

Assessment of Bank of America Charitable Foundation's Neighborhood Builders Program: Executive Summary

The Bridgespan Group,
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Executive Summary

The Bridgespan Group, an advisory firm to nonprofit and philanthropic organizations, conducted an impact evaluation of the Bank of America Charitable Foundation's Neighborhood Builders® program. Neighborhood Builders is a philanthropic initiative to enhance the nonprofit sector by providing leadership training and unrestricted funding to high-potential nonprofits in 45 communities. Since its inception in 2004, the Neighborhood Builders program has trained nearly 1,200 leaders in nearly 600 community-based organizations that provide critical support to predominantly low and moderate income individuals. The program represents the nation's largest philanthropic investment in nonprofit leadership development – approximately two and a half times the size of the next largest. It is the third-largest investment in terms of number of leaders reached¹.

Why Leadership Matters

Bridgespan believes the case for leadership development is strong. Research from our colleagues at Bain and Company indicates that corporate leaders who create a powerful vision, set and align their organization around priorities, and motivate their people to achieve them, consistently outperform other organizations and achieve superior shareholder returns. While the nonprofit sector lacks a common measure of return, Bridgespan has observed in our work with hundreds of clients that those organizations with strong leaders achieve greater impact for beneficiaries.

Developing nonprofit leaders is not just a luxury for large or well-funded nonprofits; it is a necessity for the entire sector. Indeed, Bridgespan research in 2006² indicated the nonprofit sector would need to add 640,000 new senior leaders— the equivalent of 2.4 times the number currently employed— over the next decade. Investing in leadership capacity was one of three key levers identified to address the looming deficit.

Unfortunately, not enough has been done to evaluate what *types* of investment can have an impact in the development of nonprofit leaders. Nearly a decade ago, the Kellogg Foundation's seminal report on leadership development³ noted that despite the “explosion of leadership programs in communities and fields ... there are still no known well-developed theories of leadership development that are grounded in what is being learned through program evaluation.” Of the 55 programs it studied, few had formally tried to study the link between activities, short-term outcomes, long-term outcomes, and impact; our research suggests the situation today is much the same.

¹ Bridgespan researched leading nonprofit leadership development investments. Not included are programs requiring participants to pay. See Appendix IV for the full list.

² The Nonprofit Sector's Leadership Deficit. The Bridgespan Group. March 2006.

³ W.K. Kellogg Foundation, Evaluating Outcomes and Impacts: A Scan of 55 Leadership Development Programs, August 2002

What Our Research Found

The Bank of America Neighborhood Builders program combines a set of unique elements: rigorously selecting community-based organizations through local committees of leaders, pairing leadership training with a meaningful unrestricted grant, training both the executive director and an emerging leader, and fostering relationships within a network that has grown to 1,200 nonprofit leaders. Our evaluation of the program suggests a strong link between what the program does (its inputs and activities) and its impact on leaders, organizations and communities (intermediate and ultimate outcomes). We found that the Neighborhood Builders training has helped nonprofit leaders grow as individuals and become more effective leaders. The gains are especially pronounced for Emerging Leaders, a group that few other programs target but one that is

key to addressing the sector's leadership deficit. The training and award enabled Builder organizations to improve capacity in critical areas. And ultimately, residents of the communities where these organizations are located benefited from growth in program reach and impact. (Please see sidebar to the right for highlights of what we found).

The gains in leadership and organization capacity reported by leaders have increased over time; it appears this is the result of changes made in response to participant feedback. Though the program's scale in each community (to date, 12-14 organizations per local market) is too small to dramatically change communities, the deep local reach of Builder organizations and their leaders, combined with Bank of America's commitment to maintain the program's size during the downturn, suggest the program is making a real contribution to the 45 communities it serves. Finally, our evaluation suggests ways Bank of America can increase its impact both through program improvements, and on-going work with the large and growing number of Neighborhood Builders alumni organizations and leaders.

The remainder of the Executive Summary, and the full report, share the history of the program, its theory of change, how the program was evaluated, what the research found, and how the program can further improve impact. We believe the findings hold important lessons for other nonprofit leadership programs.

How the Neighborhood Builders Program Improves Communities: What We Found

- **Training is provided to build leadership skills in community-based organizations**
 - **89%** leaders gain valuable knowledge and skills
 - **72%** report aspirations and expectations changed
 - **67%** develop valuable relationships
- **\$200,000 unrestricted award builds capacity**
 - **88%** report improved organization capacity
 - **91%** use Award to leverage other funds
- **Consequently, these organizations better serve their communities**
 - **92%** increased or enhanced program impact
 - **85%** become more effective community leaders
 - **80%** reach more people/organizations
 - Leaders reach, on average, **22** other community-based institutions through board service, mentorships, or other means

The Bank of America's Neighborhood Builders Program

The Neighborhood Builders program is the largest component of Bank of America's signature philanthropic investment, the Neighborhood Excellence Initiative® (NEI), which supports nonprofit organizations and leaders who dedicate themselves to revitalizing and strengthening their communities. By the end of this year, Bank of America will have committed more than \$150 million through NEI to help these nonprofits improve communities across the United States.

The Neighborhood Builders program provides \$200,000 of unrestricted funding to local, high-potential nonprofit organizations, supplemented by leadership development training for their Executive Directors (ED) and an "Emerging Leaders" (EL) within the same organization. With a nationwide scope, Neighborhood Builders has engaged nearly 600 organizations working in 45 communities; collectively, the Builder organizations that have submitted data to Bank of America⁴ have provided services to 11 million predominantly low- and moderate-income individuals in their communities. Ultimately, Bank of America would like to see these 45 communities become more vibrant places to live and work, creating improved business environments for Bank of America.

Bank of America created the Neighborhood Builders program in 2004 in response to challenges facing the nonprofit sector. Through research with community stakeholders, it identified unrestricted operating support as an opportunity to provide nonprofits with funding for what is most needed, rather than funding restricted to a particular program or project. In addition, Bank of America sought to address the anticipated nonprofit leadership deficit, as senior executives retire and new leaders are needed to step into these roles.

Bank of America collects data annually on the program and has used this information to make a number of changes to improve its impact. Until now there has never been a multi-cohort, third-party study of the impact of the Neighborhood Builders program against its theory of change.

Research Goals and Design

Bank of America asked Bridgespan⁵ to: (1) Assess the overall impact of the Neighborhood Builders program on leaders, organizations, and communities since its inception, (2) Test each component of the program's theory of change, and (3) Identify ways to enhance the program's impact.

Our research, conducted in the first half of 2011, used a "mixed-method" design that included quantitative and qualitative assessment across a subset of the communities served to test whether the theory of

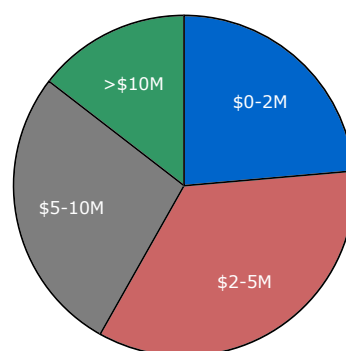
⁴ Roughly 250 of the nearly 600 organizations have submitted this beneficiary data.

⁵ The Research Goals and Design section of the full report describes in detail Bridgespan's prior relationship and work with the Bank of America Charitable Foundation.

change worked (that is, whether the program was implemented as designed and whether the program has achieved the outcomes intended). A survey was sent to every organization that had completed the program (referred to as a Builder) in seven of Bank of America's priority communities⁶, with a response rate of 71 percent (N=119). We supplemented the survey with one-hour interviews of 77 current and former program participants, interviewing a leader from 79 percent of the 2004 to 2009 Builders in the seven communities. We also interviewed program stakeholders, including Bank of America's employees responsible for coordinating the program locally, Bank of America's local market presidents, and community members who served on local selection committees. Finally, we analyzed some of the data collected through the program's existing evaluation tools to supplement our analysis. Because our research was retrospective and did not include a direct comparison group, the outcomes we found cannot be statistically attributed solely to the Builders program.

On all characteristics analyzed (class year, community, leader type, size, sector), survey respondents were representative of the Builder alumni population as a whole. As shown to the right, over 85% of Builder organizations earn \$10M or less in annual revenue. Organizations provide services across a range of critical need areas, including affordable housing, education, youth development, health and human services, economic and workforce development, and arts and culture. Of the beneficiaries reached by Builder organizations, 91 percent are low or moderate income.

Size of Builder organizations



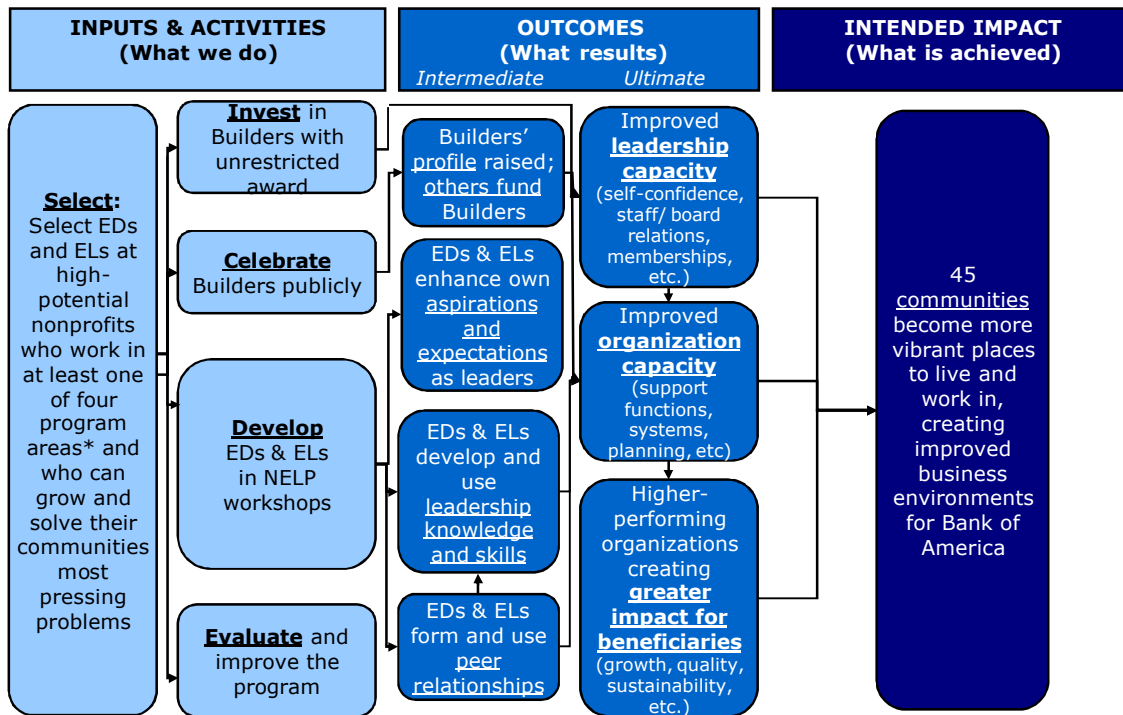
n=55
Represents total revenues reported on the organization's 990 Form in the year 2010

The Neighborhood Builders Program Theory of Change

Nonprofit leadership development programs often define success as the extent to which their theory of change is leading to the program's intended outcomes. Rigorous theories of change identify, at a very detailed level, who the participants are, what program elements they receive, what they gain from the program, how they apply it, and what happens as a result. Such a detailed theory of change provides useful scaffolding for evaluating programs. Shown below is the detailed theory of change for the Neighborhood Builders program.

⁶ The seven communities studied were: San Francisco, Los Angeles, Chicago, Greater Washington (D.C. area), Boston, Charlotte, and New York City

Neighborhood Builder's theory of change



* Community development, health and human services, education and youth development, arts and culture

This evaluation focused most heavily at the left hand (inputs and activities) and middle (outcomes) sections of the program's theory of change. It was beyond the scope of our research to *directly* measure the right-hand side (intended impact on the community), though the surveys and interviews have enabled us to collect and consider information from nonprofit leaders as to their assessment of this impact.

Results of the Impact Evaluation

Overall, our research indicates that the Neighborhood Builders program is having a strong, positive impact on the leaders and organizations that have had the opportunity to participate – and through them, on the individuals and communities they serve. Leaders indicated the program had a strong impact on their leadership capacity (through improved aspirations, knowledge/skills, and relationships), the award had a meaningful impact on their organizations' results, and the program helped to raise their profiles with other funders and more generally in their communities. Interviews with leaders did not suggest alternative causes for the improvements in leadership capacity they experienced. The high percentages of leaders who reported such changes appear equal to or better than changes reported by peer programs (though this is directional at best given the challenges of comparing different programs)⁷.

⁷ The full report provides an explanation of how we compared the outcomes from this study with the only two published evaluation studies of leadership development programs we could find, both conducted by OMG Center for Collaborative Learning. The studies were conducted on: Rockefeller Foundation's Next Generation Leadership Program and Annie E. Casey Foundation's Children and Family Fellowship Program

The following provides highlights of our research, organized around the theory of change components:

Inputs and Activities: These are the key activities Bank of America undertakes to operate the Neighborhood Builders program:

Select EDs and ELs at high-potential nonprofits with ability to grow and solve their communities' most pressing problems: Since the program started in 2004, Bank of America has selected nearly 600 organizations and 1,200 leaders across 45 communities. Selection committee members identified the process as rigorous; one called it “strategic and sophisticated” and “designed to select the real anchor institutions in our neighborhood.”

Invest in Builders with a \$200,000 unrestricted award given over two years: By the end of this year, Bank of America will have provided roughly \$117 million in unrestricted two-year funding to the Builder organizations. The unrestricted award makes a meaningful difference to Builder organizations; for 95 percent of them, the award represented one of the top three largest unrestricted awards in the two-year period. Leaders (97 percent) also highly valued the unrestricted nature of the award, citing the flexibility this gives leaders to sustain or grow their organization depending on the economic environment. Approximately two-thirds of organizations used the award primarily for non-program purposes (to build infrastructure, as capital for innovation or growth, or for another non-program purpose such as building operating reserves); a third used the award primarily for funding ongoing programs (a proportion that has increased in the recent downturn). Finally, the award serves as an important ‘draw’ for applications from Builder organizations: a majority of the leaders interviewed said they would not have applied had the program consisted only of the training (as they were unaware at the time how valuable the training would be).

“[Unrestricted funding] is such a rare grant to get ... such an anomaly ... it made managing the organization and thinking about the mission of the organization actually possible.” *Executive Director*

Celebrate Builders through an award ceremony and media mentions: Awards ceremonies are held in all 45 communities, and the awardees are publicized both nationally and locally. One hundred percent of Builders had at least one representative at the ceremony, and three-quarters identify having received “media mentions” related to the ceremony and receipt of the award.

“The ability to get away from the day-to-day demands of running a nonprofit organization and to focus on leadership with colleagues, using top-notch trainers, is a gift that you can't put a price tag on.” *Executive Director*

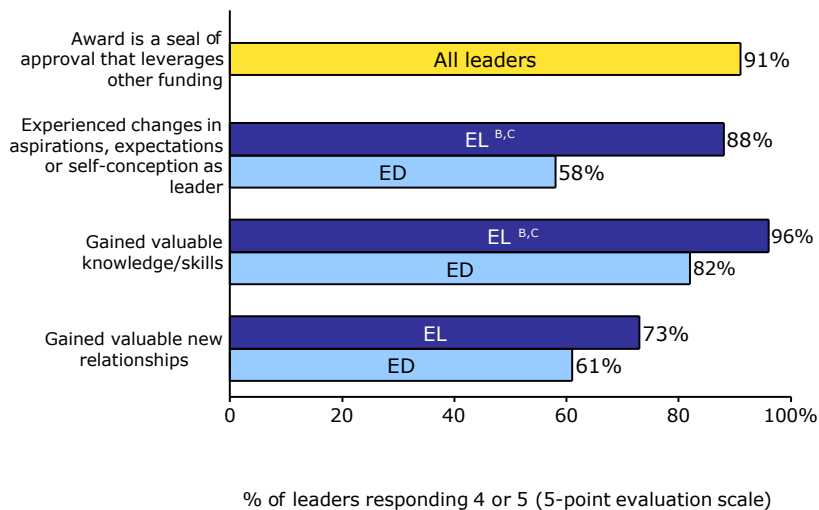
Develop EDs and ELs through four leadership training workshops delivered over one year: Since 2005, EDs have had the opportunity to participate in two, three-day Neighborhood Excellence Leadership Program (NELP) workshops, and ELs have had the opportunity to participate in

three, three-day workshops, one of which combines both EDs and ELs⁸. The NELP workshops are conducted by The Center for Leadership Innovation. Builder leaders identify the workshops as highly unique in their focus purely on leadership, their inclusion of both the ED and EL, the creation of a safe and trusting environment (given the participation of leaders primarily outside of one’s local community), and the ample breaks between the three-day workshops to apply what was learned. Though strides have been made to make the program highly interactive, action-oriented, and experiential, Builder leaders suggested a few areas for ongoing improvement.

Evaluate the Builders’ success to understand impact and improve the program: Bank of America collects data from each class of Builders in the first year of the award through awardee summaries, conference feedback, and a qualitative survey, along with another more extensive survey at the end of the two-year award period. Bridgespan’s evaluation is an attempt to take a deeper look at impact and how the program might be improved.

Intermediate outcomes: These are the outcomes expected to emerge directly from the program, and some key results from our research in regard to them.

Intermediate outcomes from the Builders program



n=114
 B: difference is significant at the 95% level on CHAID analysis
 C: difference is significant at the 95% significant level on standard T-test

⁸ In the first two years of the program, EDs participated in three, threeday workshops; ELs in two, three-day workshops. A switch was made based on feedback that suggested ELs benefited more from the training and had fewer outside opportunities.

Builders' profiles are raised and they are able to leverage other funding: Efforts to celebrate Builders publicly in the media have been successful, and some Builders have been able to develop valuable connections in their communities as a result of the program. As mentioned, 76 percent of Builders reported that they benefitted from media mentions of the program, while a third reported benefitting from a connection made at the awards event. Builders (91 percent) see the award as a "seal of approval" to leverage other funding. On average they report that the \$200,000 award helps them obtain an additional \$400,000 from other funders.

"The Award was a real validation for us. It put us on the map. We highlighted the award on our website and in all of our ensuing grant proposals. Since that time, our organization has been seen as one of the top organizations in our field." *Executive Director*

"Up until coming here a few years ago, I always considered myself more of a professional than a leader; the leadership program helped me acknowledge and accept that I was a leader."

Emerging Leader

EDs and ELs enhance their own aspirations and expectations as leaders through the training: Seventy-two percent of leaders reported changes in their aspirations and expectation, with ELs (88 percent) more likely than EDs to report this outcome. In interviews, leaders (particularly ELs) described gains

in confidence leading to a change in how they perceived the upper limits of their career potential. Attendance at all workshops in the program is a predictor of success.

EDs and ELs develop and use leadership knowledge and skills when they return to their organizations:

The great majority of leaders surveyed (89 percent) reported gaining valuable knowledge and skills from the training; of those, 86 percent reported applying these new skills in their jobs, and of those, 92 percent reported an improvement in organizational results. ELs are more likely to report gaining and applying new knowledge than EDs. A striking example is in the area of leadership succession, which is a topic covered at the NELP workshops and also, according to an organization diagnostic survey Bridgespan has used over the past four years, the single biggest leadership challenge identified by nonprofits. The number of Builders with succession plans increased from 21 percent before the NELP training to 57 percent after it.

"There was this whole world out there of nonprofit management practices ... [Before NELP] we were the quintessential mom and pop grassroots organization, and now we are on a different playing field." *Executive Director*

“We developed strong peer relationships at this training, including one with another Chicago Builder who ended up advising us on our financial management, leading to a 40 percent reduction in our payroll services costs. Another Builder we met helped us design a new housing program.”

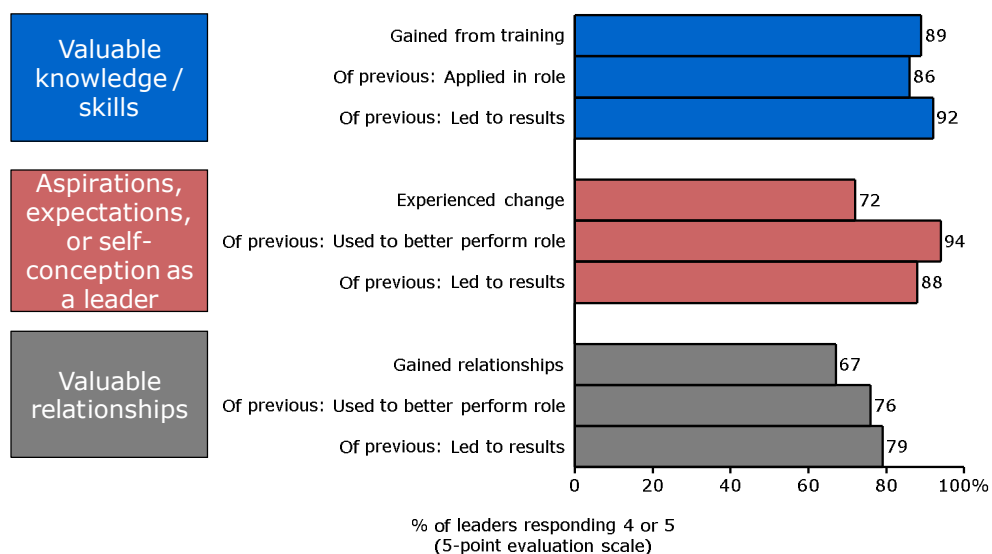
Emerging Leader

EDs and ELs form and use peer relationships after the training to continue to improve their organizations: Two-thirds of the leaders surveyed reported gaining valuable new relationships from their

participation; of those, 76 percent of leaders used new relationships to better perform their role and, of those, 79 percent reported an improvement in organizational results because of these relationships. On average, leaders have kept in touch with four peers from the program.

Across these outcome areas, our research indicates the program faces challenges similar to those of other leadership development programs in that initial gains from training are not always implemented and do not always lead to results. That said, as shown in the chart below, the “fall-off” is not very dramatic, suggesting the importance of first focusing on gains directly from the training (through ensuring leaders attend the full trainings, improving opportunities for peer interaction, and selecting leaders who will most benefit from the program). Bank of America might then focus on follow-up support that could increase the percent who apply the gains and the percent for which this leads to results.

Application of skills gained, changes experienced, and relationships gained from NELP

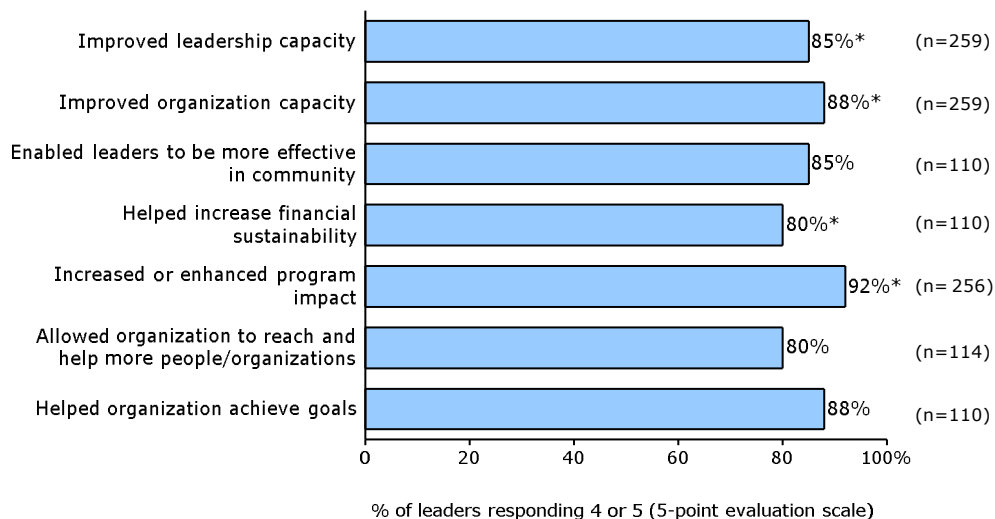


Note: Data is presented on a 'of those' basis. For example, 89% of leaders reported gains in knowledge/skills from training; of those 89%, 86% reported having applied those gains in their role

When leaders are able to apply their gains, organizational improvement generally results. For example, one EL told of learning how to do a “brutal facts” review of their programs, which helped the organization exit its “non-aligned” programs and eliminate its long-running deficits.

Ultimate Outcomes: The expected outcomes of the program (as a result of the expected gains in the intermediate outcomes reviewed above), and key research results are outlined in the following chart.

Ultimate outcomes from the Builders program



* Data comes from TCLI analysis and %s represent % of leaders responding "yes" (yes vs. no evaluation scale)

Improved leadership capacity, manifested in such attributes as increased self-confidence of leaders and improved staff and board relationships: 85 percent of leaders reported improved leadership capacity after the program, and 79% felt they had an improved ability to lead their specific organization as a result of the program. A higher percentage of ELs (85 percent) than EDs reported this latter improvement; we surmise this is related to another finding that ELs have significantly less exposure to high-quality leadership training opportunities than EDs.

Improved organization capacity, as manifested in such attributes as strengthened support functions and better systems: Both the survey and interview data indicated strong belief among Builders that the program's leadership training and unrestricted funding, taken together, improved the capacity of their organizations. Eighty-eight percent reported enhanced capacity, manifesting in a variety of ways. Over 50 percent of Builders cite each of the following areas of improved capacity: professional development, fundraising, strategic planning, and management systems. Smaller percentages report improved capacity in other areas.

Higher performing organizations creating greater impact for beneficiaries, manifested in such attributes as faster growth, higher quality services, and increased sustainability: Our research suggested the program contributed to Builders' results. Builders reported that the program helped their organization achieve its goals (88 percent), increase or enhance program impact (92 percent), increase financial sustainability (80

percent), and drive innovation (80 percent). Additionally, despite recent tough times for many nonprofits, all but one of the Builders remain in operation⁹.

Intended Impact: Forty-five communities become more vibrant places to live in and work: Bank of America is aware that its program alone cannot change communities, but it can positively contribute to them. Our research suggests the high-potential organizations selected (and the outcomes these organizations achieve as a result of the program) make a significant contribution to their communities. Of those reporting data, the Builders in aggregate reach over 11 million people. Participating EDs and ELs reach, on average 22 other organizations in their communities through such activities as board service, mentorships, or participating in coalitions. Many leaders reported sharing what they learned from the NELP workshops with these other organizations. Finally, Bank of America has grown the program and maintained its level of investment through the downturn, suggesting its contribution to the community may have increased over time.

Across these outcomes (and others discussed in the full report), there is an indication that the program works better for smaller organizations than for larger ones, and that results have improved for Builders and leaders over time. We also found some of the seven communities we surveyed showed stronger results than others, though this finding, too, is not statistically significant due to small sample sizes in each community. We hypothesize that this variation is due to differences in selection, since the program is delivered relatively consistently across communities.

Recommendations for Strengthening the Program and Enhancing Its Impact

Based on data and feedback from the surveys, interviews, and Bridgespan's own work in nonprofit leadership, we have identified several opportunities to strengthen the theory of change and the activities in the program to improve its impact. Among our recommendations (organized by the inputs and activities on the left-hand side of the theory of change diagram):

Select: Our research suggests that the benefits of the Neighborhood Builders award are greatest when organizations and leaders are poised for change. At such a moment, the program's unrestricted funding can help an organization build the infrastructure for change (and signal to other funders that the organization is worth investing in). The training provided by the program also can help a leader find the tools and develop the skills needed to lead that change. Thus we would recommend the program refine selection criteria to focus on leaders and organizations who can credibly demonstrate in their applications that they will benefit from the leadership training and the unrestricted award.

⁹ According to a survey administered by the Bank in 2010, one Builder is no longer in operation, seven have merged into other entities, and the remainder are still operating as independent organizations

Invest: The \$200,000 in unrestricted funding has clearly been beneficial to Builders, and we recommend no changes in this component of the program. Even in larger communities, we found the award was meaningful in size and highly valued given the unrestricted and multi-year nature.

Celebrate and promote: Many leaders report that the Neighborhood Builders award helps raise their organizational profile in the community and secure additional funding. Through awards ceremonies and media coverage, Bank of America already promotes Builders in their communities. We suggest adding “promote” to the overall theory of change and adding two new activities to help Builders reap maximum benefit from the award: introduce Builders to other potential funders and provide guidance, training, and tools to Builders on how to use the award to more effectively market their organizations.

Develop: Our research did not indicate a need for major modifications in the program’s training component. Leaders report high satisfaction with the structure, content, and delivery of the workshops. However, in some areas there is a gap between what is learned in training and what is applied back on the job — suggesting that the program could strengthen its impact by providing more follow-up support. In interviews, leaders expressed interest in two kinds of post-training follow-up: accountability for implementation and further training.

1. Bank of America could provide a more structured way for leaders to report back and share what they have accomplished post-training. It could hold Builders accountable for implementing learning through post-workshop meetings or other means. Feedback from our research indicated that this also might help Builders more effectively use what they learned to improve organizational performance.
2. Leaders would benefit from more follow-on training on key topics. This would address the concern that while they gain a lot from the program, they do not consistently apply what they learned, especially over the longer run.

“I think follow-up support from Bank of America would have helped me implement new knowledge and skills more successfully. Peer accountability, Bank of America enforcement, and additional training would be helpful in ensuring more accountability toward implementation.”

Executive Director

Sustain: On-going learning opportunities for all leaders (regardless of when they’ve completed the program) enhances the likelihood that the desired outcomes and overall intended impact will be achieved. Therefore, we recommend adding “sustain” to the overall theory of change and several additional activities (over and above peer networks) that can support ongoing learning. These could include:

1. Improving Builder access to Bank of America’s current webinar series for nonprofits.
2. Bank of America could create national and local peer networks to support continuing learning and knowledge sharing among Builders. Peer networks could provide a powerful opportunity to

reinforce workshops and increase their ongoing impact on leaders and organizations. Leaders expressed a desire for national network tools that would enable them to find, interact with, and access resources from other Builders working on (or expert in) related issues. Leaders we interviewed also emphasized the importance of local, face-to-face connections with their peers — making local networks that discuss leadership issues beneficial as well.

3. Creating and disseminating knowledge through the peer networks that informs Builders as well as other nonprofits and practitioners.
4. Encouraging more Bank of America employees to engage in skills-based volunteerism at Builder organizations, especially in the areas of board memberships and financial literacy training (which were specifically identified by Builders as highly desirable areas). Employee volunteerism is widely encouraged at Bank of America, and with no program-wide effort to specifically target Builders for such opportunities, we found that 79 percent of Builders nonetheless report that Bank of America employees have volunteered at their organizations (though only one-third of this was skills-based in nature).

Evaluate: Bank of America should consider improvements in its measurement process to better track long-term impact. While Bank of America collects a significant amount of data during the two-year award period, the current measurement process could be strengthened by:

1. Delaying the survey conducted at the end of the award period by one year, allowing Bank of America to get deeper insight into what happens to leaders and organizations after the program is over, particularly if it adds "follow-on services."
2. Planning for the next multi-cohort, third-party evaluation several years from now. We believe this study has contributed to a sharper picture of how the Neighborhood Builders program operates, what is working well, and what could be improved. By planning for the next such evaluation further in advance, Bank of America has an opportunity to improve the rigor of the research design and, therefore, more confidently attribute the outcomes it is seeing to the Builders program. It can also explore new potential areas of impact, such as in changing career trajectories and seeing if financial performance (e.g., revenue growth) is improved as a result of the program.

Potential Lessons for the Field

Over seven years, Bank of America has made a significant investment in the Neighborhood Builders program. Our research suggests this investment has made a real difference for participating leaders and organizations, and by extension, their beneficiaries and communities. We believe the research findings and recommendations provide eight key lessons for others who are working to develop leaders, build organization capacity, and improve communities.

- Developing leaders highly-connected in a community multiplies the impact of a leadership program in that community.** Though a single program of the Neighborhood Builders’ size cannot change a community, the program contributes positively to its communities by providing high-quality leadership training that targets leaders who are highly connected at a local level. Our research found these leaders reach an average of 22 (median of 12) other organizations in their communities – through board service, mentorships, participating in coalitions, or other means. Many leaders reported sharing what they learned from the NELP workshops with these other organizations, and 85% reported the program helped them to become more effective leaders in their communities.

What Lessons Are There for Other Nonprofit Leadership Development Programs?

- **Developing leaders highly-connected in a community** multiplies the impact of a leadership program in that community
- **Rigorous selection** is a must to maximize the return-on-investment from training
- **Pairing training and funding** is far more likely to build organization capacity and enhance results than training alone
- **Unrestricted funding** that trusts leaders to direct how funds are invested is rare and highly valued
- **Linking training with follow-up support** helps leaders implement what they learn
- **National programs require a major and sustained investment** to reach the kind of scale where follow-up support can be delivered cost-effectively
- **Training both EDs and ELs** from an organization helps enable change and can be highly catalytic for ELs
- **Continuous measurement is critical** to improve the design and outcomes of a program

The potential for community impact is underlined by the 11 million predominantly low and moderate income individuals that Builder organizations report reaching. National leadership programs aiming to improve local communities can do so through careful selection of highly-connected leaders.

- Rigorous selection is a must to maximize the return-on-investment from training.** The Neighborhood Builders program benefits from a rigorous and strategic selection process that identifies nonprofits with the ability to grow and solve their communities’ most pressing needs. The program’s tight focus on a small number of issue areas, combined with a selection process led by local community leaders familiar with both the leading community-based organizations and the critical local issues, helps ensure that high-potential organizations are selected. The ideal selection process for a “local/national” program like Neighborhood Builders combines local knowledge with insights developed from measurement done at a national level. Such a program

is strongest when there is a shared understanding at the national and local levels about the type of leaders best able to benefit from the program.

- **Pairing training and funding is far more likely to build organization capacity and enhance results than training alone.** Builder leaders, particularly those at an inflection point, pointed to the importance of receiving both leadership training and funding in order to bring their organizations to the next level. Further, the prestige of the award served as a “seal of approval” that allowed the organizations to obtain an additional \$400,000, on average, from other funders. Leadership programs, particularly those serving nonprofit organizations under \$10 million in annual revenue, should consider pairing funding with training to provide leaders with the capital (and credibility to access other capital) that is needed to implement their strategies.
- **Unrestricted funding that trusts leaders to direct how funds are invested is rare and highly valued.** Bank of America’s program is unique in combining leadership training with unrestricted funding: 97 percent of Builder leaders reported that they highly valued the unrestricted nature of the award. In interviews, leaders emphasized how few of their other funders make multi-year, unrestricted grants. This was borne out by our finding that the Neighborhood Builders Award was among the three largest unrestricted grants for 95 percent of Builder organizations, including those in the nation’s three largest cities (New York, Los Angeles, and Chicago). It is also borne out in national data: research from the Grantmakers for Effective Organizations (GEO) finds that only 20% of grants in the United States are unrestricted. Leadership programs that pair training with funding should consider providing that funding unrestricted to enable leaders to meet critical needs.
- **Linking training with follow-up support helps leaders implement what they learn.** Builder leaders reported significant gains from the training, and many were able to apply those gains to benefit their organizations. However, they also believe that follow-up support (whether through more training, peer networks or progress reviews) would enhance their ability implement the lessons learned. Most peer leadership programs we studied that offered follow-up support describe this as a critical driver of impact.
- **National programs require a major and sustained investment to reach the kind of scale where follow-up support can be delivered cost-effectively.** Having trained nearly 1,200 leaders nationally (an average of 24 per community), Bank of America has the opportunity to offer follow-up support to a very large cadre of leaders and organizations at a comparatively small additional cost, through such strategies as peer networks. If they operate at sufficient scale, other leadership training programs may also be able to leverage the benefits of their initial investment through cost-effective follow-up activities.

- **Training both EDs and ELs from an organization helps enable change and can be highly catalytic for ELs.** The Builder program extends the benefit of leadership training beyond the typical participant (an organization's ED) to a 'next-in-line' Emerging Leader. Both EDs and ELs reported tremendous value in going through the program together, particularly the opportunity to align on vision, strategy, and priorities. Further, Emerging Leaders reported significantly greater changes than EDs in their aspirations/expectations, knowledge/skills, and ultimately their leadership capacity. Leadership programs should understand how powerful leadership training can be for these emerging leaders.
- **Continuous measurement is critical to improving the design and outcomes of a program.** Bank of America has been able to improve the Builders program over time by gathering feedback along the way, and using that feedback to implement key changes (such as the shift to providing more training to ELs and less to EDs). These changes have improved participant satisfaction with NELP, and more leaders have reported gains from the program over time. To maximize learning and strengthen impact, leadership programs should consider a combination of continuous internal measurement and periodic external evaluation.

These lessons emerged from research designed to assess whether the Neighborhood Builders program is achieving its desired outcomes. As such, they capture both the drivers of the program's success and some key opportunities to further its impact with modest additional investment and sustained commitment over time. We hope these lessons inspire others to make similar large-scale investments in leadership development.