit its ecosystem is like trying to build a golf course in the mountains of Alaska.” (Bloom, 2012, p. 52)

In order to establish a replicable and scalable field of practice, NSR identified 18 best practice strategies designed to build community power across three phases of development: Ignite, Launch, and Grow. The [Vibrant Communities Framework](#) is now being used by a diverse and growing set of community leaders to strengthen connectivity and inspire a commitment towards action. New Sun Rising is now exploring pathways to scale its impact as delivered through the Framework.

Overview

Below is an organizational snapshot of the organizations discussed in this report, arranged in ascending order of 2018 revenue. ([View scaling summary table](#))

Organization	Revenue (2016) ¹	Revenue (2018)	Work Area	Founded	Org. Type	NTEE
Black CDC (Louisville, KY)	\$290,370	\$513,565	West Louisville, KY	1993	(c)(3), CDC	S20
Center for Neighborhoods (Louisville, KY)	\$330,124	\$1.2 mil. ²	Metro Louisville, KY	1973	(c)(3), CDC	S20, S22, W24
Nat'l Center for Arts and Technology (Pittsburgh, PA)	\$1.3 mil.	\$1.5 mil.	USA + Israel	1999	(c)(3)	J02, O19, S50
Community Development Advocates of Detroit	\$570,000	\$1.4 mil.	Detroit, MI	1998	(c)(3)	S99
Harwood Institute (Bethesda, MD)	\$1.5 mil.	\$1.8 mil.	USA + Australia	1988	(c)(3)	S01
Center for Neighborhood Technology (Chicago, IL)	\$3.8 mil.	\$2 mil.	USA	1978	(c)(3)	C99, W40, C35
Tamarack Institute (Ontario, CAN)	\$2.3 mil.	\$2.4 mil. ³	Ontario, CAN; US	2002	Public charity	S20, S99 ⁴
Living Cities (New York, NY)	\$12 mil. ⁵	\$2.5 mil.	USA	1991	(c)(3)	S20
New Sun Rising (Pittsburgh, PA)	\$583,000	\$2.6 mil. ⁶	Pittsburgh + US	2005	(c)(3)	S20
Community Partners (Los Angeles, CA)	\$42 mil.	\$48 mil.	Southern CA	1992	(c)(3)	S02, S50, S99
Local Initiatives Support Corp (New York, NY)	\$199 mil.	\$192 mil.	USA	1979	(c)(3)	S20, S30, S99
BakerRipley (Houston, TX)	\$270 mil.	\$341 mil.	Houston TX Metro	1909	(c)(3), CDC	P28, B21, S99

¹ 2018 revenue was used as it was readily available for most organizations. Except where noted, the source is Line 12, Form 990.

² See CFN 2018 Annual Report

³ See 2019 Tamarack Annual Report

⁴ Form 990 data unavailable; data provided by the organization

⁵ 2015 990 data used; 2016 shows an anomalous \$27 million increase in revenue

⁶ 2017 Form 990 data

NTEE (National Taxonomy of Exempt Entities) Codes:

B21 Kindergarten, Nursery Schools, Preschool, Early Admissions

C35 Energy Resources Conservation and Development

C99 Environmental Quality, Protection, and Beautification N.E.C.

J02 Management & Technical Assistance

O19 Nonmonetary Support N.E.C.

P28 Neighborhood Center, Settlement House

S01 Alliance/Advocacy Organizations

S02 Management & Technical Assistance

S20 Community, Neighborhood Development, Improvement

S22 Neighborhood/Block Associations

S30 Economic Development

S50 Nonprofit Management

S99 Community Improvement, Capacity Building N.E.C.

T01 Alliance/Advocacy Organizations

W01 Alliance/Advocacy Organizations

W24 Citizen Participation

W40 Public Transportation Systems and Service

Business Model Summaries

This section contains information and insights pertaining to the 10 community development organization business models researched.

Business Model Template

The templates used in this report follow an earlier version of the current template published by [Strategyzer](#). Click on a category below to view definitions for the type of information included in the template.

[Key partnerships](#) | [Key activities](#) | [Value propositions](#) | [Customer relationships](#) | [Customer segments](#) | [Cost](#) | [Revenue](#)

Data Sources

Except where noted, these summaries were compiled with data from their U.S. Internal Revenue Service (IRS) Form 990 as well as organizational annual reports and websites. Revenues are from Part VII, numbers 1-12. Expenses are from Part IX, numbers 1-26.

Black Community Development Corporation⁷

Black CDC addresses Wellness, Communal Equity, and Economic Development through our initiatives such as the Hope Wellness Center, Opportunity Corner, and 1619 Event Space. In addition, BCDC capitalizes on development projects to ensure they offer opportunities for the residents we seek to serve in the community.

Work area: Metro Louisville, KY (9 neighborhoods) Founded: ~1973 Approach: Direct Service Provider

Scaling pathway: Grow clients at affiliate sites.

Key partners	Key activities	Value proposition	Customer relationships	Customer segments
<ul style="list-style-type: none"> • Faith based groups • City and county government • US Department of Labor 	<ul style="list-style-type: none"> • Hope Wellness Center (medical care shared space) • Opportunity Corner (shared shipping container space) • 1619 Flux (community event space) • Programs - after school, tutoring, job fairs, credit repair, etc. 	To creatively transform spaces towards establishing a self-sustaining community.	<ul style="list-style-type: none"> • Transactional • Self-service • Communities 	<ul style="list-style-type: none"> • Families, patients • Black-owned businesses • Residents of west Louisville
Cost structure 3 full-time employees 2 Wellness Center employees Programs - 60%			Revenue streams \$513,000 - 100% Contributions and grants \$8,000 - government grants; remainder is "other"	

⁷ This CDO is included based on an expressed desire to include Black- or Latinx-led CDOs. This particular CDO is included as a counterpart to another CDO working in Louisville, the Center for Neighborhoods.

Center for Neighborhoods (Louisville Community Design Center, Inc.)

Cultivates grassroots leadership, provides leadership education, partners with neighborhoods in community planning efforts, facilitates civic dialogue among stakeholders and actively participates in neighborhood-based development & improvement projects. Seeks to serve as a catalyst for residents, families, neighborhoods, public institutions and local government coming together in effective collaborations for results that benefit the community.

Work area: Metro Louisville, KY Founded: 1973 Approach: Asset-Based Community Development

Scaling pathway: Advocacy, thought leadership

Key partners	Key activities	Value proposition	Customer relationships	Customer segments
<ul style="list-style-type: none"> ● Neighborhood leaders ● Affiliate - Better Block Louisville ● Affiliate - Louisville Community Development Network ● Funders ● Local government 	<ul style="list-style-type: none"> ● Convening community <ul style="list-style-type: none"> ● Annual neighborhood summit ● Leadership education & training <ul style="list-style-type: none"> ● 12-week Neighborhood Institute ● Asset mapping ● Fiscal sponsor ● CDC network ● Urban planning & design 	Vision. Knowledge. Action. <ul style="list-style-type: none"> ● Asset-based ● People-centered ● Equity ● Sustainability 	<ul style="list-style-type: none"> ● Transformational ● Co-creation ● Long-term ● Transactional ● Communities 	<ol style="list-style-type: none"> 1. Metro Louisville residents 2. Local government 3. Neighborhood associations 4. Nonprofits 5. Other grassroots groups <p>(in rank order)</p>
<p>Cost structure</p> <p>Salaries & administration - 6 full-time staff - 20% Program services - 76% Fundraising - 4%</p>		<p>Revenue streams</p> <p>~\$1.2 million</p> <p>Contributions & grants - 95% Public grants 38% Private grants 34% Gifts & donations 16% Program revenue 8% Sponsorships 3% Misc 1%</p>		

National Centers for Art and Technology

CEO Bill Strickland is a 1996 MacArthur Genius Award recipient. NCAT works with cities collaboratively nationally and globally to open nonprofit Centers for Arts & Technology (CAT). A CAT provides world-class visual arts instruction for high school students and focused career training programs for adults seeking positive change for themselves and their families. This growing network is replicating Bill Strickland's vision to transform people and communities by inspiring hope and innovation throughout the world. NCAT approaches project management systematically, ensuring thorough, evidence-based analysis of city/regional demographics, driver industries, real estate and the availability of the financial resources required to get a CAT open and operating.

Replication sites: Manchester Bidwell (Pittsburgh), New England Center for Arts and Technology, Western Michigan Center for Arts and Technology, Bayview Hunters Point Center for Arts & Technology (San Francisco, CA), Northern Israel Center for Arts and Technology, Conn-Cat (New Haven, CT), Chicago Center for Arts & Technology, West Michigan Center for Arts and Technology (Grand Rapids, MI), Buffalo Center for Arts and Technology, Brockway Center for Arts and Technology (Brockway, PA), Hope Center for Arts and Technology (Sharon, PA), NewBridge Cleveland Center for Arts & Technology (Cleveland, PA)

Work area: U.S. primarily Founded: 1999 Approach: Asset-based community development

Scaling pathway: Current: establishing independent replications of the NCAT model. (Shifting in 2021 - old model not financially sustainable), along with public policy changes/advocacy.

Key partners	Key activities	Value propositions	Customer relationships	Customer segments
<ul style="list-style-type: none"> Local business leaders (large employers) Local education leaders UPMC Jeff Skoll Replication sites 	<ul style="list-style-type: none"> Providing job training Youth development programs Performing arts Replication assistance MCG Jazz 	<p>Provide an empowering educational environment tailored to your community's youth arts and adult career training needs</p> <p>Manchester Bidwell Education Model and Bill Strickland's philosophy of mentorship, education, beauty and hope.</p>	<ul style="list-style-type: none"> Transformational Transactional Self-service 	<ul style="list-style-type: none"> Trainees (adult careers) Youth Customers for earned income activities
<p>Cost structure</p> <p>Salaries \$600,000 Other exp \$626,000 Grants paid \$291,000 Fundraising 0</p>			<p>Revenue streams</p> <p>~\$1.5 million Contributions and grants \$1.2 million Program services revenue \$341,000 Investments \$6,000</p>	

Community Development Advocates of Detroit (CDAD)

Opened 2010. Its community planning process called Strategic Framework has helped communities across the city to develop a shared vision, engage in policy change and leverage hundreds of thousands of dollars in new funding. Its planning process builds on the expertise of residents and stakeholders by putting them at the center of planning. Has over 100 dues-paying members. In 2008, CDAD grew from being simply a trade association for community development corporations to a catalyst for neighborhood transformation in Detroit.

Work area: Detroit, MI

Founded: 1998

Approach: Asset-based community development

Scaling pathway: Using their CDAD Strategic Framework, advocacy for industry reform

Key partners	Key activities	Value proposition	Customer relationships	Customer segments
<ul style="list-style-type: none"> • Foundations: Ford • Detroit City Council • Data Driven Detroit • Detroit LISC • Community Economic Development Association of Michigan (CEDAM) 	<ul style="list-style-type: none"> • Public policy/advocacy • Place-based initiatives • Community engagement • Training & technical assistance • Systems reform • Map of CDOs in the area • Community story-telling initiative • Free membership in CEDAM 	<p>CDAD advocates for public policies and resources that advance the work of nonprofit, community-based organizations in Detroit neighborhoods who are engaged in physical development, land use planning, community organizing, and other activities designed to stabilize and revitalize the quality of life in Detroit.</p>	<ul style="list-style-type: none"> • Transformational • Long-term • Community • Self-service 	<ul style="list-style-type: none"> • Members • Community Development Organization • Neighborhood Improvement Organization • Community Groups (volunteer-led) • Partners (gov't, for-profits, etc)
<p>Cost structure \$1.1 million Grants paid \$500,000 Compensation: \$493,000 Fundraising 0 Other \$189,000 ~6 staff</p>			<p>Revenue streams for ~\$1.5 million budget Contributions and grants: \$1.4 million Government grants \$9,000 Membership dues \$1.4 million Program service revenue \$56,000</p>	

The Harwood Institute

Started as a one-person social enterprise, The Harwood Institute has developed ideas and practices used to create change around the world. Our work is both a philosophy and a practice. Real, lasting change occurs only when people and communities are part of the solution. We bring people on the front lines of creating change in communities to challenge conventional assumptions, learn together, inspire one another and strengthen our collective ability to be a force for good.

Work area: US & Australia Founded: 1988 (c3 in 1997) Approach: Creating a Culture of Shared Responsibility/Action is local

Scaling pathway: train-the-trainer with Public Innovators: embed practices in networks, communities, leaders. “Training people who will lead the country”, thought-leadership

Key partners	Key activities	Value propositions	Customer relationships	Customer segments
<ul style="list-style-type: none"> ● Community leaders ● Funders <ul style="list-style-type: none"> ○ United Way, AARP, Goodwill, etc. ○ Lots of state/county libraries ○ Charles Stewart Mott, W.K. Kellogg, Greater Clark ● Local government ● Australian government 	<ul style="list-style-type: none"> ● Mobilize, inspire communities ● Training & coaching <ul style="list-style-type: none"> ○ Public Innovator Labs ○ Train-the-trainer ● Networks ● Consulting ● Thought-leadership: CEO keynote speeches; blog series; FB Live, “best-selling book on Amazon” + 4 others, annual summit spons. By Kellogg, resource library 	<p>The Harwood Institute equips people, organizations, communities and networks with the tools to bridge divides, build capacity, and tackle shared challenges. By Turning Outward, we enable communities to become a collective force for change.</p> <p>Three-prong approach: Civic Faith Turn Outward Practice How Change Happens</p>	<ul style="list-style-type: none"> ● Transactional ● Transformational ● Long-term ● Co-creation ● Community 	<ul style="list-style-type: none"> ● Local leaders – business, faith, nonprofits, academia ● Libraries ● Dept.s of Education ● Local government ● Australian government, other leaders, nonprofits, foundations, businesses
Cost structure			Revenue streams	
~ 1.7 million <ul style="list-style-type: none"> ● Salaries \$746,000 ● Other: \$930,000 ● Fundraising: \$88,000 ● Conferences, conventions, meetings: \$145,000 			~ \$1.8 million Contributions and grants: 93% Federated campaigns: \$142,000 Government grants: \$228,000 Program service revenue: \$122,000 (7%)	

Center for Neighborhood Technology

2009 MacArthur Genius Award recipient. Founded to connect the neighborhood movement, which was organizing residents to challenge harmful practices like redlining, and the modern environmental movement. CNT’s mission is to make cities work for everyone. CNT works at the intersection of environmental sustainability, social equity, and technology—with particular attention on creating efficient and affordable solutions for low-income communities and communities of color. Based in Chicago, IL.

Work area: USA (primarily Chicago) Founded: 1978 Approach: Sustainable economic development

Scaling path: Public policy, innovation hub (research, test, scale), thought-leadership

Key partners	Key activities	Value propositions	Customer relationships	Customer segments
<ul style="list-style-type: none"> Foundations: Kresge, McDougal, McKnight, Surdna, MacArthur, National Science Fndtn, Nat’l Fish & Wildlife Fndtn, etc. City, county, state, federal government <ul style="list-style-type: none"> US EPA US DOT 	<ul style="list-style-type: none"> Research Young Innovators Car-share service Rainwater program Ecodistrict Urban Sustainability Tech Challenge. Consulting Great Lakes Water Infrastructure Project Transportation + Community Development Advocacy/public policy Thought-leadership⁸ 	<p>CNT is a leader in promoting more livable and sustainable communities.</p> <p>We deliver game-changing research, tools, and solutions to create sustainable + equitable communities. We help neighborhoods, cities, and regions work better, for everyone.</p> <p>Economic innovator and leader in the field of creative sustainable development.</p>	<ul style="list-style-type: none"> Transactional Transformational Long-term Self-service Automated 	<ul style="list-style-type: none"> Residents Urban planners Governments Polymakers Advocates Policy makers Community groups
Cost structure			Revenue streams	
~ \$2.3 million 15 staff – salaries \$1.6 million 0 fundraising Other \$716,000			~ \$2.2 million (2018 loss) Contributions and grants: \$1.5 million Membership dues: \$2,500 Government grants: \$500 Program service: \$535,000	

⁸ Thought-leadership activities: various indices, wrote 2 Acts for state of IL; drafted US Act ISTEA, Online tools, publications, community data repository

Tamarack Institute

Founder won the Order of Canada award. Cities reducing poverty, cities deepening community: Vibrant Communities. Tamarack believes that effectively strengthening community capacity to engage citizens, lead collaboratively, deepen community, and reduce poverty contributes to the building of peace and a more equitable society. Tamarack's work comprises two key areas of impact: The Learning Centre and Vibrant Communities.

Work area: Ontario; global Founded: 2002 Approach: Asset-Based Community Development; Collective Impact

Scaling pathway: Our Theory of Change is based on the assumption that communities have a central role in responding to the intertwined challenges of climate change, racism, polarization, pandemics and income inequality.

Key partners	Key activities	Value proposition	Customer relationships	Customer segments
<ul style="list-style-type: none"> ● Citizens ● University of Waterloo Kindred Credit Union Centre for Peace Advancement ● Foundations: McConnell, Ontario Trillium, Maytree, Suncor Energy ● Employment and Social Development Canada ● 5 staff who deliver consulting services 	<ul style="list-style-type: none"> ● Runs Vibrant Communities Canada ● Consulting ● Workshops & training ● Learning networks ● Strategic planning ● Capacity building ● Coaching ● Thought-leadership <ul style="list-style-type: none"> ○ Publications (31) incl 7 books ○ Webinars (22) ○ Change Festival (174 ppl) ○ Delivering keynotes 	<p>To equip you with the skills, knowledge, resources and connections you need to make lasting change in your community.</p> <p>5 Pillars:</p> <p>Collective Impact, Community Engagement, Collaborative Leadership, Community Innovation and Evaluating Impact.</p>	<ul style="list-style-type: none"> ● Transformational ● Transactional ● Long-term ● Co-creation ● Communities 	<ul style="list-style-type: none"> ● Citizens ● Local, provincial, federal government ● Individual impact or ABCD practitioners
<p>Cost structure⁹ ~2.25 million Salaries \$1.7 million - 21 employees across CAN (HQ Located on university campus) Events, conferences \$435,000 Travel \$160,000</p>			<p>Revenue streams ~2.4 million Donors \$806,000 20,000 Members & learners \$802,000 Consulting \$782,000 Program service - coaching, workshops, etc.</p>	

⁹ See 2019 Tamarack Institute Audited Financials

Living Cities

Founded in 1991 as the National Community Development Initiative, with an initial focus of providing capital to and building capacity of local community development corporations (CDCs). NCDI was an unprecedented funding pool of \$62.5 million created by six foundations and a for-profit insurance company, and was intended to expand the work of CDCs so that they could accelerate the production of affordable housing.

From its original focus on neighborhood-level transformation, it pivoted in 2007 to address the many, interrelated systems—education, transit access, workforce development, and more—that impact peoples’ economic well-being, and since then has evolved to center race and a commitment to racial equity in its work.

Work area: National (U.S.) Founded: 1991 Approach: Systems change

Scaling pathway: Pivoted from activities similar to New Sun Rising in 2007 to focus on systems change.

Key partners	Key activities	Value propositions	Customer relationships	Customer segments
<ul style="list-style-type: none"> Members - 18 of the world’s largest foundations and financial institutions 	<ul style="list-style-type: none"> Racial Equity Here Comm. of practice Close racial income and wealth gaps Bring communities together to devise and act on a shared vision for the future 	<p>All people in U.S. cities are economically secure, building wealth, and living abundant, dignified, and connected lives.</p> <p>Prioritize long-term, systemic fixes that recognize structural racism as the root cause of the issues we are tackling and becoming accountable to each other and the communities we serve for getting real results.</p>	<ul style="list-style-type: none"> Transformational Long-term Communities 	<ul style="list-style-type: none"> #1 by far Local government (specifically, cross-sector leaders) Public-private-philanthropic ventures Members (collaborative of foundations, financial institutions)
Cost structure			Revenue streams	
Unsecured loans payable to 3 rd parties \$31 million Salaries \$4.5 million Grants paid out \$3.4 million Fundraising 0 Other \$6.4 million Travel \$713 million			~ \$29 million Contributions and grants 98% Non-program Investments \$5 million Program related investments \$22 million Program service revenue: 2% Land, buildings \$324 million	

Community Partners

For more than 25 years, hundreds of individuals, groups, foundations and other institutions have worked with Community Partners to create new nonprofit projects, establish coalitions, and manage major philanthropic initiatives to benefit the region. Its mission is to accelerate ideas into action to advance the public good. It achieves this in three basic ways: fiscal sponsorship, intermediary services, knowledge sharing.

Work area: USA; Southern CA Founded: 1992 Approach: "Civic entrepreneurship"

Scaling pathway: Systems change, advocacy

Key partners	Key activities	Value proposition	Customer relationships	Customer segments
<ul style="list-style-type: none"> • Foundations: AT&T, Ford, Carl & Roberta Deutsch, Durfee, Rockefeller, Eisner, etc. • United Latino Fund • KaiserPermanente • Private companies: Chevron, Union Bank, Goldman Sachs, Forever 21, Southwest Airlines, Volvo, Shell Oil, etc. • Nonprofits • Nat'l Endowment for Arts, Nat'l Fish & Wildlife 	<ul style="list-style-type: none"> • Fiscal sponsorship • Nonprofit incubation • Workshops, speaking engagements, conferences • Technical assistance • Capacity building • Networks • Sr. Resource Fellowships • Working Poor Initiative • Thought-leadership: Civic Powergrid®, publications, speaking 	<p>Community Partners accelerates ideas into action to advance the public good.</p> <p>Fiscal sponsorship, intermediary services, knowledge sharing.</p>	<ul style="list-style-type: none"> • Transformational • Long-term • Community • Co-create 	<ul style="list-style-type: none"> • Civic and social entrepreneurs • Nonprofits • Government, business, institution leaders • Foundations
<p>Cost structure ~ \$48 million (net loss) Salaries: \$23 million Grants paid: \$6.3 million Fundraising: \$76,000 Other: \$19 million</p>			<p>Revenue streams ~\$48 million Contributions and grants: \$45 million Membership dues: \$52,000 Fundraising events: \$580,000 Government grants: \$7.5 million Program service: \$3 million Noncash: \$303,000 Investments: \$243,000</p>	

Local Initiatives Support Corp (LISC)

An organization originated by the Ford Foundation in 1979. (A CDFI). The premise is still just as it was then: government, foundations and for-profit companies have the capital; residents and local institutions understand the need; and LISC bridges the gap by offering the relationships and expertise to help community organizations attract the kinds of resources that allow them do their best work. Through our 35 [local offices, a rural](#) program that reaches more than 2,100 counties in 45 states, and [LISC-founded affiliates and entities](#), we work with a vast network of community-based partners to make investments in [housing](#), [businesses](#), [jobs](#), [education](#), [safety](#) and [health](#). LISC's vision is a holistic one based on the belief that the strength and competitiveness of our economy ultimately depend on giving everyone an opportunity to participate and contribute.

Work area: USA Founded: Approach: Asset-based community and economic development

Scaling pathway: For the last decade, LISC set a strategic course and stuck to it. It diversified its programs, funding partners and geographic reach and coupled this work with a high level of investment activity to strengthen its financial position. New: opening new offices, particularly in the southern and southeastern United States.

Key partners	Key activities	Value proposition	Customer relationships	Customer segments
<ul style="list-style-type: none"> Government Foundations <ul style="list-style-type: none"> o Knight For-profit companies Community organizations 	<ul style="list-style-type: none"> Project development Grants & lending Public policy Advocacy Networks Rural program 	LISC engages local leaders and neighbors to plan, set goals and measure progress. We bring local issues to state and national policy leaders.	<ul style="list-style-type: none"> Transformational Long-term Co-creation Community 	<ul style="list-style-type: none"> Residents Government Foundations For-profit companies
Cost structure <ul style="list-style-type: none"> Staff, expertise and relationships in 35 local offices (350 employees) project development & investment: \$58 million project grants: \$48 million lending: \$20 million 		LISC tests ground-breaking ideas locally and adapts them nationally. LISC's approach is comprehensive: housing, businesses, jobs, education, health and safety in the same place at the same time.	Revenue streams \$372 million Contributions and grants: \$139 million Program service revenue: \$60 million Investment income \$3 million CDFIs	

BakerRipley

Appreciative Community Building is BakerRipley’s approach of engaging neighbors and communities by uncovering their strengths and assets, and leveraging them for greater impact. Whether it’s creating programs for older adults to remain active, teaching community members how to advocate for their rights, or developing educational programs that help children thrive, our main goal is to nurture engagement and help people get more involved in the communities where they live and work.

Work area: Metro Houston, TX Founded: 1907 Approach: “Appreciative Community Building” (Asset-based community development)

Scaling pathway: Appreciative Community Building. Deep service to Houston area rather than expanding.

Key partners	Key activities	Value proposition	Customer relationships	Customer segments
<ul style="list-style-type: none"> Nonprofits Private sector ex. Reliant Energy Local governments Foundations: Denver, Newman’s Own, Joseph Flom, John McGovern, JJ Watt, WM Keck United Way Gtr Houston US Dept HHS TX Education Agency County workforce development boards 	<ul style="list-style-type: none"> Volunteer engagement Training Entrepreneurial support Immigration & Citizenship Program Disaster recovery Temp housing and financial assistance Early childhood education, charter schools “Wisdom exchange” networking Thought leadership: HUMAN campaign 	<p>BakerRipley brings resources, education, and connection to emerging neighborhoods.</p> <p>At BakerRipley, our work is about igniting and supporting our neighbors’ voices. An essential part of strengthening communities is showing individuals ways to use their voices to express their opinions and usher in change.</p>	<ul style="list-style-type: none"> Co-creation Transformational Community Transactional 	<ul style="list-style-type: none"> Residents Immigrants Entrepreneurs Young leaders K-5 students
<p>Cost structure ~ \$346 million Grants, similar paid: \$234 million Salaries: \$83 million Fundraising: 0 Other: \$29 million 60+ locations & delivery sites</p>		<p>Revenue streams ~\$341 million Contributions and grants: \$39 million Program service revenue \$300 million Investments: \$1.4 million Other: \$477,000</p>		

Methodology

Of the 1.3 million charitable nonprofits registered with the IRS, the vast majority are small and mid-sized. Ninety-seven percent have annual budgets of less than \$5 million; 92 percent spend less than \$1 million; 88 percent less than \$500,000.¹⁰

The organizations selected for this report were chosen by a variety of means, including:

- Searches of associations catering to neighborhood, community, or economic development organizations (e.x., Community Associations Institute, National Alliance of Community Economic Development Associations, NeighborWorks America, Urban Institute)
- Foundations (ex. Knight Foundation, Annie E. Casey Foundation, Ford Foundation)
- Searches for community and neighborhood development organizations (Internet, CharityNavigator, GuideStar)
- Nonprofit sector media (ex. *NPQ Quarterly*, *Stanford Social Innovation Review*, *Planetizen*, *Next City*)
- Community development organizations known to the researcher

Inclusion criteria:

- Mission similar in scope to New Sun Rising (build thriving communities; community economic development)
- Approach to work similar to New Sun Rising (asset-based community development; collective impact; co-creating community solutions)
- Nonprofit community or economic development organization operating primarily in the U.S. (with one exception)
- Gross annual receipts between \$1 - 200 million (with one exception)

Excluded:

- Traditional economic development organizations
- City/county planning commissions
- Chambers of commerce
- Community action agencies
- Local, state, or federal government entities
- Philanthropic organizations
- Private-sector entities
- Research organizations (e.x. “think tanks”)
- Organizations whose main purpose is funding (CDFIs)

¹⁰ <https://www.councilofnonprofits.org/about-us>

Analysis & Recommendations

The premise that successful organizations use multiple pathways to scale that are embedded in the cultural, institutional, political, economic, and historical reality of the new environments where the social, economic, community, or environmental innovation is to be applied holds.

Each of the 10 organizations discussed in this report have employed multiple means of scaling. Following the scaling taxonomy proposed by Dees, Anderson, et al. (2004) and by numerous authors in other forms (Bloom & Chatterji, 2009; Bradach & Grindle, Kickul & Lyons, 2012), we can see these mechanisms:

1. Disseminating: An organization shares its innovation, model, or mechanism for creating impact using one or more mechanisms, including teaching, training, technical assistance, networking, advocacy, and product sales.
2. Affiliating: An organization creates an informal or formal agreement, including coalitions, collaboratives, franchises, and licensees, with other organizations, institutions, or people.
3. Branching: An organization creates subordinate organizations replicating its vision, mission, and operations.

The table below provides a high-level view of the broad approaches to scaling impact used by the 10 organizations discussed. ([Visit source table](#))

Scaling Approaches

Organization	2016 - 2018 Growth	Approach and Scaling Pathway
Black CDC (Louisville, KY) \$513,000	77%	Approach: dissemination (sales) Scaling pathway: Grow clients at affiliate sites.
Center for Neighborhoods (Louisville, KY) \$1.2 million	3536%	Approach: Asset-Based Community Development Scaling pathway: Unknown (Emailed Dr. Long, Executive Director)
National Center for Arts & Technology (Pittsburgh, PA) \$1.5 million	15%	Approach: Asset-based community development Scaling pathway: Current: establishing independent replications of the NCAT model. (Shifting in 2021 - old model not financially sustainable), along with public policy changes/advocacy.
Community Development Advocates of Detroit (Detroit, MI) \$1.4 million	7268%	Asset-based community development Scaling pathway: Using their CDAD Strategic Framework, advocacy for industry reform
Harwood Institute (Bethesda, MD) \$1.8 million	20%	Creating a Culture of Shared Responsibility/Action is local Scaling pathway: Dissemination/ Train-the-trainer with Public Innovators
Center for Neighborhood Technology (Chicago, IL) \$2 mil.	(47%)	Sustainable economic development Scaling path: Dissemination / Public policy, innovation hub (research, test, scale), thought-leadership

Tamarack (Ontario) \$2.4 million	(4%)	Asset-Based Community Development; Collective Impact Scaling pathway:
Living Cities (NYC) \$2.5 million	(79%)	Systems change Scaling pathway: Pivoted from activities similar to New Sun Rising in 2007 to focus on systems change.
Community Partners \$42 million	14%	Approach: “Civic entrepreneurship” Scaling pathway: Systems change, advocacy
Local Initiatives Support Corp (New York, NY) \$199 million	4%	Asset-based community and economic development Scaling pathway: Diversified its programs, funding partners and geographic reach and coupled this work with a high level of investment activity to strengthen its financial position. New: opening new offices, particularly in the southern and southeastern United States.
BakerRipley (Houston, TX) \$341 million	26%	Approach: “Appreciative Community Building” (Asset-based community development). Scaling pathway: Appreciative Community Building. Deep service in the Houston area.

Resources and capabilities are needed to drive success in each of these categories. Bloom (2012) and Bloom & Chatterji (2009) outlined a model called “SCALERS,” useful for understanding the capabilities social entrepreneurs need to achieve impact, whether at scale or not. The components include staffing, communications, alliance building, lobbying, earnings generation, replication, and stimulating market forces.

Further, in analyzing the scaling pathways and corresponding growth (or decline) in revenue (which is used here as a proxy for achieving the desired social impact), we see that scaling is complex and non-linear, though broadly following the organization’s mission and vision (and in many cases, a strategic plan). Each of the organizations is focused on a level of change (local, regional, national, or global) and type of change sought.

Using typologies put forth by Shore, Hammond & Celep (2013), Smith & Stevens (2010), and Zahra, Gedajlovic, Neubaum & Shulman (2009), we can categorize scaling efforts as those that are:

- Geographically bound at the local level, which tends to be focused on a single issue and a single community, and are more transactional in nature (but can have the power to transform a community over time).
- Issue-bound, where social entrepreneurs may support the adaptation of social innovations for a specific issue(s) in many communities and contexts, adapting for local conditions.
- Process-bound, where social entrepreneurs support the use of a model or framework for achieving social innovations in many communities and contexts, adapting for local conditions.
- Systems-changers, where social entrepreneurs work to build a social movement, strengthen the nonprofits working on particular issues, or lobby for the adoption of public policy changes at a local, state, or national level. (Lada, 2015)

Recommendation #1: Adapt the Current Process-Bound Framework to a Hybrid Framework

Recommendation #2: Narrow the Issue Focus

These two recommendations go hand-in-hand for New Sun Rising.

Of the 1.3 million charitable nonprofits registered with the IRS, the vast majority are small and mid-sized. Ninety-seven percent have annual budgets of less than \$5 million; 92 percent spend less than \$1 million.¹¹ This backdrop provides context for the anticipated level of scaling that New Sun Rising might realistically achieve in the short- and medium-term.

It is critical that new (or continued) scaling pathways New Sun Rising chooses to align with its strategic plan, vision, and mission, and take into account organizational barriers (including staff time and expertise as well as financial resources) to scaling. The current Vibrant Communities Framework has been demonstrated¹² to be effective at the issue-bound level of change, so it is prudent to continue expanding those efforts to other communities seeking community-based economic development assistance.

However, NSR should focus on working with communities extraordinarily similar to those it has already worked with, and become more issue-specific, using its Vibrant Communities Framework to focus on issues it views as critical and has already developed some expertise in. These include inclusive community visioning/planning, community and organizational capacity-building, the environment, and food security. NSR has expertise, such as its successes in the Sto-Rox region, as well as affiliations in these areas, such as the Ecodistrict Collaborative, that make this a strong strategy.

This will alleviate stress to organizational resources in the short-term and allow NSR to build a reputation and a brand more easily. This will increase its social and economic capital in the medium- and long-term, allowing NSR to later expand the range of issues and geography it chooses to address.

This is essentially the scaling pathway used by Living Cities, an organization with annual revenues exceeding \$29 million, and by the National Center on Arts and Technology (NCAT). Though NCAT's current annual revenue is \$1.5 million, I believe the new business model its leadership is working on for 2021 will generate exponential growth. See the insets below for details.

Scaling Pathway Insights: Living Cities

Since its founding in 1991, Living Cities has evolved from its initial focus on building the capacity of local community development corporations to its current commitment to closing racial income and wealth gaps in U.S. cities.” Living Cities was founded in 1991 as the National Community Development Initiative, with an initial focus of providing capital to and building

¹¹ <https://www.councilofnonprofits.org/about-us>

¹² Though it is highly recommended that NSR conduct a formal program evaluation in each of the communities where it has deployed this Framework, so that customer feedback can be used to improve on further iterations, before attempting broad, wide-spread adoption.

capacity of local community development corporations (CDCs). NCDI was an unprecedented funding pool of \$62.5 million created by six foundations and a for-profit insurance company, and was intended to expand the work of CDCs so that they could accelerate the production of affordable housing. In all, the development funded by the first decade of NCDI—19,500 housing units, 1.3 million square feet of commercial and industrial property, 330,000 square feet of other kinds of development— represented a total investment of more than \$2 billion.

“From our original focus on neighborhood-level transformation, we pivoted in 2007 to address the many, interrelated systems—education, transit access, workforce development, and more—that impact peoples’ economic well-being, and since then have evolved to center race and a commitment to racial equity in our work.”

LC launched a number of new initiatives focused on supporting cross-sector leaders in places to move beyond delivering programs, toward accelerating the spread and adoption of solutions that could bring about lasting change that benefitted low-income people. [The Project on Municipal Innovation](#) in 2008, [The Integration Initiative \(TII\)](#) in 2010, and the [City Accelerator](#) in 2014 were all designed to support cities in learning with and from each other. Capital innovation has been a part of Living Cities’ approach since its inception. In 2008, we raised a \$30 million impact investing fund, [The Catalyst Fund](#).

In 2013, through internal organizing efforts and sparked in part by the acquittal of Trayvon Martin’s killer, leadership and staff committed to building a shared language and analysis in order to collectively grapple with how individual, institutional and systemic racism manifested in the organization and its work. Primary source: almost verbatim from <https://www.livingcities.org/about/history>

Scaling Pathway Insights: National Center on Arts and Technology

Most of the following is summarized from the Stuart, Hardymon, Heskett, & Leamon (2010) Harvard Business School case, “Manchester Bidwell Corporation: The Replication Question.” The NCAT, formed in 1997 at the urging of eBay founder Jeff Skoll, is a subsidiary 501(c)(3) organization with an independent board of directors started by the Manchester Bidwell leadership to lead the replication effort. NCAT provided tools and technical assistance. Each NCAT facility location, site director and board was selected by the NCAT board. Each affiliate replicated the Manchester Bidwell Corporation in Pittsburgh, Pa., having two programs: youth art and adult vocational education, but both customized to local conditions. Both programs had concrete, transparent impact goals. MBC generated significant earned income from its jazz label, concert tickets, and its for-profit real estate holding, Harbor Gardens Park, which opened in 1999 with anchor tenant University of Pittsburgh Medical Center.

NCAT followed a four-step replication model: cultivation, feasibility study, pre-opening planning, and early implementation. During the “cultivation” phase MBC president Bill Strickland would give a speech in the carefully-selected community, and following that, interested communities would initially pay a fee of \$150,000 for a 12-month feasibility study, and if the community decided to pursue the NCAT model, would then pay NCAT \$125,000 - \$150,000 per year for four years to fund the new site’s executive director position and the required technical assistance. The feasibility phase of the four-step model involved a needs assessment, evaluation of local social capital and leadership, mapping of local assets, creating a funding plan, and securing a facility site.

Between 1997 and 2009, NCAT successfully opened five replication sites: New England Center for Arts and Technology, Western Michigan Center for Arts and Technology, Cincinnati Arts and Technology Center, BAYCAT (San Francisco), Northern Israel Center for Arts and Technology. Strickland was honored with the MacArthur “Genius Award” in 2009 in recognition of these efforts.

However, the model stalled; rather than delivering hundreds of replication sites around the world, a handful were launched. Throughout this entire process, MBC leadership pursued advocacy work to pass a federal bill that would fund the centers, requesting \$500,000 per site and \$1.5 million in operating expenses for four years. The effort did not succeed and the replication effort essentially came to a halt.

A conversation in late December 2020 with MBC’s Joanna Papada, Vice President of External Relations, revealed that NCAT is developing a new replication model based on its lessons learned over the past 25+ years. The new replication model centers mediation of structural poverty as its value proposition, with the product being arts and training centers. The future replication model will be significantly different, and state and federal advocacy efforts will significantly ramp up.

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