

NEWS AND IDEAS

5 Strategies for Scaling Social Impact

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SOCIAL IMPACT EXCHANGE *Taking successful innovation to scale*

What does it mean to scale social impact? And why exactly is scaling important to the social change sector?

Those questions were the focus of the recent [Social Impact Exchange](#) conference on Scaling Impact in New York. In the opening plenary session, the Deputy Mayor of New York City, Stephen Goldsmith, pointed out that there are many ways that scaling can occur, and for the social change sector, the challenge of scaling goes beyond the traditional definition of growing in size.

Here are the scaling strategies of five organizations whose practices are paving the way for the expansion of the social impact movement:

1. Have clarity about your value-add

In addition to scaling its own organization, [Echoing Green](#) is in the unique position of being the catalyst for hundreds of other social enterprises and nonprofits to scale up.

At the conference, Echoing Green president Cheryl Dorsey said they do this by understanding the needs and concerns of the entrepreneurs they serve. (Echoing Green has [helped fund more than 500 social enterprises](#) since its founding in 1987).

Most recently, the organization has had to tune in to a new way of thinking about deal flow. Just a few years ago, Echoing Green fellows were almost all starting 501c3 organizations, but now the landscape has changed to be a mix of for-profit social enterprises, [B corporations](#), and hybrid entities. Dorsey said they've continued to educate themselves about the evolution of funding sources and models so they can guide the fellows to their next source of capital and help them build out individual funding models.

Echoing Green's scaling success also comes from their deep knowledge of the unique challenges of the entrepreneurial community. According to Dorsey, understanding the emotional pains of being an entrepreneur and having a level of tolerance for failure has been critical to supporting very early stage ideas, and nurturing them through different stages of scaling.

2. Scale laterally, by leveraging local resources

During a forum for mature scaling organizations, [The Parent-Child Home Program](#) stood out for its ability to scale in a cost-effective manner.

The Parent-Child Home Program aims to ensure that children from low-income households enter school prepared with the tools to succeed. Through one-on-one home visits, the program works with both parents and children to foster early literacy, encourage a language-rich environment, and increase the quality of parent-child interaction around educational activities.

In the past 15 years, the program has gone from averaging 55,000 home visits annually, to over 300,000 completed just this year. Executive Director Sarah Walzer explained that as a smaller organization (the national operating budget is \$1.2 million) with [localized services](#), they've been able to scale the program on multiple regional levels.

The program partners local, state, and regional agencies that are responsible for implementing the services in their geographic area. With guidance from the national office, each agency manages and trains its own site visitors and secures its own funding. The result has been a sense of empowerment that has spread laterally, rather than strictly from the top.



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3. Replicate what works

For Tom Luce, the CEO of the [National Math and Science Initiative \(NMSI\)](#), scaling hasn't come from reinventing the wheel, but by tweaking a system already in place to make it more effective: they identify existing educational programs with proven success rates in boosting math and science scores in public schools, and then provide the resources to replicate those programs on a national level.

Luce made the point that some schools in every state hit high standards, but the reason that success has stagnated is because our country has what he calls "pilot disease" -- too many pilot fires being lit, but no central heating and air conditioning. In an effort to centralize success, NMSI has taken a couple of those sparks and used them as fuel for a scaling strategy.

The result has been partnerships with the Advanced Placement Training and Incentive Program (APTIP) and The UTeach Institute. In just over two years of [working to scale those programs](#), NMSI has improved the math and science skills of approximately 65,000 high school students, and trained over 6,000 teachers to implement rigorous math and science courses. Passing scores in math, science, and English have increased 155 percent among minority students.

So for Luce, further success lies in the continued investment in and distribution of these proven models.

4. Focus on outcomes

Elisabeth Mason, CEO and co-founder of [Single Stop USA](#), an organization that is working to reduce the number of families living in poverty by connecting them to public benefits and financial resources, says that scaling an organization is a different issue from scaling outcomes. At Single Stop, Mason says they are in the business of scaling outcomes. She wants to create the tipping point that will put her organization out of business.

Single Stop works to fix a broken system. For the majority of Americans living in poverty, billions of dollars in resources and aid go unclaimed each year because families don't know about them, and because the pipeline for distribution is inadequate. Single Stop [focuses on a model of prevention](#), rather than intervention.

By working directly with families to not only allocate these benefits, but also show them how to claim them in the future, Single Stop is moving towards that tipping point where poor families will have sustained access to benefits. In the first five years of its operation, Single Stop USA has delivered \$2 billion in benefits for about a million households. Mason says scaling outcomes is all about being able to envision a different world. Her vision is one in which Single Stop no longer exists, and Mason has a 10-year plan to try to make that happen.

According to Mason, that tipping point will come only after a complete system change. And when that system change happens, it will be the ultimate embodiment of successful scaling.

5. Go against the grain

As the founder of [Self-Help](#), which has helped tens of thousands of Americans who have been shut out by traditional financial institutions to achieve home ownership, Martin Eakes has created longevity for his organization by embracing risk and shunning convention.

Eakes started Self-Help in 1980, and from the very beginning sought non-traditional solutions, which often put him in unpopular positions. But, Eakes says the risks he took have paved the path to scale for Self-Help.

One of those great risks was in deciding to lend to single African-American mothers. Eakes made \$100 million in home loans to single African-American mothers, and bet that every woman who could get a home would pay back their loan. Eakes was right; Self-Help did not have a single loss on those loans in 10 years.

In every stage of scaling the organization, Eakes continued to go against the view that there was too much home ownership in the US, and he fought strong financial forces with a vested interest in keeping the status quo.

To date, Self-Help has financed \$6 billion in home loans. They have 27 credit union branches in partnership with 35 financial institutions. Eakes' willingness to fight for home ownership also led to the nation's first anti-predatory mortgage lending law in 1999, and to the creation of the

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[Center for Responsible Lending](#) in 2003, a Self-Help affiliate that works to eliminate abusive financial practices. Holding strong to the mission, even in times of struggle, has led Self-Help to protect more than 30 million mortgage transactions in the US.

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