Legend: **Interviewer speaking points, questions. Potential candidate answers. Other interviewer notes.**

Case interview: Better Future

Introductory context (~2 minutes)

Bridgespan's client is Better Future, a nonprofit working to end homelessness in Atlanta. Better Future's revenue was $5M last year and has been growing at an average rate of 10% for each of the last five years. There is a strong sense among civic leaders in Atlanta that Better Future's work is having a positive impact in the community.

Alex, Better Future's founder and CEO, has been in recent conversations with a local philanthropist who has expressed initial interest in making a donation to the organization in the range of $30M over 4 years. Before moving forward with this donation, the philanthropist is hoping to learn more about how Better Future would plan to use this additional funding.

Alex has engaged Bridgespan to help answer two questions:

Should Better Future pursue this new funding opportunity?
And if so, how should Better Future plan to use this revenue to have the greatest impact towards ending homelessness in Atlanta?

First, do you have any questions about this initial context?

Candidate may ask clarifying questions or summarize. They may play back all details, but this is not required.

Q1: Identifying Key Questions (~5 minutes)

This exercise aims to test clear communication; and logical, focused approach to working through problems

Question 1a: How would you think about framing this work? What are the key questions or issues that you would want to explore? Feel free to take a minute or two gather your thoughts before responding.

As candidate talks through their response, interviewer should feel free to probe and ask 2-3 follow up questions, as appropriate.

Model answers should structure responses into 2-4 broad categories, such as:

I would first want to explore how we could have the greatest impact with increased revenue, before moving into a decision of whether or not to pursue the revenue. In particular, I would collect data on a few dimensions:

Impact of Better Future's current [program] offerings
- o What are Better Future's offerings?
- o What is impact of these offerings?
- o How is this impact measured?

Better Future's potential for scale / growth
- o Could Better Future's current offerings be scaled easily / quickly?
- o Should Better Future launch any new, complementary offerings?
- o Does Better Future have the right talent/leadership and systems (e.g., HR, IT) in place?
- o What would it take to sustain scale in longer term, after the grant ends?

Atlanta's need for homelessness services
- o How many individuals experiencing homelessness are there in Atlanta by race, gender, etc.?
- o What are homelessness trends / estimates for next several years?
- o What is landscape of other orgs providing services?
- o What is the current unfilled need?

Funder interest
- o What is the agenda or expectation of the funder?

Question 1b: **Of these key issues, which would you suggest as a top priority for the Bridgespan team to explore first?**

This question is meant to elicit a brief response (i.e., 30 seconds or less)

Model answer: Any of the key issues could have rationale for prioritization. Candidate should propose a recommendation and include a succinct, sensible rationale.

Q2: Financial Estimates (~10 minutes)
This exercise aims to test clear communication; logical, focused approach to working through problems; nose for value; and comfort and facility with quantitative data

One of Better Future's offerings is its Holistic Housing Supports Program, which is staffed by full-time social workers who provide a range of supports for individuals experiencing homelessness (e.g., connections to employment training, substance abuse recovery, or mental health services). The Holistic Housing annual budget is $2M, and 75% of this budget is allocated to pay the social workers' salaries. The other 25% of the Holistic Housing annual budget is fixed costs like building rent and CEO time that we assume can stay fixed even as the program scales up. Bridgespan has been asked to estimate how much funding the Holistic Housing Supports Program would need in order to serve the entire homeless population in Atlanta.

Question 2a: **What data would you need in order to estimate the total budget for Holistic Housing in this future scenario?**

Model answer: Three key pieces of information are needed:

A: Number of social workers currently on staff
- o Alternative answer: Average salary of social workers on staff

B: Number of clients per social worker

C: Size of homeless population in Atlanta

With this information, we can then calculate how many social workers are needed to serve all of Atlanta's homeless population, and how much it will cost.

Great, your Bridgespan team has gone ahead and collected the following information:

There are currently 30 social workers on staff
These social workers each serve 20 clients
Atlanta's homeless population is estimated at 2,000 people

Additional minor assumptions that can be shared if interviewee asks:

"Salaries" consist of social workers' fully-loaded costs
All social workers on staff are currently working at full capacity
As a first order approximation for this estimate, assume a constant homeless population in Atlanta over time
The salaries and caseload for social workers is the same at scale (i.e., there are no efficiencies of scale)

Question 2b: How large would the Holistic Housing budget need to be to serve Atlanta's entire homeless population?

Model answer: One approach to calculate the right answer is as follows --

Step 1: Calculate budget allocated to social worker salaries
- o = Total Holistic Housing budget x Percentage of budget allocated to social worker salaries
- o = $2M x 75%
- o = $1.5M

Step 2: Calculate salary per social worker
- o = Budget allocated to social workers / Number of current social workers
- o = $1.5M / 30
- o = $50K

Step 3: Calculate number of future social workers needed
- o = # of homeless individuals / Number of clients per social worker
- o = 2,000 / 20
- o = 100

Step 4: Calculate future budget allocated to social worker salaries
- o = Salary per social worker x Number of future social workers needed
- o = $50K x 100
- o = $5M

Step 5: Calculate future budget of Holistic Housing
- o = Future budget allocated to social workers + Fixed cost of Holistic Housing
- o = $5M + ($2M * 25%)
- o = **$5.5M**

A model answer will also share implications of their answer, such as: Given the current Holistic Housing budget of $2M, this would mean an increased annual budget of $3.5M. As such, this would require funneling about half the gift of $30M over 4 years to the expansion of Holistic Housing.

Q3: Impact assessment (~7 minutes)
This exercise aims to test clear communication; reasonable conclusions; logical, focused approach to working through problems; and racial equity lens

To help assess whether Better Future should expand the Holistic Housing Supports Program, the Bridgespan team is aiming to better understand this program's impact over the last several years.

Question 3a: What additional steps would you take to understand the impact of Better Future's programs?

Model answer:

First, align on how impact should be defined; considerations might include:
- o Tracking outcomes vs. outputs
- o Aligning on definition of success (e.g., stable housing, employment, improved health/wellbeing)
- o Aligning on time horizon (e.g., outcomes during program, outcomes after 3 years)

Second, determine the approach / tools to measure this impact; considerations might include:
- o Tracking impact at population vs. individual level
- o Using surveys vs. interviews vs. programmatic data (e.g., session attendance rates)
- o Experimental design options (RCT, pre/post, etc.)

Third, enable processes to collect / track data across key demographics (e.g., race, age, gender)

With data in hand, the Bridgespan team has found that homeless individuals of color are less likely than whites to have found stable housing two years after initially participating in Holistic Housing.

Question 3b: What are some potential explanations for this discrepancy?

If interviewee asks: The team has confidence in the data's accuracy; data is statistically significant, rigorously collected, etc.

Model answers would consider a variety of explanations through a thoughtful, nuanced perspective. More specifically, model answers might include reflections related to both of the following high-level explanations:

1. The Holistic Housing Supports Program might be delivered in ways that better serve needs of white people vs. people of color. For example, each step in program delivery could have some implicit bias:
   - o Outreach might be through channels that disproportionately reach white people
   - o Better Future might not be as adept at engaging with people of color, especially if most of Holistic Housing social workers are white
   - o When Better Future refers people to partners, the engagement issue could again arise
   - o As participants exit the program, ongoing engagement with people of color might again not be as robust, reducing the likelihood of continuation of services when needed
2. There might be factors in society that explain / contribute to these disparities. For example:
   - o Housing discrimination, through which people of color are excluded from home ownership and discriminated against by landlords
   - o Employment discrimination, which undermines financial and housing stability
   - o Racially biased criminal justice system
   - o General institutionalized racism in our society [probe further given how general this is]

Question 3c: What implications might this data about racial discrepancies have for Better Futures as the organization considers its plans for growth?

Model answer might include suggestions related to **performing analyses** and/or **adjusting programming:**

Better Futures may want to **perform analyses** to get smarter about the root cause of this discrepancy, e.g.:
- o Assess different components of Holistic Housing using racial equity lens

- o   Get smarter about broader network of supports in Atlanta and the ways in which they might disproportionately serve white people vs. people of color – specifically Atlanta's sizeable Black population
- **Adjust programming** at Better Futures, e.g.:
  - o   Consider adjusting the Holistic Housing to more effectively serve needs of people of color
  - o   Introduce additional offerings beyond Holistic Housing that are more tailored to serve needs of people of color

Q4: Looking ahead and thinking big (~2 minutes)
This exercise aims to test clear communication; reasonable conclusions; and nose for value

Great, thank you for that analysis on Holistic Housing Supports. In addition to potentially growing Holistic Housing, Better Future wants to "think big" in considering other opportunities for future growth to further the organization's impact.

Question 4: What additional opportunities might Better Future want to consider to reach greater impact?

If they ask, Better Future does have other programs (including but not exclusive to a teen drop-in center; emergency shelter; a limited number of supportive housing slots) and does some limited advocacy work. These programs are currently much smaller portions of the organization's budget.

Model answer would brainstorm opportunities across a number of different themes, such as:

    Advocacy (e.g., to increase stock of publically funded/subsidized affordable housing)
    Additional direct services for homeless individuals (e.g., provide meals, offer safe and affordable housing)
    Partnerships (e.g., to increase collaboration among social service providers to better support homeless individuals)

Model answer may also weave in insights gathered from information shared previously (e.g., XYZ opportunity may help close the racial disparities gap, ABC opportunity could likely only be funded using up to $7.5M annually for the next four years)

Q5: Synthesis (~1 minute)
This exercise aims to test clear communication; reasonable conclusions; and nose for value

Question 5: Final question – you are now partway through the case and the Bridgespan partner stops by to ask for your current recommendation on the right course of action for Better Future; how would you respond in just a few sentences?

 Model answer should refer back to the central case questions:

    Should Better Future pursue this new funding opportunity?
    And if so, how should Better Future plan to use this revenue to have the greatest impact towards ending chronic homelessness in Atlanta?

One model answer could be as follows:

Our current recommendation is to pursue the new funding opportunity, as we believe Better Future could have a significant impact on homelessness in Atlanta with this funding.

Our team is currently considering options for how Better Future could best utilize the funding, including to expand the Holistic Housing Supports Program and also to establish an advocacy arm that aims to increase public funding for affordable housing. Analysis is still needed to determine which of these options would ultimately have the greater impact towards ending chronic homelessness.

Additionally, an open question remains about whether Better Future has the capacity to absorb an average of $7.5M over 4 years, which would more than double the organization's size. We may want to recommend a plan that phases in new funding more gradually for the first couple of years, to help Better Future prepare for a more rapid phase of growth in years three and four.

If candidates ask what really happened, you can note that this is based off of an amalgam of cases, so there is no "real ending".